

Radio Regulatory Council

Draft Summary of Minutes (915th Meeting)

1. Date and Time

Wednesday, March 14, 2007, 15:15 to 17:30

2. Location

Conference Room 1002, 10th floor, Ministry of Internal Affairs and Communications

3. Attendees (honorifics omitted)

(1) Members of the Radio Regulatory Council

Mitsutoshi Hatori (Chair), Takeo Inokuchi (Vice Chair), Junichi Hamada, Kashiko Kodate, Hatsuko Ukigawa

(2) Hearing Examiner of the Radio Regulatory Council

Shuichi Nishimoto

(3) Secretary

Ikko Mitsui (Deputy Director, General Affairs Division, Telecommunications Bureau)

(4) MIC Representatives

Mori (Director-General of the Telecommunications Bureau), Kawauchi (Director-General of the Radio Department), Suzuki (Director-General of the Information and Communications Policy Bureau), Nakata (Vice-Minister for Policy Coordination), and others

4. Minutes of the Meeting

(1) Draft MIC Ordinances to Partially Amend the Rules for Regulating Radio Equipment and the Ordinance concerning Technical Regulations Conformity Certification of Specified Radio Equipment, and Draft Plan to Partially Amend the Frequency Assignment Plan

(Consultations No. 1 and No. 2 of January 10, 2007)

The council submitted a report stating that the draft ministerial ordinances and the draft plan, all of which pertain to the development of technical requirements for 1.5 GHz band IMT-2000, are acceptable. The council submitted the report after deliberating on the matter with reference to written statements and written opinions (see Written Opinions from the 421st Radio Regulatory Council Hearing) submitted by the Hearing Examiner, who presided over the opinion-hearing procedure.

(2) Draft MIC Ordinances to Partially Amend the Regulations for Enforcement of the Radio Law and the

Rules for Regulating Radio Equipment

(Consultation No. 8)

MIC explained this matter together with Consultation No. 9, since the two consultations were related.

(3) Draft Plan to Partially Amend the Frequency Assignment Plan

(Consultation No. 9)

MIC explained this matter together with Consultation No. 8, since the two consultations were related.

A hearing on Consultation No. 8 is obligatory under Article 99-12 paragraph 1 of the Radio Law. Additionally, it was deemed appropriate to conduct a hearing on Consultation No. 9 together with Consultation No.8. It was therefore decided to subject them to the public hearing process as one set, pursuant to Article 99-12, paragraph 2 of the Radio Law. The council named Shuichi Nishimoto as the hearing examiner presiding over the hearing procedure.

MIC's Explanation

The consultations have been conducted to develop the provisions in relation to the withdrawal of Inmarsat A service on December 31, 2007. Inmarsat A is one of the Inmarsat systems, and offers analog telephony, telex, fax and data transmission services.

The Inmarsat system was first launched in 1982 by the International Maritime Satellite Organization (INMARSAT), an international organization established pursuant to the INMARSAT Agreement. The system first launched maritime mobile satellite communications using the L-band (1.5-1.6 GHz band) frequencies. Following the maritime service, it started the land mobile services in 1989 and the aeronautical services in 1990. In Japan, the predecessor of KDDI Corporation, Kokusai Denshin Denwa Co., Ltd., first launched the service in 1982, and a new entrant rolled out its service in 2006.

In terms of maritime services, Inmarsat A, launched in 1982, was the first Inmarsat service. Later, digital services of Inmarsat C began in 1992, followed by digital services of Inmarsat B, launched in 1994 as the successor to Inmarsat A.

In the meantime, the Global Maritime Distress and Safety System (GMDSS) had been introduced since 1992, in a phased manner, to provide the full-scale services in 1999. GMDSS was developed to enable vessels in any ocean region around the world to communicate easily or automatically with investigative or relief organizations on land, as well as to receive navigation safety information. Its key

communication system is satellite communications. The A, B, and C Inmarsat systems serve as the GMDSS facilities. In regard to ship earth stations for GMDSS, the requirements for radio equipment and the obligation of handling distress traffic are stipulated by the Radio Law and other regulations.

Later, in conjunction with the launch of land mobile and aeronautical satellite communications services in addition to the maritime services, INMARSAT was renamed the International Mobile Satellite Organization (IMSO) in 1994.

With the privatization of the business sector in 1999, the organization was split into two currently existing entities: Inmarsat plc as the operator of the satellite communication section, and IMSO as the international organization to supervise the operation. At that point, it was decided that the GMDSS services should be continued by the Inmarsat.

Throughout this history, Inmarsat has enhanced its services for digitization, downsizing and accelerated speed systems. A wide variety of services that are currently available include: types M and F for maritime services; type D, Mini-M, and BGAN for land services; and Aero for aeronautical services.

Under these circumstances, at the 77th session of the International Maritime Organization (IMO) Maritime Safety Committee, which took place in May 2003, it was internationally agreed to withdraw Inmarsat A services on December 31, 2007, because Inmarsat plc has achieved the successful dissemination of the services of Inmarsat B and Inmarsat C, which are GMDSS facilities like Inmarsat A, and because the withdrawal of Inmarsat A will not affect the GMDSS operations. All services should be migrated to digital systems for the provision of higher-speed communication services and efficient spectrum use.

The current background of the amendment of the MIC ordinances is as follows. Radio stations using Inmarsat A are ship earth stations, which are mounted on vessels, and portable mobile earth stations, which are mainly used on land. Earth stations for Inmarsat A are the GMDSS facilities that must be installed in compulsory ship stations pursuant to Article 33 of the Radio Law. Ship earth stations totaled 600 in 2002, but decreased to 240 as of the end of February 2007. Over 90 % of the existing 240 stations have already concluded, or are under the process of concluding, contracts to switch to other Inmarsat radio equipment, or will remove the Inmarsat A system.

Portable mobile earth stations of Inmarsat A are designated as specified radio stations for which blanket licenses can be granted. No radio station for this category currently exists, however, as the equipment was not well received; They are bulky and heavy as a portable type, 100 cm in size and 30 kg in weight, while small-sized, lighter systems, such as Inmarsat Mini-M and F systems, have developed separately. Noticing that the date of withdrawal of Inmarsat A services is approaching, and the withdrawal seems quite possible as most of domestic users have changed their contracts from Inmarsat A to other

Inmarsat radio facilities, MIC revises the ordinances to partially amend the Regulations for Enforcement of the Radio Law and the Rules for Regulating Radio Equipment with a view to develop related provisions, including removal of Inmarsat A from the list of GMDSS facilities.

The ordinances are to be amended primarily in regard to three points: First, Inmarsat A radio equipment, from among the Inmarsat ship earth stations, should be deleted from the provisions on GMDSS equipment, radio equipment operations, distress traffic, etc. Second, the technical requirements for Inmarsat A radio equipment should be deleted from the list of Inmarsat ship earth stations and portable mobile earth stations. Third, the technical requirements for Inmarsat A radio equipment, from among the Inmarsat portable mobile earth stations, should be deleted from the standards of radio equipment for specified radio stations.

MIC plans to enforce the ordinances related to the withdrawal of the Inmarsat A system on January 1, 2008.

Consultation No. 9 has been conducted to change the Frequency Assignment Plan in conjunction with the development of the MIC ordinances and provisions for the withdrawal of Inmarsat A services.

The current Frequency Assignment Plan stipulates the scope of frequencies for transmitters and receivers to be used for each of Inmarsat systems. With the change to the plan, the frequency usage period ending December 31, 2007, is added to the appended table that specifies the usage conditions of the frequencies for the Inmarsat A system.

- (4) Draft MIC Ordinances to Partially Amend the Regulations for Enforcement of the Radio Law, the Rules for Regulating Radio Equipment and the Ordinance concerning Technical Regulations Conformity Certification of Specified Radio Equipment
(Consultation No. 10)

MIC explained this matter together with Consultation No. 11, since the two consultations were related.

- (5) Draft Plan to Partially Amend the Frequency Assignment Plan
(Consultation No. 11)

MIC explained this matter together with Consultation No. 10, since the two consultations were related.

A hearing on Consultation No. 10 is obligatory under Article 99-12, paragraph 1 of the Radio Law. Additionally, it was deemed appropriate to conduct a hearing on Consultation No. 11 together with

Consultation No. 4. It was therefore decided to subject them to the public hearing process as one set, pursuant to Article 99-12, paragraph 2 of the Radio Law. The council named Shuichi Nishimoto as the hearing examiner presiding over the hearing procedure.

MIC's Explanation

The consultation focuses on three points: The first point is the introduction of mobile broadband wireless access systems, excluding the use for FWA systems. High-speed data communication services for mobile telephones are increasingly in use, partly boosted by the fall 2006 launch of HSDPA service that is equivalent to the so-called 3.5 generation. There are high expectations for mobile broadband wireless access systems that allow provision of faster data communication services. In regard to these mobile broadband wireless access systems, international standardization bodies such as IEEE and ITU are now making efforts to establish global standardization.

Under these circumstances, the Telecommunications Council deliberated on the technical requirements for mobile broadband wireless access systems using the 2.5 GHz band in February 2006. Later, in December of the same year, the council submitted its report on the technical requirements for four radio systems, i.e., WiMAX, MBTDD-Wideband, MBTDD 625k-MC and next-generation PHS.

The report outlines the characteristics of the BWA (Broadband Wireless Access) systems: stress-free access with PCs taken out of homes or offices in the broadband environment, wide-area coverage, and ensured mobility with mid-level speed. Based on the report, MIC intends to amend the Regulations for Enforcement of the Radio Law, the Rules for Regulating Radio Equipment and the Ordinance concerning Technical Regulations Conformity Certification of Specified Radio Equipment for the introduction of the four systems.

The second point is the introduction of 169 MHz band radio microphones for hearing aids. The system is generally called FM hearing aid, and broadcasting communications at schools for the hearing impaired is one example. A teacher's microphone transmits radio waves and students can hear what the teacher is saying in class with their receiver-equipped hearing aides.

In 1997, radio facilities for such purpose were institutionalized as specified low-power radio stations that use the 75 MHz band and do not require licenses. Because of the nature of the frequency band, radio equipment that uses this band cannot be easily downsized, and it is therefore difficult for students to wear. Expectations are high for institutionalizing high frequency band facilities for such a purpose so that more downsized equipment can be developed.

Meanwhile, other countries are commercializing products using higher-frequencies in the 169-216 MHz bands in order to downsize hearing aid radio microphones. By taking that into account, MIC will

develop the provisions for the introduction of hearing aid radio microphones that operate in the 169 MHz band so that downsized products can be used in Japan.

The third point is the addition of radio equipment using narrow-band digital communication systems to the radio stations that require technical regulations conformity certification. In the field of COAM (customer owned and maintained) mobile communications, such as public service radio systems and taxi radio, narrow-band digital communication systems using the 150 or 400 MHz bands, was introduced in 1999, and the shift from analog to digital systems has since been gradually taking place. In regard to digital communications radio systems, technical regulations conformity certifications have only been granted to mobile stations. MIC intends to expand the scope of the certification to include base stations.

Technical regulations conformity certification is granted to small-scale radio equipment to simplify the radio licensing procedures. While technical regulations conformity certification is currently not granted to base stations that require comparatively large-scale radio equipment, it is granted to small-scale base stations, such as analog base stations having an antenna power of 50 W or less and mobile phone base stations. The radio stations that use narrow-band digital communication systems, which are covered in this consultation, are likely to be adopted for base stations using comparably small-scale radio equipment, such as taxi radio in rural cities. MIC determined that it is appropriate to expand the scope of the technical regulations conformity certification in order to grant the certification to base stations if they use small-scale radio equipment.

The draft amendment to the ordinances consists of four parts. First, MIC will amend the Regulations for Enforcement of the Radio Law by adding the frequencies used by 169 MHz band hearing aid radio microphones to the list of the frequencies for specified low-power radio stations, and adding land mobile stations for mobile broadband wireless access systems to the list of specified radio stations and stations to be granted blanket licenses.

Second, in the Rules for Regulating Radio Equipment, MIC will add the definition of the four mobile broadband wireless access systems, and define the following for each system: technical requirements, including the frequencies to be used; communication method; modulation method; and antenna power, the permissible values of Specific Absorption Rate (SAR) for the head; the limit of secondary emission; and quality of radio wave, as well as the allowable deviation for antenna power of the 169 MHz hearing aid radio microphones and mobile broadband wireless access systems.

Third, MIC will amend the Ordinance concerning Technical Regulations Conformity Certification of Specified Radio Equipment by adding base stations and portable base stations using narrow-band digital radio systems and radio equipment of radio stations for mobile broadband wireless access

systems to the list of radio equipment subject to the ordinance.

Last, as the Telecommunications Council report on mobile broadband wireless access system points out that a certain operational limit should be imposed for the frequencies from 2,545 to 2,555 MHz, MIC will not only add the operational limit conditions to the Frequency Assignment Plan, but also refer to the usage when it will explain the licensing policy in the future.

Consultation No. 11 was conducted as to the change of the Frequency Assignment Plan in conjunction with the amendment to the MIC ordinances for the introduction of mobile broadband wireless access systems and 169 MHz radio microphones for hearing aids.

First, the purpose of the radio stations using the 80 MHz band from 2,545 to 2,625 MHz will be defined as telecommunications activities (mobile broadband wireless access systems) so that the band can be assigned for mobile broadband wireless access systems. In the band from 2,545 to 2,555 MHz, from among the frequency band assigned to the systems, there could be interference with mobile terminals in the control network of N-STAR, which use the adjacent frequency band. MIC therefore adds a conditional footnote to prevent interference that is harmful to stations for mobile satellite activities.

Additionally, in conjunction with the amendment, MIC reviews the range of the frequencies to be indicated in related footnotes, to ensure consistency between the range of frequencies that can be assigned to broadcasting satellite activities and the assignment within Japan.

Second, in regard to the introduction of 169 MHz radio microphones for hearing aids, the 75 MHz band was assigned in 1997 for radio microphones that assist the hearing impaired in their hearing activities. Meanwhile, in other countries, hearing aid radio microphones that use the 169-216 MHz band have been commercialized. Since Japan is introducing the new type of hearing aid radio microphones, which use the European-standard 169 MHz frequency, MIC will add the low-power activities (radio microphones for hearing aids) to the purpose of radio stations that use the 169-170 MHz frequency band, as well as indicating specific frequencies in the appended table.

(5) Evaluation of FY2006 Survey on Actual Radio Spectrum Usage

(Consultation No. 12)

MIC explained, as follows, the results and evaluation of FY2006 survey on actual radio spectrum usage. After deliberation, the council submitted its report to MIC stating that it is appropriate to attach the opinion.

a. MIC's Explanation

The FY2006 survey on actual radio spectrum usage was conducted with approximately 127,000 stations that use the frequency bands exceeding 3.4 GHz. MIC carried out the survey for the second time since 2003, and collected the data via two methods; The numbers of licensees and radio stations in the jurisdiction of each regional bureau of telecommunications were obtained from the general radio station management system, PARTNER, while specific uses of radio stations were recognized by conducting a questionnaire survey with the licensees.

The survey results were compiled into tables per radio usage system and per regional bureau of telecommunications. For example, the survey results on Page 3 shows the number of licensees and the number of radio stations for 3.4 GHz band audio STL/TTL/TSL. The survey results of other systems are compiled in the same manner.

The figure on Page 4 compares the results of the last survey in 2003 and those of this survey in 2006 in terms of the distribution of radio stations. The total number increased across Japan by nearly 10,000, primarily due to the sharp increase of 11 GHz or 15 GHz band relay stations used for telecommunications activities and 26 GHz band radio stations for subscriber wireless access systems.

The nine pie charts shown on Page 5 and onward represent the nine categories of frequencies exceeding 3.4 GHz. Each slice indicates the uses of the radio systems in the specific frequency band.

For example, of the radio stations using the 3.4-4.4 GHz band, aeronautic radio altimeters account for the largest share, with over 1,300 stations, followed by the 4 GHz band fixed radio system for telecommunication activities, video STL/TTL/TSL systems, and audio STL/TTL/TSL systems.

As for radio stations using the 4.4-5.85 GHz band, excluding amateur stations, stations using narrow-band DSRC systems hold first place with over 2,000 stations, and the third largest share went to registered stations using 5GHz band wireless access systems (5.03-5.091 GHz band), followed by those using the 4.9-5.0 GHz band.

In the 5.85-8.5 GHz band, the 6.5 GHz band for public/general services (relay/entrance) and those using the 7.5 GHz band are notable. The D and C bands of video FPU refer to the radio stations being used to pick up the video data for TV broadcasting.

In the 8.5-10.25 GHz band, ship radars account for a dominant share.

In the 10.25-13.25 GHz band, 11 GHz band radio stations for telecommunications activities hold the top position, followed by 12 GHz band relay/entrance stations for public/general activities, and video FPU.

In the 13.25-21.2 GHz band, radio stations for satellite communications, especially those for satellite uplink using the Ku-band, hold dominant positions. Also notable are radio stations for telecommunications activities, i.e., those using 15 and 18 GHz bands.

Two dominant uses in the 21.2-23.6 GHz band are 22 GHz band radio stations for wide-area subscriber radio systems and wireless systems, and 22 GHz band radio stations for telecommunications activities.

In the 23.6-36 GHz band, 26 GHz band radio stations for subscriber radio access system hold the overwhelmingly dominant position.

Last, in the bands above 36 GHz, 50 GHz band convenient radio stations account for an overwhelming share. Also notable are high-frequency radio stations using 40 GHz band systems, such as those used to transmit video in railway stations, or those for public/general services.

The figure on Page 8 compares the previous survey results with those of the latest one in terms of the number of radio stations using 5 GHz band frequencies. 5 GHz band fixed radio systems for telecommunications activities sharply decreased as the usage period of the frequency was set forward to facilitate the switch to cable or other frequency bands. In the meantime, other radio systems have remarkably increased because 5 GHz band wireless access systems have been established after the institutionalization of the radio station registration system in 2005.

The survey results were analyzed for each of the nine frequency categories in terms of the evaluation items. The systems used in each frequency band are primarily fixed radio, radar and systems that correspond to the propagation characteristics of the frequency band. The same categories were used in the evaluation process as well.

In general, since the usage conditions differ between frequency categories, it is impossible to simply compare the frequency categories in terms of spectrum usage. The assessment concludes, however, that each category seems to be used appropriately in principle. It is assessed, by analyzing the individual frequency bands, that frequencies of 6 GHz or lower are fit for the fourth-generation mobile communication systems and wireless LAN systems, and the frequency allocation should be changed accordingly on a priority basis. Meanwhile, it is noted that, in some frequency bands, the number of radio stations is extremely small compared with the width of the assigned frequency, or that the radio systems may be switched to cable or other frequency bands.

Each frequency category is evaluated as follows: The 3.4-4.4 GHz frequency band can be best allocated to the fourth-generation mobile communication systems. In order to secure necessary frequencies for the systems, it is appropriate to take spectrum optimization measures such as setting the period of frequency usage to as early as possible for existing systems using the band, or considering a switch to a frequency band above 6 GHz.

The 4.4-5.85 GHz frequency band is also fit for the fourth-generation mobile communications systems. Accordingly, it is advised to take measures to optimize the frequencies for existing systems.

5 GHz band fixed radio systems for telecommunications activities have been steadily switched to cable

or other frequency bands. As for weather radar stations, albeit small in number, repeated use of frequencies is difficult because the range of measurement is wide. Therefore, introduction of technologies to narrow the band is recommended for spectrum optimization.

As for the 5.85-8.5 GHz frequency band, 4 GHz band and 5 GHz band fixed radio systems for telecommunications activities are expected to switch to 6 GHz band fixed radio systems for telecommunications activities. It is therefore advised to switch existing systems to cable or other frequency bands in order to optimize frequencies.

As for the 8.5-10.25 GHz frequency band, technologies to narrow the frequency band have been developed for 9 GHz band weather radars. Such technology will contribute to frequency optimization. The band is also expected to be the destination of 5 GHz band weather radar migration.

In the 10.25-13.25 GHz frequency band, radio stations for 11 GHz band fixed radio systems for telecommunications activities increased by 50% from the previous survey, which implies that the frequencies are optimized by using digital technologies.

As for the 13.25-21.2 GHz frequency band, it is appropriate to introduce digital systems by FY2008 for 15 GHz band heli-TV for video transmission. In conjunction with this move, setting the termination date for existing analog systems and promoting their smooth transition to the digital systems is required.

In the 21.2-23.6 GHz frequency band, radio stations for cable television broadcasting are required to change their frequencies by March 31, 2007, as stated in the Frequency Assignment Plan. The transition is likely to be completed by the due date.

The 23.6-36 GHz frequency band is likely to be used for broadband services, via Internet satellite and such, as well as broadband video or data transmission. The introduction of these systems is likely to contribute to spectrum optimization.

Last, for the frequency band above 36 GHz, the launch of a study for the introduction of new systems is advised, as well as to switch 38 GHz band subscriber wireless access systems to cable or other telecommunications services.

(6) Blanket License for Specified Radio Stations of EMOBILE Ltd.

(Consultation No. 13)

MIC gave the following explanation in regard to the blanket license for HSDPA (High-Speed Downlink Packet Access) compatible terminals that EMOBILE Ltd. (hereinafter called "EMOBILE") applied for. After deliberating on the matter, the council submitted a report stating that it is appropriate.

MIC's Explanation

As a new entrant, EMOBILE had its establishment plan for specified base stations using the 1.7 GHz band authorized in November 2005. In launching its data communication service in March 31, 2007 in Tokyo and Osaka Prefectures, Nagoya City, and part of Kyoto Prefecture, EMOBILE applied for the blanket license for terminals.

Prior to making this application, EMOBILE had submitted its application for partial change to its establishment plan of specified radio stations to MIC. This change was authorized on March 13, 2007.

Although EMOBILE has made preparations according to its establishment plan authorized in 2005, it applied for the change because it decided to use the NTT DoCoMo roaming service in areas except for the Tomeihan area (Tokyo, Nagoya and Osaka), and because it had difficulty in securing sites to establish its base stations.

Some of the key changes to the establishment plan are the number of base stations, which decreased from over 15,000 to 13,838, and the subscriber forecast in five years after the launch, which decreased from the initial target of 5.05 million to 4.21 million. The largest change is the year targeted for achieving the population coverage: The initial target years of FY 2006 in Kanto and FY 2007 in other areas will be respectively extended by two years.

Despite such delays, MIC found the changes appropriate and authorized the application, considering that EMOBILE is securing the capital or the borrowing facility required for capital investment, and that it cooperated with an electrical construction company to develop the framework for securing base station sites, which used to be difficult for the company.

EMOBILE needs to establish radio stations for the purpose of entering into the mobile telephone business to provide HSDPA high-speed data communications service. EMOBILE plans to start the operation of radio stations on March 31, 2007, with an eye to operate up to 1.67 million stations.

The application was assessed primarily in regard to the possibility of frequency assignment and the conformity to the essential standards for opening of specified radio stations, and it was determined to be appropriate in both aspects.

(7) Draft Partial Amendment to the Plan for the Available Frequencies Allocated to Broadcasting and the Basic Broadcasting Plan

(Consultation No. 14)

MIC gave an explanation, as follows, in regard to the draft partial amendment to the Plan for the

Available Frequencies Allocated to Broadcasting and the Basic Broadcasting Plan, which pertain to abolishment of the categories of standard television broadcasting and high definition television broadcasting in CS digital broadcasting. After deliberating on the matter, the council submitted a report stating that the draft amendment is appropriate.

MIC's Explanation

There are two types of satellite broadcasting networks, BS and CS, and this consultation pertains to the amendment to CS-related regulations.

Broadcasters of CS broadcasting currently fit into two categories, program-supplying broadcasters who provide services based on the program-supplying/facilities-supplying broadcasting system, and broadcasters who provide services based on the Law concerning Broadcast on Telecommunications Service.

Of over 100 existing CS broadcasters, the ratio of broadcasters of the former system to those of the latter system is roughly 50:50.

Most CS broadcasters provide standard definition programs. Only a few broadcasters are providing high vision programs. As receivers that can receive three types of radio waves, i.e., BS, CS and terrestrial digital broadcasting, will be increasingly marketed and widely used, people may be disappointed to see the comparatively low definition of CS broadcasting after watching the BS broadcasting of high vision of supreme quality. Recognizing that the definition is the crucial point in the future broadcasting, more and more CS broadcasters who are providing standard definition programs have a business strategy, or need, to change from standard definition to high vision.

Currently, when changing from standard definition to high vision, a broadcaster has to perform various procedures. First of all, there are four categories of broadcasting by law, namely standard television, high-definition television, FM broadcasting, and data broadcasting. An applicant must perform the necessary procedure to become a CS broadcaster for one of those categories.

Therefore, when a broadcaster who has been authorized to provide standard television service desires to switch to high-definition service, it must withdraw the current service before applying for the new service, which is troublesome and takes time. With a view to promote CS high-vision broadcasting, the abolishment of broadcasting categories is added to the consultation.

The consultation was made to change the plans in regard to CS broadcasting, which uses the communication satellite stationed at longitude 110 E, right above the equator. Compared with other satellites for CS broadcasting stationed at the east longitude, such as 124 E and 128 E, the number of frequency channels assigned to the satellite at 110 E is particularly limited, so when multiple

applications are submitted under the program-supplying system, licenses are granted after determining the relative merits of the applicants in the course of the qualification assessment.

Under the Law concerning Broadcast on Telecommunications Service, an applicant can be registered and allowed to provide broadcasting service if it technically satisfies the standards within the registration system. The amendment pertains only to program-supplying broadcasting of CS broadcasting, with or without the satellite at 110 E. Since the Law concerning Broadcast on Telecommunications Service is not related to the Basic Broadcasting Plan and the Plan for Available Frequencies Allocated to Broadcasting, it is not covered in the amendment.

The consultation is a technical review of the plans in conjunction with the abolishment of standard and high definition TV broadcasting categories. Apart from CS digital broadcasting using the satellite at 110 E, the current Basic Broadcasting Plan sets numerical targets for each of FM (radio broadcasting), standard television, and data broadcasting. With the abolishment of the classification of television, current “standard television broadcasting” will be automatically changed to “television broadcasting”.

The current targets were set based on the consultation with the council in December 2002. Since then, the reality has changed considerably. During those years, the Law concerning Broadcast on Telecommunications Service was enforced, based on which a great number of program-supplying broadcasters changed to broadcasters who provide services pursuant to the Law concerning Broadcast on Telecommunications Service. This move created a considerable discrepancy between the reality and the numerical targets set in the past. The targets should therefore be changed to reflect the reality.

As for FM broadcasting, only one program, specifically the College of Air, is subject to the change. There is only one program for data broadcasting as well, since a considerable number of data broadcasters have shifted to telecommunications service broadcasting. The targets for these broadcasters should also be changed to figures that correctly reflect the reality when the broadcasting categories are reviewed.

As for CS broadcasting using the satellite at 110 E, no FM broadcasters exist, although there are categories of FM, standard, high-definition and data broadcasting. When the CS broadcasting using the satellite at 110 E was launched in 2002, one broadcaster provided the service, but it has withdrawn from the business. There is no broadcaster at this time.

As for data broadcasting, there are 36 broadcasters, but they are having difficulty in providing services independently, or their services are not generating profits. Remaining broadcasters are providing programs as well as program information on a smaller scale as supplements for TV programs.

Considering such realities, it is proposed to change the plans as follows to reflect the reality. There should be no FM and radio and the category of FM should be removed, the standard and

high-definition categories for television should be removed and a new viable target should be set, and the figures for data broadcasting should be changed.

Since the draft changes reflect the reality, there will be no problems. Numerical targets for the Basic Broadcasting Plan and the Plan for the Available Frequencies Allocated to Broadcasting should be set in light of the available technologies and demand trends, and, naturally, should be changed to appropriate levels in response to future changes as well.

(8) Approval of Changes to Receiver's Contract of Japan Broadcasting Corporation (NHK)

(Consultation No. 15)

MIC gave an explanation, as follows, in regard to the application made by the Japan Broadcasting Corporation (hereinafter called "NHK"), seeking to change its receiver's contract by integrating a standard contract into a color contract and renaming the integrated contract. After deliberating on the matter, the council submitted a report stating that the draft amendment is appropriate.

MIC's Explanation

This consultation has been conducted to change NHK's receiver's contract system. Currently, there are two major categories in the receiving fee system: the standard contract for black and white television, and a color contract. The categories are further broken down to standard contract and color contract for terrestrial broadcasting, and standard contract and color contract for satellite broadcasting. In reality, however, twenty years have passed since domestic production of black and white TV sets ended in 1987, and the number of standard contracts has dramatically decreased over the years.

The number of standard contracts gradually decreased as you can see from the statistics in the last three years: 370,000 in FY 2004, 350,000 in FY 2005, and 320,000 in FY 2006. They account for less than 1% of a total of over 30 million receivers.

Under these circumstances, the categorization of the receiving fee system should be simplified by integrating the categories of black and white and color, and renaming the integrated categories for terrestrial contract and satellite contract, respectively.

Simplifying the receiving fee structure in accordance with the reality is one objective of the change. Meanwhile, it is suspected that a considerable number of people out of more than 300,000 standard contract receivers may have already purchased color TV sets but are keeping the original contract, intentionally or unintentionally, instead of making color contracts. NHK thinks it is appropriate to collect the receiving fees broadly and fairly from the viewers so that those who are paying it can be

assured of fairness. Therefore, to re-confirm those who are supposed to view only black and white TV sets, with an aim to ensure the appropriateness of the system, is another objective of the change to the receiver's contract.

The fee for a color contract is higher than that for a black and white contract, so the amendment brings about a virtual fee increase for those who use only black and white TV sets. To prevent such happening, a transitional measure should be implemented so they can continue the standard contract after the date of enforcement of the new contract scheme. NHK will ask those who are actually using black and white TV sets only to declare to that effect and allow them to continue the current standard contract for the time being. This measure is likely to decrease the number of viewers who pay for standard black and white contracts although they are actually watching programs with color TV sets.

MIC had received NHK's application and determined that it is reasonable from the perspective of fair sharing of the burden, and would like to approve the change to the receiver's contract as per the application.

The receiver's contract should actually be changed as follows: The color contract, standard contract, satellite color contract and satellite standard contract specified in the current table of contracts are integrated to two categories, terrestrial contract, which is for reception of terrestrial waves, and satellite contract, which is for reception of satellite waves.

The fees remain the same even after the change. The fee for the new terrestrial contract will be the same as that for the current color contract, and the new satellite contract will be the same as that for the current satellite color contract.

(9) FY 2007 Order Issued to NHK to Conduct International Broadcasting

(Consultation No. 16)

MIC explained this matter together with Consultation No. 17, since the two consultations were related.

(10) FY2007 Order Issued to NHK to Conduct International Broadcast Programming Operations

(Consultation No. 17)

MIC explained this matter together with Consultation No. 16, since the two consultations were related.

a. MIC's Explanation

The government has issued an order to NHK every year in terms of radio broadcasting, but no order has been issued regarding NHK's international broadcast programming operations in the past.

Page 1 of the reference shows the law related to international broadcasting so that you can see the positioning of international broadcasting from a legal perspective. NHK's World TV is placed on the consultation for the first time.

Article 33 of the Broadcast Law is fully quoted on Page 4. "The Minister for Internal Affairs and Communications may order NHK to conduct international broadcasting..." in paragraph 1 refers to international radio broadcasting. The expression that appears later in the paragraph, (the Minister for Internal Affairs and Communications) "may order NHK to carry out 'international broadcast programming operations' by designating..." refers to international television broadcasting.

NHK transmits its own radio programs by using NHK's own facilities under its control, in principle, although it also receives radio waves for international radio broadcasting from overseas facilities through cooperation with domestic transmitting stations or overseas broadcasters. As for international television broadcasting, NHK borrows satellites of satellite companies to distribute TV programs to the world. Considering this reality, it is not simply called international broadcasting but international broadcast programming operations by law.

Legally, it became possible to issue an order to conduct international broadcasting for television broadcasting, as well as radio broadcasting, in FY 1995. However, this is the first time that the order for international television broadcasting is to be issued.

First, the change to international radio broadcasting was deliberated at the Radio Regulatory Council last November, with particular focus on the abduction issue. The change was determined to be appropriate since it corresponded to the government's all-out commitment to solving the abduction issue with the highest priority. The council also advised that it is appropriate to operate the broadcasting system by while considering NHK's existing freedom of editing.

The move after the issuance of the order to change international radio broadcasting is introduced on Page 15 of the reference. Following the receipt of the council report on November 8, the change order was issued on November 10. On the same day, the minister announced his own comment in issuing the order. In the last part, he clearly states that he "recognizes the importance of freedom of expression and freedom of the press, and has no intention to get into the content of programs."

Since then, NHK has reported the implementation status monthly. NHK declared that it recognizes the importance of the abduction issue, in view of the Diet deliberation as well as the external relationships, and that it has covered, and will cover, the issue closely.

Although the operation started after the issuance of the change order, NHK is currently committed to it by considering the freedom of editing as the minister addressed in his comment.

Under these circumstances, MIC is considering the issuance of a FY 2007 order for international

broadcasting. MIC has requested a budget for broadcasting orders every year. In the draft FY2007 budget, 2.26 billion yen was budgeted for radio broadcasting orders. The draft budget is now under deliberation at the Diet.

Assuming that the budget will be approved, MIC intends to issue the order. NHK is providing a total of 65 hours of international radio broadcasting a day. Amid the availability of TV programs and the Internet, NHK recognizes the changes in the radio's potential as media and has already voiced its intention to review its radio broadcasting. Specifically, NHK plans to withdraw its international radio broadcasting services in some languages in October 2007, reducing the current 65 hours to 49 hours and 20 minutes.

NHK is currently providing programs in 22 languages, and is considering withdrawal of the services in some languages that are in declining demand. Out of 22 languages, NHK picked four languages for which comments and reactions from the listeners have dramatically decreased, namely Malay, German, Swedish and Italian, and will terminate the services in these languages beginning October 2007.

The key points of the implementation of the FY2007 order for NHK's international radio broadcasting are described in section 2 on Page 2 of the reference. The basics remain unchanged from the previous year. International radio broadcasting provided as NHK's business are partly provided independently by NHK and partly related to the order. MIC would like NHK to integrate the order broadcasting and independent broadcasting to improve efficiency.

This year, there is no change in the items that MIC specifies, except the note to the Japanese abduction issue, which was added to the change order of November 2006. MIC intends to maintain the part, namely (2) of "Implementation order (1): Broadcast Items." On this point, the change order must remain valid so that special attention is paid to the issue of abduction of Japanese people by North Korea when covering the specific broadcast item in the order.

The headquarters for the abduction issue was established by the government last October, and has continually worked on the issue. The Prime Minister's policy speech, which is introduced on Page 36 of the reference, clearly defines the handling of the issue. While progress has been made through the six-nation talks, Japan in particular places the highest priority on solving the abduction issue and continually negotiates with related countries. Considering that this issue is ongoing and that there is no change in the government's commitment and readiness, MIC would like to issue the FY 2007 order on international radio broadcasting as it is.

Next, we would like to explain the international television broadcasting. The figure on Page 4 of the reference outlines the international broadcasting. The figure illustrates how international TV broadcasting data is distributed around the world. One satellite can cover about one-third of the earth's

surface, which means a combination of three satellites can cover the entire surface of the earth and thus sufficiently distribute TV broadcasting worldwide. Specifically, three Intersat satellites, i.e., IS-8, IS-9, and IS-10, are used to transmit television broadcasting data around the world.

In North America and Europe, where a considerable number of Japanese people live, international TV broadcasting is provided for 66.5 hours with HotBird in Europe, as you can see in the left side of the figure. In North America, 6 hours of programs are provided by using Echos 1 through 9 of US satellite broadcaster, EchoStar. In Europe and North America, NHK borrows local satellites to re-transmit its programs.

Even an individual can directly receive the radio waves transmitted via the three Intersat satellites if he installs a parabola antenna of 2 to 6 meters in diameter and a dedicated tuner. Since such a large antenna, including its installation and a tuner, cost from some 10 thousand yen to 200 thousand yen, which varies between countries and regions, not so many individuals are inclined to do so. In reality, the most crucial point in international broadcasting is to use transmission systems of local broadcasters to provide the local viewers with the environment to watch the programs, as actually practiced in Europe and North America. International TV broadcasting is currently viewed in such a scheme in some countries and regions.

For your reference, NHK's international TV broadcasting program listing is provided on Page 29. From Pages 29 through 31, you can see the list of programs for 24 hours of each day during the week of February 26 to March 4 in 2007. They are mostly news programs, plus some information programs. Most of them are re-uses of domestic programs. For example, "NHK News: Ohayo Nippon (Good Morning Japan)" is the program you can watch within Japan from 7 in the morning. "Close-up Gendai (Today's Close-Up)" or "Nichiyō Touron (Sunday Debate)" are broadcasted around the world as they are seen in Japan. That is the reality of NHK's World TV.

These programs are provided mainly in Japanese. Some of them are subtitled in English or provided in both Japanese and English. English-Japanese bilingual programs may barely reach a 70% level in this fiscal year. In terms of program re-use, nearly 70% of them are re-uses of domestic programs.

Under such circumstances, English-only programs are gradually on the rise. One example is "TOKYO EYE," which introduces the latest trends in Tokyo. Recently, NHK is enhancing such original English-only programs, but the current situation of NHK's World TV is that most of the programs re-use its domestic programs and are being transmitted to the world via the aforementioned systems.

The reasons why MIC intends to issue the order to NHK to conduct international TV broadcasting, namely World TV, are explained in point (2) of the implementation order on Page 5. A more detailed description is shown on Page 23. The government or the ruling party has aggressively discussed the

issue of international TV broadcasting since early last year, and it has been pointed out that NHK's international TV broadcasting, or its commitment, is insufficient for foreigners.

In Europe and the United States, TV broadcasting has been enhanced under the active support of the governments. The table on Page 32 lists international TV broadcasters in other countries. In France, for example, the France 24 Channel launched new international TV broadcasting for overseas last December. Naturally, the programs are mostly in French, but the channel is making efforts to increase the percentage of English programs to the same level. These programs cannot be received in Japan, but in Europe, Africa, Middle East and some parts of North America. They are planning to expand the coverage gradually.

In establishing France 24, France's public broadcaster, corresponding to NHK in Japan, and a commercial broadcaster respectively hold a 50:50 stake. Its annual operating expense is equivalent to 12 billion yen. The company started its operation with 100% subsidy from the government. Other broadcasters are also enhancing TV broadcasting with substantial support from the governments.

Back to Page 23 of the reference, international television broadcasting for foreigners has been discussed at the panel organized by the Minister for Internal Affairs and Communications, as well as those at the ruling parties. The government and the ruling parties agreed last June that it should be launched promptly. The Telecommunications Council, the council for the MIC Minister, is now studying specific promotional measures.

The following Page 24 shows the history of the series of discussions. The panel was established in January 2006. In the meantime, discussions were carried out in accordance with Prime Minister Koizumi's order to enhance international broadcasting, which led to the agreement between the government and the ruling party.

On Page 28, you can see the program for the communications and broadcasting reform process, i.e., the measures to be taken for the time being in the communications and broadcasting fields, which MIC announced on September 1, 2006. Enhancement of international broadcasting is clearly identified as one of the measures.

A new framework is now needed for new international TV broadcasting for foreigners, but preparation work takes some time. To take transitional measures to enhance NHK's international broadcasting, MIC made a budgetary request for 0.3 billion yen for FY 2007. The government proposes to deliberate it now.

If you take a second look at Page 5 with all these backgrounds and histories, you will see that this is the first implementation order for international TV broadcasting, that it is basically the same as an order for radio broadcasting, and that the key is the focus on foreigners as viewers. It is explicitly expressed in

the following paragraph: “Additionally, it must be particularly noted that they are viewed by foreigners.”

Another key point is to see to it that they are easily accessible in foreign countries. Keeping in mind the publicity of broadcasting entrusted to local broadcasters, the wording, “promoting viewer’s convenience by such means as developing the environment for receiving broadcasting easily,” which is not specified for radio broadcasting, should be added to reinforce the commitment toward that direction.

Last but not least, what is important in comparison with radio broadcasting is that a “note for the abduction issue” is not specified for TV broadcasting. The idea behind the difference is that radio can send messages directly to the victims. Reception of TV broadcasting via satellite is particularly virtually impossible in North Korea. Furthermore, while radio programs are provided in 22 languages, international TV broadcasting is basically created in Japanese and the provision in English is currently optional. Under such circumstances, watching TV broadcasting takes considerable effort and money for individuals. NHK does not have sufficient data on the ratings of World TV, particularly how many foreigners are watching it. The impact of international TV broadcasting on the public is therefore quite uncertain. Considering this, the abduction issue is not to be included in the order for international TV broadcasting.

Except for that point, the first order for international TV broadcasting to be issued is basically in accordance with, or using the same expressions as, international radio broadcasting.

Following the MIC’s explanation, decisions were made as follows:

b. Decisions among council members

It was proposed and agreed to submit the report as of the date.

It was proposed and agreed to add the sentence, “It is appropriate to operate the system by considering NHK’s freedom of editing as before,” to the report in response to Consultation No. 16.

Based on the council decision, the council reported as follows:

(Consultation No. 16)

Based on the deliberation on the matter addressed in Consultation No. 16 of March 14, 2007, the council reports as follows:

(Report)

It is appropriate to issue the FY 2007 order to conduct international broadcasting to Japan Broadcasting Corporation as consulted. At the time, it is appropriate for MIC to operate the system by considering

NHK's freedom of editing as before.

(Consultation No. 17)

Based on the deliberation on the matter addressed in Consultation No. 17 of March 14, 2007, the council reports as follows:

(Report)

It is appropriate to issue the FY 2007 order to conduct international broadcast programming operations to Japan Broadcasting Corporation as consulted.

(Office responsible for the above wording: The Secretariat for the Radio Regulatory Council)