

(Released on April 1, 2003)

## **Summary of Meeting of the Radio Regulatory Council (No. 869)**

### **1. Date and Time**

March 19, 2003 (Wednesday)

From 16:00 to 17:53

### **2. Location**

Meeting room of MIC (Ministry of Internal Affairs and Communications)

(Meeting room No. 1001 on the 10F)

### **3. Attendees (Honorifics omitted)**

(1) Members of the Radio Regulatory Council

Yasuhiko Yasuda (Chairperson), Shigeko Shinohara, Junichi Hamada, Kashiko Kodate

(2) Hearing Examiner of the Radio Regulatory Council

Kaoru Suzuki

(3) Secretary

Masao Okamoto (Deputy Director of the General Affairs Division, Telecommunications Bureau)

(4) MIC (Ministry of Internal Affairs and Communications)

Fujioka (Deputy Director-General of the Minister's Secretariat), Kitou

(Director-General of the Radio Department), and others

### **4. Minutes of the Meeting**

(1) Draft for MIC ordinance to amend respective portions of Regulations for Enforcement of the Radio Law, Regulations for Radio Equipment and Ordinance Concerning Technical Regulations Conformity Certification, etc. of Specified Radio Equipment and draft for partial amendment of the Frequency Assignment Plan

(Consultation No. 2 and 3 of February 12, 2003)

This consultation concerns the draft to amend the MIC ordinance described in the title. This draft pertains to exceptions in the Structural Reform Special Districts based on the Structural Reform Special Districts Law, that are 1) Introduction of the 5 GHz band wireless access system with increased antenna gains; and 2) Measures for wireless access system utilization in services other than telecommunications services. The council deliberated the drafts based on submissions from the hearing examiner, who presided over the opinion hearing procedure. The hearing examiner submitted written opinions and written statements (see No. 379: Written Opinion from Hearing on Opinions from the Radio Regulatory Council). The council accepted the drafts, and submitted its report.

(2) Draft for MIC ordinance to amend portions of Regulations for Radio Equipment

(Consultation No. 8)

As this case is related to Consultation No. 9, MIC explained the case together with Consultation No. 9; and a Q&A session was held.

(3) Draft for partial amendment of the Frequency Assignment Plan

(Consultation No. 9)

As this case is related to Consultation No. 8, the MIC explained the case together with Consultation No. 8; and a Q&A session was held.

Since the Radio Law stipulates the hearing of opinions in regard to Consultation No. 8, and since it was judged appropriate to hear opinions on Consultation No. 9 together with Consultation No. 8, the hearing was held on the same occasion. Kaoru Suzuki was designated as the hearing examiner to preside over the opinion hearing procedure.

a. Explanation by MIC

This consultation concerns measures for improving mobile ID systems. So far, the narrow bandwidth method has been introduced to 2.4 GHz band mobile ID systems. In February of last year, the frequency hopping system was permitted to specified low-power radio stations. Following this, the technical standards shall be amended to enable use of the said system by radio stations within premises.

The draft to partially amend the Frequency Assignment Plan concerns partial changes to the frequency table. This change pertains to the changing of the notational system to enable use of the frequency hopping system by radio stations within premises; designating frequency bands of specified low-power radio stations for mobile ID systems that will use the frequency hopping system; and changing the notational system of radio stations within premises.

b. Main contents of the Q&A session

- The council asked about the frequency hopping system that was authorized for specified low-power radio stations last year. The question was on the actual amount of utilization. MIC explained that concrete numbers were unknown. However, since the said method is being utilized in both Europe and the U.S., MIC presumes that utilization has already progressed to a certain extent.

- The council asked about concrete examples using the mobile ID system. Although there are various goods to which this system is applied, the council asked whether there is an application to human beings, such as embedding a unit in the human body or clothing. MIC explained that although identification of personnel has been forwarded by use of ID cards, etc., there have been no applications on the human body. The MIC answered that as RFID etc. is attracting attention in the “ubiquitous computing” society, such a system may be realized in the future.

(4) Draft to amend respective portions of Basic Plan for Broadcast Dissemination and Plan for the Available Frequencies Allocated to Broadcasting

(Consultation No. 1 of January 15, 2003)

This consultation concerns the draft for the amendment described in the title. It pertains to analog Hi-Vision broadcasting, which will be terminated in 2007 by the Japan Broadcasting Corp., and other BS analog broadcasting, which will be terminated in 2011 by Japan Broadcasting Corp. and private broadcasters. The council deliberated the draft based on submissions from the hearing examiner, who presided over the opinion hearing procedure. The hearing examiner submitted written opinions and written statements (see No. 378: Written Opinion from Hearing on Opinions from the Radio Regulatory Council). The council accepted the drafts, and submitted its report.

(5) Draft to amend respective portions of the Regulations for Enforcement for the Broadcast Law and the Essential Standards for Establishing Broadcasting Stations

(Consultation No. 10)

This consultation concerns the MIC ordinance draft described in the title. In regard to the act of dominance pertaining to regulations related to the principle of excluding multiple ownership of the media, the draft defined “dominance by a terrestrial broadcaster over a BS digital program-supporting broadcaster by voting right execution” as voting right by a terrestrial broadcaster exceeding one-half of the entire voting that can pass a resolution regarding a BS digital program-supporting broadcaster. The MIC offered the explanation below, and a Q&A session was held.

Since the Radio Law stipulates the hearing of opinions in regard to this issue, Kaoru Suzuki was designated as the hearing examiner to preside over the opinion hearing procedure.

a. Explanation by MIC

Dominance by a terrestrial broadcaster over a BS digital program-supporting broadcaster by voting right execution shall be defined as voting right by a terrestrial broadcaster exceeding one-half of the entire voting.

The purpose of the principle of excluding multiple ownership of the media is to contribute to the sound development of democracy by limiting the number of broadcasting stations owned or dominated by a single entity, thus assuring opportunities for broadcasting by a maximum of entities, so as to share the freedom of expression in broadcasting.

Based on this idea, the conventional standard for “dominance” by a single entity was defined as voting right exceeding one-third of the entire voting. However, there have been recent environmental changes such as an increase in options for viewers (or listeners) to acquire information through rapid Internet development, and the introduction of multi-channel BS; alleviation of frequency shortages by additional assignment in BS broadcasting frequencies, and CS digital broadcasting at 110 degrees east longitude. Additionally, there have been environmental changes to management with burdensome investment increase to further establish media

organizations, thus concerned parties of BS digital broadcasting have also begun to request the easing of the conventional regulations that limit investment to one-third.

BS digital broadcasting started in December of 2000, and has been expected to become almost a key broadcasting media and a forerunner to terrestrial digital broadcasting, which will commence in December of this year. However, if the present situation continues, the achievement of the policy to maximize dissemination of the new services that utilize digital technology for the benefit of Japanese citizens may be hindered. Therefore, limitations to control the share shall be deregulated to one-half or less for the sound dissemination and development of BS digital broadcasting business.

The reason to deregulate control of share limitation to a maximum of one-half is because when investment exceeds one-half, the company becomes a subsidiary under the Commercial Law. Under such circumstances, managerial dominance by the one parent company becomes possible since ordinary resolutions can be independently passed. To clear up such anxieties, and from the viewpoint of sound dissemination and development, it has been decided to deregulate the share limitation to one-half or less.

Concretely, amendment shall define “dominance” of a terrestrial broadcaster over a BS digital broadcaster as the said terrestrial broadcaster owning voting rights exceeding one-half of the entire voting.

Moreover, system amendment shall be implemented for ownership of relay stations regarding CS digital broadcasting. At present, the permitted number of relay stations, related to CS digital broadcasting, for terrestrial broadcasters or entities with dominance relationship to terrestrial broadcasters is limited to two or less. In relation to the change in definition of “dominance” over BS digital broadcasters as one-half of the entire voting rights, the number of relay stations permitted will be three, even in cases where terrestrial broadcasters own voting rights exceeding one-third of all voting regarding a BS digital broadcaster that manages a CS digital broadcaster. This may cause a discrepancy with broadcasters only involved in CS digital broadcasting (who can establish businesses with two or less relay stations). Therefore, amendment shall be made to the system.

#### b. Main contents of the Q&A session

- The council asked if the total number of relay stations that can be owned by one terrestrial broadcaster could be a maximum of five, when a terrestrial broadcaster owns one-half or less voting rights regarding a BS digital broadcaster and owns two relay stations related CS digital broadcasting, and when the BS digital broadcaster is permitted a maximum of three or less relay stations. The MIC explained that when an entity manages both BS and CS businesses, and when the entity owns one-third of more voting rights, this amendment will define the situation as “not dominating the BS digital broadcaster.” However, when the terrestrial broadcaster owns voting rights between one-third and one-half of the total voting rights, and make investments for a business entity that manages both BS and CS digital broadcasting, the said terrestrial broadcaster is permitted a maximum of two (and not five) CS digital broadcasting related relay stations.

- The council questioned the definition of “in the mean time” in the Supplementary Provision. The MIC explained that provisional measures that permits combined operation (dominance) by a terrestrial broadcaster pertaining to CS digital broadcasters pertains to the regulations revised in this draft. Therefore, the amendment used the wording “in the mean time.”

(6) FY 2003 Order to Conduct International Broadcasting to be issued to Japan Broadcasting Corp.

(Consultation No. 11)

In regard to FY 2003 Order to Conduct International Broadcasting to be issued to Japan Broadcasting Corp. (NHK), MIC offered the explanation below, and a Q&A session was held. After deliberation, the council reported the issue as appropriate.

a. Explanation by MIC

This consultation concerns the order to NHK to provide high-frequency international broadcasting by designating necessary matters, such as broadcasting content (news reports and comments on current affairs and important national policies) and broadcasting area (broadcasting for 17 regions including Europe, etc., and general broadcasting for the entire world), and sending high-frequency international broadcasting together with International Broadcasting conducted as NHK’s service,

as stipulated in Article 33-(1) of the Broadcast Law. In the budget bill of FY 2003, subsidy for international broadcasting is expected to be 1,973.5 million yen

International broadcasting by NHK is well known as RADIO JAPAN. The present status of high-frequency international broadcasting is as follows. Broadcasting is provided in 22 languages for a total of 65 hours a day. Number of receivers that have been confirmed by letter, e-mail, etc. totals about 38,000. Especially after the Sept. 11 terrorist attacks in 2001, there have been responses saying that sense of security has been provided by receiving the same information as in Japan using a small-sized light-weight high-frequency radio.

b. Main contents of the Q&A session

The council asked if budget measures will be taken when there is an order to conduct unplanned special international broadcasting. The MIC answered that the order to conduct international broadcasting concerns general issues, and even if an exceptional situation should occur, it falls within this scope. During the Gulf War and the Afghanistan crisis, NHK greatly extended the hours for Japanese broadcasting in response to MIC's request and took other related measures. The MIC explained that the cost for this was provided by an extra budget.

(The Radio Regulatory Council Secretariat is responsible for the wording of this document.)