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Manual for Market Entry into Cable TV Business

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**Ministry of Public Management, Home Affairs,
Posts and Telecommunications
Japan**

Manual for Market Entry into Cable TV Business

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Preface

Approximately 40 years have passed since cable TV was inaugurated in Japan. In the intervening years, it has evolved from the initial age of retransmission service to the era of multichannel services involving the distribution of programs via satellite. Moreover, as a result of advances in fiber-optics and digitalization, and the many other technological innovations in recent years, cable TV is now able to provide full service, including not only broadcasting but also communications services, through the use of large-capacity, interactive facilities. Accordingly, cable TV is expected to evolve into a new core info-communications infrastructure over the coming years.

Many businesses are taking note of the future potential of cable TV, and Japan's cable TV market has attracted widespread interest both at home and abroad.

The Ministry of Public Management, Home Affairs, Posts and Telecommunications (MPHPT) has enacted a variety of promotional measures to support the diffusion of cable TV. In addition, along with the enactment of the Administrative Procedures Law, MPHPT also established and announced, in October 1994, examination standards and a standard processing period concerning applications for permission to install cable TV facilities.

Following up on those measures, this booklet has been created in accordance with the "Deregulation Action Program," as revised by a Cabinet decision made on March 29, 1996, for the purpose of further increasing the transparency of Japan's cable TV system. It summarizes the necessary procedures for entry into the cable TV business in Japan, particularly for those who wish to provide services by installing their own cable TV facilities.

Specifically, this booklet describes the procedures and documents to be submitted for obtaining permission to install cable TV facilities and for commencing cable TV service, along with the related laws and ordinances.

Excerpts of the Cable Television Broadcast Law and other related laws are appended for reference purposes only. English versions of the Cable Television Broadcast Law and related examination standards are available for further details.

MPHPT has been actively providing information in English on the state of Japan's telecommunications market and on policy trends. Besides publishing the biweekly "MPHPT News," which presents related policy trends, MPHPT also provides information on the Internet at: <http://www.soumu.go.jp>

This booklet should be helpful in understanding Japan's cable TV system.

I. Outline of Cable TV Business System

1. Cable Television Broadcast Law (CTB Law) and Wire Telecommunications Law (WT Law)

(1) Outline of the CTB Law and the WT Law

i) CTB Law

The CTB Law was enacted in 1972 as legislation for enforcing comprehensive regulation to ensure proper installation and operation of cable TV facilities and provision of service.

The CTB Law stipulates regulations concerning permission to install cable TV facilities, notification of service and other relevant subjects.

ii) WT Law

As a fundamental law pertaining to wire telecommunications, the WT Law applies to the regulation of all wire telecommunications equipment, including cable TV facilities.

Although there are few overlapping areas regulated by both the CTB Law and the WT Law, the former, as a special law, takes precedence in any overlapping areas. The WT Law, which is a general law, is applied to supplement the CTB Law.

Specifically, with regard to cable TV facilities having 500 or less drop terminals, for which permission is not required under the CTB Law, it is required under the provisions of the WT Law to notify the Minister of Public Management, Home Affairs, Posts and Telecommunications of any intent to install or change such wire telecommunications equipment. Moreover, the technical conditions specified in the WT Law also apply to cable television broadcasting facilities.

(2) Cable TV Administration Procedures under the CTB Law and the WT Law

The provisions of either the Cable Television Broadcast Law (CTB Law) or the Wire Telecommunications Law (WT Law) shall apply to the installation of cable TV facilities and their use to conduct cable TV service, depending on the scale of the facilities and the type of service involved.

These relations are summarized in the **following table**.

This booklet mainly describes the procedures for cases in which persons install and provide service through their own facilities having 501 or more drop terminals. The articles related to these procedures, including other cases, are summarized as follows:

a) Installation of cable TV facilities (Article 3 of the CTB Law)

Permission from the Minister of Public Management, Home Affairs, Posts and Telecommunications is required for the installation of cable TV facilities having 501 or more drop terminals. If the facility has 500 or less drop terminals, filing of a notification under the provisions of Article 3 of the WT Law is sufficient.

b) Provision of cable TV service (Article 12 of CTB Law)

Any person who intends to provide cable TV service must file with the Minister of Public Management, Home Affairs, Posts and Telecommunications a service commencement notification indicating the service area thereof, service details, etc. Such notification is separate from the permission or notification concerning the installation of facilities, and is required not only for those who install their own facilities but also for those who lease unused channels for the provision of programs.

c) Exemption from application of the CTB Law (Article 31 of CTB Law)

Scale of facilities		Facility aspects			Service aspects
		Permission for installation under the CTB Law	Notification of installation under the WT Law		Notification of service commencement, etc. under the CTB Law
			For installation in the same building or on the same premises	For cases other than those shown on the left	
501 or more drop terminals		R	N	N	R
51 to 500 drop terminals		N	N	R	R
Less than 50 drop terminals	Engaged in self-originated broadcasting	N	N	R	R
	Engaged in simultaneous retransmission only	N	N	R	N

Note: R: required; N: not required

The CTB Law was enacted to meet the specific characteristics of cable TV facilities, such as local monopolization, social utility, and social impact, etc. However, the cable TV mentioned in each item of Article 31 (Exemption from Application) of the CTB Law, including cable TV broadcasting carried out using facilities with 50 or less drop terminals (can be applied only to cable TV broadcasting for entirely simultaneous retransmission.), is exempted from application of this Law. It is deemed that there is no specific need for applying regulation as stipulated by the CTB Law, and that, on the contrary, excluding its application would be socially appropriate.

d) Exemption from notification obligation of the WT Law (Article 3 Paragraph (4) of the WT Law)

For cable TV facilities with 500 or less drop terminals, a notification of installation under the WT Law shall be submitted no later than two weeks prior to the day on which such installation work is to start. However, the facilities mentioned in each item under Article 3 Paragraph (4) of the WT Law, including facilities to be installed on the same premises or in the same building, are exempted from this notification obligation.

2. Outline of Procedures and Provisions Stipulated in the CTB Law

(1) Application for Permission to Install Facilities (Article 3 of the CTB Law)

If the facility has 501 or more drop terminals, an “Application Form for Permission to Install Cable Television Broadcasting Facilities” shall be submitted to the Minister of Public Management, Home Affairs, Posts and Telecommunications in accordance with the provisions of Article 3 Paragraph (2) of the CTB Law in order to obtain permission to install the facility.

The Minister of Public Management, Home Affairs, Posts and Telecommunications will examine each application and grant permission when it is deemed that the application conforms to the provisions under Article 4 (Permission Standards) of the CTB Law.

- * More specifically, concrete criteria for the “Permission Standards” are described in the “Examination Standards Regarding the Cable Television Broadcast Law” mentioned subsequently on page 18.

In accordance with the provisions of Article 4 Paragraph (2) of the CTB Law, the Minister of Public Management, Home Affairs, Posts and Telecommunications shall ask the opinion of the prefectures of the area when intending to make an administrative disposition on whether or not to grant permission to install cable TV facilities.

(2) Notification of Services (Article 12 of the CTB Law)

In the case of a licensee of cable TV facilities, following the completion of installation and prior to the commencement of service, a “Cable Television Broadcasting Service Commencement Notification” as stipulated in Article 27 of the Regulations for Enforcement of the CTB Law shall be submitted in accordance with the provisions of Article 12 of the CTB Law.

Persons who intend to provide cable TV service by leasing unused channels of other cable TV facilities shall also submit a “Cable Television Broadcasting Service Commencement Notification” prior to the commencement of their service.

(3) Notification of Tariff Concerning Service Charges (Article 15 of the CTB Law)

When a cable TV broadcaster collects a charge from users for the provision of cable TV service, the broadcaster shall, in advance, establish a tariff concerning the charges for said service and submit a notification thereof to the Minister of Public Management, Home Affairs, Posts and Telecommunications (excluding those engaged only in simultaneous retransmission using facilities with 50 or less drop terminals).

(4) Editing of Programs (Article 17 of the CTB Law)

In cases where cable TV broadcasters are engaged in self-edited broadcasting, program standards shall be established and made public, and a broadcast program consultative organization shall also be put in place.

(5) Obligation to Provide Facilities (Article 9 of the CTB Law)

When a licensee of cable TV facilities receives a request for the use of those facilities for the provision of service from a person who intends to engage in cable TV service, the licensee shall consent to the request in principle.

(6) Obligation to Provide Service (Article 16 of the CTB Law)

A cable TV broadcaster shall not refuse to provide service in its service area unless there is sufficient reason to do so.

(7) Consent for Retransmission (Article 13 Paragraph (2) of the CTB Law)

A cable TV broadcaster must not receive or retransmit television broadcasts, etc. without the consent of the broadcasters or broadcasters on telecommunications services. This does not apply, however, to cases of obligatory retransmission. The relation to copyright holders is regulated in accordance with the Copyright Law.

(8) Permission for Occupancy of Road Area and Consent for Utility Pole Attachment (Article 12-2 of the CTB Law and Article 27 Paragraph (2) of Regulations for Enforcement of the Law)

When submitting a notification of cable TV service, a copy of the written permission for occupancy of road area and a copy of the written consent for utility pole attachment must be appended to the notification form.

3. Other Related Laws, Ordinances and Procedures

In cases where the public road surface or the airspace above a public road is to be used to install cable TV facilities, permission of the road administrator for occupancy of road area is necessary in accordance with the provisions of the Roads Law. Moreover, in cases where construction or maintenance work is to be done on the road, permission of the chief of the police station having jurisdiction over the road is necessary in accordance with the provisions of the Road Traffic Law. Furthermore, in cases where the cable TV facilities must cross a river, permission of the river administrator is necessary under the provisions of the River Law.

As for the use of another person's property or utility poles, the necessary procedure for obtaining the respective consent of the owner of the property or utility poles must be taken.

II. Procedure for Obtaining Permission to Install Cable TV Facilities

1. Procedure for Obtaining Permission to Install Facilities

Cable Television Broadcast Law (Permission to Install Facilities)

- Article 3. (1) Any person who intends to install cable television broadcasting facilities and to provide cable television broadcasting service through said facilities shall obtain permission from the Minister of Public Management, Home Affairs, Posts and Telecommunications to install the facilities. This shall not apply, however, to cable television broadcasting facilities whose scale does not exceed the standard stipulated in the applicable ordinance of the Ministry of Public Management, Home Affairs, Posts and Telecommunications.
- (2) Any person who intends to obtain permission under the preceding paragraph shall file with the Minister of Public Management, Home Affairs, Posts and Telecommunications an application form describing the area where the facilities are to be installed and other installation plans, the frequency to be used, an outline of the cable television broadcasting facilities, and the other matters stipulated in the applicable ordinance of the Ministry of Public Management, Home Affairs, Posts and Telecommunications.
- (MPHPT ordinance: Articles 3 and 4 of the regulations for Enforcement of the Law)

Permission from the Minister of Public Management, Home Affairs, Posts and Telecommunications is required for the installation of cable TV facilities. Such permission is not necessary, however, for the installation of facilities having 500 or less drop terminals. (For facilities with 500 or less drop terminals, a notification of installation of wire telecommunications facilities shall be submitted in accordance with Article 3 of the WT Law.)

The following documents must be submitted when applying for permission to install facilities:

(1) Application form

- i) Items concerning the applicant
 - Name (in the case of a juridical person or an association, the name thereof and the name of the representative), address, officers, major investors, etc.
- ii) Reason for the necessity of installing facilities
- iii) Installation plan
 - Installation objective, installation areas, etc., locations of major facility installations.
- iv) Frequency to be used
 - The frequency to be used, bandwidths and modulation methods, purpose of use, and number of frequencies that can be used simultaneously.
- v) Outline of facilities
 - Scale of facilities, receiving antenna system, head-ends, self-originated broadcasting equipment, relay amplifiers, directional couplers, distribution amplifiers, tap-offs, branching filters, power supply equipment, protective devices, other equipment, lines, poles, system diagram, line voltage and power of communication lines.
- vi) Construction cost and installation cost
- vii) An estimate of business revenues and expenditures
- viii) Financial plan

- ix) Matters concerning the installation and maintenance of the facilities
- x) Outline of the wire telecommunications equipment to be connected to the facilities
- xi) Relation of the facilities to structures or roads, etc.
 - Distance from electric wires, relation to roads, exclusive use of roads, joint use of utility poles, etc.

(2) Attached documents

Maps, diagrams and reference materials related to the items described in the application form shall be attached to the application form as constituent parts.

2. Examination

The Minister of Public Management, Home Affairs, Posts and Telecommunications shall examine applications for permission to install cable TV facilities in accordance with the provisions in each item of Article 4 Paragraph (1) of the CTB Law (See page 14) and the “Examination Standards Regarding the Cable Television Broadcast Law,” and shall grant permission to install cable TV facilities when an application is deemed to conform to the applicable provisions and standards. The standards set out in each item of Article 4 Paragraph (1) of the CTB Law are provided below.

[Permission Standards]

- i) The plan for installing the cable television broadcasting facilities shall be reasonable, and also its implementation shall be feasible.
- ii) The cable television broadcasting facilities shall conform to the technical conditions stipulated in the applicable ordinance of the Ministry of Public Management, Home Affairs, Posts and Telecommunications.
- iii) The applicant shall possess the financial basis and technical capabilities sufficient for reliable installation and operation of the cable television broadcasting facilities.
- iv) In addition, installation of the cable television broadcasting facilities shall be necessary and suitable in the light of the natural, social and cultural circumstances of the area in question.

The Minister of Public Management, Home Affairs, Posts and Telecommunications, in accordance with Article 4 Paragraph (2) of the CTB Law, shall ask the opinion of the prefectures concerned when he intends to make an administrative disposition on whether or not to grant permission.

With regard to the examination conditions concerning permission for cable TV facilities, the Minister of Public Management, Home Affairs, Posts and Telecommunications established and publicly announced “Examination Standards Regarding the Cable Television Broadcast Law” in September 1994, based on the provisions of Article 5 of the Administrative Procedures Law (See page 18).

[Standard Processing Period]

The standard processing period refers to the standard length of time ordinarily required to process an application from its arrival at a government office until the administrative disposition of the application is determined (Article 6 of the Administrative Procedures Law). The standard processing period of applications for permission to install cable TV facilities is two months.

3. Obligation to Install Facilities

Any person who has received permission to install cable TV facilities shall install the facilities by the time limit specified by the Minister of Public Management, Home Affairs, Posts and Telecommunications as stated in the warrant of permission.

III. Procedure for Provision of Cable TV Service

1. Procedure for Provision of Cable TV Service

Cable Television Broadcast Law (Notification of Services)

Article 12. Any person who intends to become a cable television broadcaster shall submit to the Minister of Public Management, Home Affairs, Posts and Telecommunications a notification that indicates the service area of the cable television broadcasting, whether or not he has a retransmission service, and the other matters stipulated in the applicable ordinance of the Ministry of Public Management, Home Affairs, Posts and Telecommunications. The same shall apply when a cable television broadcaster intends to change any previously notified matters.

A cable TV broadcaster who has completed installation of his cable TV facilities and intends to commence cable TV service shall submit a notification of commencement of service in advance to the Minister of Public Management, Home Affairs, Posts and Telecommunications.

Persons who intend to engage in cable TV service by leasing unused channels of other cable TV facilities shall also submit this notification.

The following documents must be submitted when filing this notification:

(1) Notification form

- i) Name and address of the applicant and other matters pertaining to the applicant.
- ii) Facilities and frequency to be used.
- iii) Cable TV service.
- iv) Program editing standards, broadcast times and other matters pertaining to broadcast programs (limited to cases of self-edited broadcasting).
- v) An estimate of the number of persons contracting to receive service
- vi) The planned date for commencement of cable TV service.

(2) The following documents should be attached to the Notification Form:

- i) The articles of association (when the applicant is a juridical person), or the articles of an organization (when the applicant is a body other than a juridical person).
- ii) A copy of the written consent for retransmission of the broadcaster whose broadcasts are to be retransmitted (when they retransmit television broadcasts, FM broadcasts, etc.).
- iii) In the case of self-edited broadcasts:
 - The basic plan concerning the editing of broadcast programs when the broadcaster has such a plan.
 - A document stating the names, occupations and addresses of the members of the broadcast program consultative organization. Each member's written consent to accept an appointment to the organization should be attached to the document.
- iv) A copy of the written permission (hereinafter referred to as "permission for occupancy of road area") stipulated in Article 32 Paragraph (1) or Paragraph (3) of the Roads Law, which is necessary for installation of the cable TV facilities to be used, administrative dispositions based on other laws and ordinances, and copies of documents attesting to the actual consent of owners for joint use of utility poles, use of land, etc.

2. Procedure Concerning Tariff

[Notification of Tariff]

Any cable TV broadcaster who intends to collect charges from receivers shall establish a tariff in advance and submit a notification thereof to the Minister of Public Management, Home Affairs, Posts and Telecommunications (Article 15 of the CTB Law).

IV. Contact Points

MPHPT

1-2, Kasumigaseki 2-chome, Chiyoda-ku, Tokyo 100-8926 Japan

- International Policy Division of Telecommunications Bureau
<Division in charge of international policies at MPHPT>
Tel.: +81-3-5253-5920 Fax: +81-3-5253-5924
- Regional Broadcasting Division, Information and Communications Policy Bureau
<Department in charge of cable TV businesses in general>
Tel.: +81-3-5253-5810 Fax: +81-3-5253-5811

Regional Bureaus of Telecommunications

These bureaus act as the liaison concerning cable TV between MPHPT and the regional community.

- Hokkaido Regional Bureau of Telecommunications
Tel.: +81-11-709-2311 Fax: +81-11-708-5151
- Tohoku Regional Bureau of Telecommunications
Regional Broadcasting Division
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- Kanto Regional Bureau of Telecommunications
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- Shin-etsu Regional Bureau of Telecommunications
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Research Institute of Telecommunications and Economics, Japan (RITE)

RITE contributes to the development of Japan's economy, society, and culture, as well as to the improvement of living standards with surveys and research on the telecommunications and information communications industries. RITE is a nonprofit organization that acts as a contact point providing Japanese telecommunications-related information.

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V. Reference Materials

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2. Regulations for Enforcement of the Cable Television Broadcast Law (Excerpts) -----	17
3. Examination Standards Regarding the Cable Television Broadcast Law (Excerpts) -----	18
3. Others -----	20

1. Cable Television Broadcast Law (Excerpts)

(Purpose)

Article 1. The purpose of this law is to protect the interests of receivers of cable television broadcasts and also to foster the sound development of cable television broadcasting by ensuring proper installation of cable television broadcasting facilities and operation of service, and thereby to contribute to the promotion of public welfare.

(Permission to Install Facilities)

Article 3. (1) Any person who intends to install cable television broadcasting facilities and to provide cable television broadcasting service through said facilities shall obtain permission from the Minister of Public Management, Home Affairs, Posts and Telecommunications to install the facilities. This shall not apply, however, to cable television broadcasting facilities whose scale does not exceed the standard stipulated in the applicable ordinance of the Ministry of Public Management, Home Affairs, Posts and Telecommunications.

(2) Any person who intends to obtain permission under the preceding paragraph shall file with the Minister of Public Management, Home Affairs, Posts and Telecommunications an application form describing the area where the facilities are to be installed and other installation plans, the frequency to be used, an outline of the cable television broadcasting facilities, and the other matters stipulated in the applicable ordinance of the Ministry of Public Management, Home Affairs, Posts and Telecommunications.

(Permission Standards)

Article 4. (1) The Minister of Public Management, Home Affairs, Posts and Telecommunications shall grant permission under Paragraph (1) of the preceding Article if he determines that an application for permission under the same Paragraph conforms to each of the following items:

- i) The installation plan for the cable television broadcasting facilities shall be reasonable, and also its implementation shall be feasible.
- ii) The cable television broadcasting facilities shall conform to the technical conditions stipulated in the applicable ordinance of the Ministry of Public Management, Home Affairs, Posts and Telecommunications.
- iii) The applicant shall possess the financial basis and technical capabilities sufficient for reliable installation and operation of the cable television broadcasting facilities.
- iv) In addition, installation of the cable television broadcasting facilities shall be necessary and suitable in the light of the natural, social and cultural circumstances of the area in question.

- (2) The Minister of Public Management, Home Affairs, Posts and Telecommunications, in accordance with Paragraph (1) of the preceding Article, shall ask the opinion of the prefectures concerned when he intends to make an administrative disposition on whether or not to grant permission.

(Time Limit for Installation of Facilities)

Article 6. (1) A licensee for cable television broadcasting facilities shall install the cable television broadcasting facilities relating to the permission under Article 3 Paragraph (1) within the period specified by the Minister of Public Management, Home Affairs, Posts and Telecommunications for each classified area in which the facilities are to be installed.

- (2) (Omitted)
- (3) A licensee for cable television broadcasting facilities who has installed the cable television broadcasting facilities relating to the permission under Article 3 Paragraph (1) shall submit, without delay, a notification to that effect to the Minister of Public Management, Home Affairs, Posts and Telecommunications.

(Maintenance of Facilities)

Article 8. A licensee for cable television broadcasting facilities shall maintain his cable television broadcasting facilities relating to the permission under Article 3 Paragraph (1) in conformity with the technical conditions stipulated in Article 4 Paragraph (1) item ii) of the applicable ordinance of the Ministry of Public Management, Home Affairs, Posts and Telecommunications.

(Obligation to Provide Facilities)

Article 9. When a licensee for cable television broadcasting facilities receives a request for the use of his cable television broadcasting facilities relating to the permission in Article 3 Paragraph (1) for the provision of service from a person who intends to engage in cable television broadcasting service, the licensee shall accept the request, except in those cases stipulated by the applicable ordinance of the Ministry of Public Management, Home Affairs, Posts and Telecommunications.

(Notification of Services)

Article 12. Any person who intends to become a cable television broadcaster shall submit to the Minister of Public Management, Home Affairs, Posts and Telecommunications a notification which indicates the service area of the intended cable television broadcasting, whether or not there is a retransmission obligation, and any additional matters stipulated in the applicable ordinance of the Ministry of Public Management, Home Affairs, Posts and Telecommunications. The same shall apply when a cable television broadcaster intends to change any previously notified matters.

(Use of Cable Television Broadcasting Facilities)

Article 12-2. A cable television broadcaster shall not engage in cable television broadcasting using cable television broadcasting facilities installed without obtaining the necessary permissions for their installation under Article 32 Paragraph (1) or Paragraph (3) of the Roads Law (Law No. 180 of 1952) (including cases to which Article 91 Paragraph (2) of the same Law applies mutatis mutandis), or administrative dispositions based on other laws and ordinances, or which have been installed on another person's land, utility poles or other structures without the consent of the owner, etc.

(Retransmission)

Article 13. (1) (Omitted)

(2) A cable television broadcaster shall not receive and/or retransmit television broadcasting or television multiplex broadcasting (including entrusted broadcasting and broadcasting which is received and retransmitted by a person who has been granted a license for the radio relay broadcasting to eliminate receiving interference provided for in Article 5 Paragraph (5) of the Radio Law (Law No. 131 of 1950), the same shall apply hereinafter in this article), or broadcasting on telecommunications services without obtaining the consent of the broadcaster (excluding the facility supplying broadcasters stipulated in Article 2 item iii-4 of the Broadcast Law, the same shall apply hereafter in this Article) or broadcaster on telecommunications services (main broadcasters on telecommunications services under Article 2 Paragraph (3) of the Law Concerning Broadcast on Telecommunications Service. The same shall apply hereinafter in this article.). In accordance with the provisions in the preceding paragraph, this shall not apply, however, when a cable television broadcaster as the licensee for the cable television broadcasting facilities retransmits television broadcasting or television multiplex broadcasting.

(3) through (8) (Omitted)

(Notification of Tariff Concerning Service Charges)

Article 15. A cable television broadcaster, when collecting charges from receivers for cable television broadcasting service other than retransmission of the television broadcasting or multiplex television broadcasting as provided for in Article 13 Paragraph (1), shall establish in advance a tariff concerning charges for the service and submit a notification thereof to the Minister of Public Management, Home Affairs, Posts and Telecommunications. The same shall apply when the tariff is to be amended.

(Obligation to Provide Service)

Article 16. A cable television broadcaster shall not refuse to provide cable television broadcasting service in his service area unless there is a sufficient reason to do so.

(Mutatis Mutandis Application of the Broadcast Law)

Article 17. The provisions of Article 3, Article 3-2 Paragraphs (1) and (4), Article 3-3 through Article 4, Article 51 and Article 52 of the Broadcast Law shall apply *mutatis mutandis* to cable television broadcasting (except the cable television broadcasting in which the television broadcasts or television multiplex broadcasts of broadcasters are received, all these broadcast programs thereof are retransmitted intact and simultaneously).

In this case:

“the broadcasting of items related to economic and market trends, natural events, sporting news, and other items provided for by the Ordinance of the Ministry of Public Management, Home Affairs, Posts and Telecommunications, or the broadcasting for extraordinary and temporary purposes (limited to those provided for by the Ordinance of the Ministry of Public Management, Home Affairs, Posts and Telecommunications)” in Article 3-5 of the same law shall be read as “the cable television broadcasting of items related to economic and market trends, natural events, sporting news, and other items provided for by the Ordinance of the Ministry of Public Management, Home Affairs, Posts and Telecommunications”;

“seven committee members (except a broadcast program consultative organization for a private broadcaster conducting exclusive multiplex broadcasting which shall consist of committee members less than seven in accordance with the provisions of the Ordinance of the Ministry of Public Management, Home Affairs, Posts and Telecommunications)” in Article 51 Paragraph (1) of the same law shall be read as “seven committee members”;

“the service area of the broadcast station (which means the service area mentioned in Article 14

Paragraph (3) item iii) of the Radio Law: hereinafter the same) or the service area of a facility-supplying broadcast (hereinafter referred to as “service area” in this paragraph)” in the same Article Paragraph (3) shall be read as “the service area.”

(Consultation with Council)

Article 26-2. The Minister of Public Management, Home Affairs, Posts and Telecommunications shall consult with councils, etc. (those prescribed in Article 8 of the National Government Organization Law [Law No. 120 of 1948]) stipulated in the applicable cabinet order (hereinafter referred to as the “councils, etc.”) in cases falling under any of the following items. This shall not apply, however, to such matters as said councils, etc. deems to be minor.

- i) When the Minister intends to make an administrative disposition concerning an application under Article 3 Paragraph (1) or Article 14 Paragraph (1) or an administrative disposition in accordance with the provisions of Article 25.
- ii) through v) (Omitted)

2. Regulations for Enforcement of the Cable Television Broadcast Law (Excerpts)

(Facility Scale Standard)

Article 3. (1) The scale of a facility under the provisions of the proviso of Article 3 Paragraph (1) of the Law shall be determined by the number of drop terminals. The standard thereof shall be 500 drop terminals.

(2) and (3) (Omitted)

(Cases Not Requiring Lease of Facilities)

Article 12. Those cases that do not require consent to a request for use of facilities under the provisions of Article 9 of the Law shall be as follows:

- i) When all of the frequencies of the facility which can be used simultaneously are already being used, or it is certain that they will be used within one year’s time.
- ii) When it is technically difficult to improve the facilities in order to accommodate the applicant’s method of use.
- iii) When the applicant fails to pay the charges for use of the facilities or other charges, or is likely to neglect such payment.
- iv) When the Minister of Public Management, Home Affairs, Posts and Telecommunications determines that consent to such a request is likely to impose a severe hindrance on the operation of the facilities.

(Notification of Service)

Article 27. (1) Notification under the provisions of the preceding paragraph of Article 12 of the Law shall be made using a notification form which is in accordance with Form VIII and which describes, in addition to the service area of the cable television broadcaster and whether there is any obligation for retransmission, the matters set forth in each of the following items. However, applicants who have facilities can omit items i) (excluding name and address) and ii).

- i) Name and address of the applicant and other matters pertaining to the applicant.
- ii) Facilities to be used.
- iii) Cable television broadcasting service.
- iv) Program editing standards, broadcast times and other matters pertaining to broadcast programs (limited to cases of self-edited broadcasting).

- v) An estimate of the number of persons contracting to receive service.
 - vi) The planned date for commencement of cable television broadcasting service.
- (2) A copy of the written permission (hereinafter referred to as “permission for occupancy of road area”) stipulated in Article 32 Paragraph (1) or Paragraph (3) of the Roads Law (Law No. 180 of 1952) (including cases to which Article 91 Paragraph (2) of the same Law applies mutatis mutandis) which is necessary for installation of the cable television broadcasting facilities to be used, administrative dispositions based on other laws and ordinances, and copies of documents attesting to the actual consent of owners for joint use of utility poles, use of land, etc. shall be appended to the notification form in the preceding paragraph.

3. Examination Standards Regarding the Cable Television Broadcast Law (Excerpts)

(Purpose)

Article 1. The purpose of this Official Directive is to stipulate the examination standards concerning the permission for installation of the cable television broadcasting facilities granted under the provision of Article 3 Paragraph (1) of the Cable Television Broadcast Law (Law No. 114 of 1972, as amended; hereinafter referred to as “the Law”), the permission of extension of the designated term for installation of the cable television broadcasting facilities granted under the provision of Article 6 Paragraph (2) of the Law, the permission of modifications granted under the provision of Article 7 Paragraph (1) of the Law, the authorization of transfer and assignment of cable television broadcasting facilities granted under the provision of Article 10-2 Paragraph (1) of the Law, the authorization of merger and break-up of juridical persons who own cable television broadcasting facilities granted under the provision of the same article Paragraph (2), and the authorization of succession of cable television broadcasting facilities granted under the provision of Article 10-3 Paragraph (2) of the Law.

(Basic Policy)

Article 2. The permission for installation of cable television broadcasting facilities, hereinafter referred to as the "Facilities," or for modifications of plans for the facilities shall be granted on the basis of the profitability forecast made by the applicant, to help the interested parties to move into this market, based on the potentialities of future expansion of the cable television broadcasting market.

(Disqualification for Permission)

Article 3. Any person who intends to obtain permission to install facilities shall, not fall under any of the provisions for disqualification for permission stipulated in each item of Article 5 of the Law.

(Area of Facilities)

Article 4. The area of facilities (meaning the area in which facilities are installed and cable television broadcasting service is conducted by means of said facilities; hereinafter the same) shall be as established below:

- 1) The area of facilities shall cover a unit or units of the Administrative Area and, as a rule, extend to the entire boundaries of an administrative area. For the purpose hereof, the term, “Administrative Area,” shall describe the area represented by municipalities which shall include special wards and, with respect to ordinance-designated cities as provided for in Article 252-19 of the Local Autonomy Law (Law No. 67 of 1947), be city wards instead.
- 2) Where any circumstances in which the entirety of an Administrative Area may not be covered

under an area of facilities are considered to exist, at least the greater part of the Densely Inhabited Districts of that administrative area shall be included in the area of facilities.

- 3) A future project shall be made specific with respect to how to deal with any such area as is part of an Administrative Area but may not be part of an area of facilities.
- 4) In the case of areas of facilities, where there is no need for installation of facilities covering the entire area of an Administrative Area, including facilities for the purpose of common reception of television broadcasting or simultaneous retransmission service for overcoming reception interference, etc., said area of facilities shall not include other areas than the installation of said facilities is necessary.

(Reasonableness, and Feasibility of Implementation, of Installation Plan for Facilities)

Article 5. The installation plan for the facilities shall be reasonable, and also its implementation shall be feasible in the light of the following criteria:

- 1) The area of facilities as applied for shall be appropriately set up from the viewpoints of such demand and distribution thereof in the areas involved as foreseen by the applicant.
- 2) Arrangements of transmission facilities, trunk lines and amplifiers within the area of facilities shall be suitable for such expected demands and distribution thereof in the area as foreseen by the applicant.
- 3) Where installation of the facilities requires occupancy of roads or joint use of utility poles, or of land not under the ownership of the applicant, the permission therefor shall have been expected to be obtained.

In cases involving joint use of another person's utility poles, etc., where two or more operators install the facilities in the same area of facilities, the installation plan for facilities in the same area by two or more operators, including the methods of installing the trunk lines on the poles, etc. shall be made explicitly clear in the permission for the use of utility poles, etc.

- 4) The location at which the facilities are to be installed shall be the one allowing the installation thereof in the light of laws and ordinances relating to, among other things, community development, disaster control and protection of cultural property.
- 5) For those attempting to install the facility, it is necessary for this person to be endowed with the ability to conduct business in order to become an independent cable television broadcaster.
- (2) Those with a permission to use, based on the Telecommunications Business Law (the Law No. 86 of 1984) Article 9 Paragraph (1) (hereinafter known as "Type I Telecommunications Business"), fiber-optic subscriber networks must, in addition to the abovementioned requirements, meet the following items as well:
 - 1) Upon using the fiber-optic subscriber network, the notified rates in accordance with Article 31 Paragraph (1) in the Telecommunications Business Law and the tariffs authorized in accordance with Article 31-4 Paragraph (1) in the same law must be used.
 - 2) Upon using the fiber-optic subscriber network of a Type I telecommunications business, this method must not be extremely unreasonable in comparison with other possible measures.

(Financial Background and Technical Ability)

Article 7. The financial background and technical ability shall be sufficient to warrant successful installation and operation of the facilities in the light of the following criteria:

- 1) Financial Background:
 - a. Construction cost and procurement of construction funds:

Construction cost for installation of the facilities shall be properly estimated on the basis of, among other things, the estimated cost of the facilities submitted by construction contractors. Procurement of the construction funds to cover the above construction cost shall be properly arranged.
 - b. Estimate of business revenues and expenditures:

The estimate of business revenues and expenditures of the operation of the facilities, for installation of which an application for permission is filed, shall be based on the profitability of the operation as forecast by the applicant, and grounds of the estimates for respective incoming and outgoing items shall be specific and reasonable.

The estimate of business revenues and expenditures, in those cases where the installation of the facilities is to be carried out by two or more operators, shall be prepared on the basis of a subscription estimate that assumes two or more operators will conduct business.

If, with respect to the estimate of business revenues and expenditures of the operation pertaining to any facilities to be installed by a group of the receivers or the like and engaging solely in simultaneous retransmission, for the purpose of eliminating reception interference of the television broadcasting, for which an application for a permission of installation thereof is filed, the party responsible for the receiving interference has an agreement in effect that the party responsible for the receiving interference shall pay in full the cost of operations thereof, the amounts of expenses necessary for the operations and the timing of payments thereof shall be made specific for each of the business years.

c. Funding plan:

The funding plan shall be appropriate with respect to the fund income from, among other things, profits from the operations and any increases in capitalization to support continuing operation of the cable television broadcast operations, and the outgoing from the funds including, but not limited to, any deficits from the operations and construction expenses.

2) Technical Ability:

- a. The representatives responsible for installation projects and maintenance services of the facilities shall be fully technically qualified, backed by practise and experience.
- b. The maintenance system shall be capable of dealing with emergency maintenance as well and a sufficient number of qualified personnel shall always be secured as necessary for maintenance of the facilities.

(Installation of Facilities)

Article 8. (1) The installation of the facilities shall be deemed necessary and appropriate in the light of, among other things, the geographical identity of the area involved, extent of receiving interference of television broadcasting, demands for means of local communications, and local identity as a living and cultural community.

(2) A person who intends to establish cable television broadcasting facilities, such as a private broadcaster or local public entity or some other entity controlled by the preceding, shall be in a situation where, among other requirements, there is no other potential provider of the facilities, or where there are strong demands from the local inhabitants for installation of cable television broadcasting facilities. For the purpose hereof, the term “control” shall be understood to mean as provided for in Article 9 Paragraph (6) of the “Ordinances for the Essential Standards for Establishing Broadcasting Stations.” (Radio Regulatory Committee Regulations No. 21 of 1950).

4. Others

(1) Broadcast Law (Excerpts)

(Freedom of Broadcast Program Editing)

Article 3. Broadcast programs shall never be interfered with or regulated by any person, excepting the case where provided for by law.

(Editing of Broadcast Programs for Domestic Broadcasting)

Article 3-2. (1) The broadcaster shall, in editing the broadcast programs for the domestic broadcasting, follow what is laid down in the following items:

- i) Shall not disturb the public security, good morals or manners;
 - ii) Shall be politically impartial;
 - iii) Shall broadcast news without distorting facts;
 - iv) As regards controversial issues, shall clarify points from as many angles as possible
- (2) through (4) (Omitted)

(Standards of Broadcast Program Editing)

Article 3-3. (1) The broadcaster shall establish the standards for the editing of broadcast programs (hereinafter referred to as the "Standards of Broadcast Programs") according to the type of broadcast programs and the persons these programs are designed for, and shall edit the broadcast programs in accordance with such standards.

- (2) The broadcaster shall, upon having established the standards of broadcast programs for the domestic broadcasting according to the provisions of the preceding paragraph, make such standards public in accordance with the provisions of the applicable ordinance of the Ministry of Public Management, Home Affairs, Posts and Telecommunications. The same shall apply to the amendment of the standards.

(Consultative Organization on Broadcast Programs)

Article 3-4. (1) (Omitted)

- (2) The consultative organization may, in addition to deliberating matters essential to the promotion of proper broadcast programming, in response to an inquiry from the broadcaster, express its views thereof to the broadcaster.
- (3) When the broadcaster intends to establish or change the standards of broadcast programs and the basic plan relating to the editing of broadcast programs, he must consult the consultative organization.
- (4) The broadcaster shall, in the case where the consultative organization has replied to his inquiry or stated its views in accordance with the provisions of Paragraph (2), take necessary action in deference to such reply or statement.
- (5) (Omitted)

(Correction Broadcasting, etc.)

Article 4. (1) In the case where, within three months from the day when the broadcasting was made, there is a demand from the person whose rights have been infringed upon by the broadcasting or any person directly concerned in the case with the reason that untrue matter has been

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