

**Digital Content Trading Promotion Committee, Telecommunications Policy
Sub-Council, Telecommunications Council—21st Meeting Proceedings**

1. Date and Time

Wednesday, August 1, 2007; 17:00–17:40

2. Location:

Kasumigaseki Tokyo Kaikan

3. Attendees (honorifics omitted)

(1) Committee Members (Including expert advisors)

Jun Murai (Chair), Mutsuya Asano, Tomoyuki Ikeda, Ryohei Ishii, Tsunetoshi Ishibashi, Yuu Inaba, Gota Iwanami, Noriyuki Uei, Nagaaki Oyama, Naotaka Kacho, Makiko Kawamura, Nobuhiko Sato, Kazuo Shiina, Mitsuo Sugawara, Yoshiyuki Seki, Aiichiro Sonoda, Nobuko Takahashi, Shuichi Tago, Kazuto Tamura, Miwako Doi, Mario Tokoro, Miki Nagata, Hidetoshi Haeno, Toshio Fukuda, Yoshitaka Hori (a total of 25 members)

(2) Observers

Makoto Kawase (Agency for Cultural Affairs), Shuji Nakamura (Mitsubishi Research Institute, Inc.), Yoshiji Nakamura (Japan Association of Music Enterprises), Yasuyuki Nonaka (Toshiba Corporation), Mariko Fujiwara (Institute of Life and Living, Hakuhodo, Inc.), Keiya Motohashi (Japan Broadcasting Corporation [NHK]), Kensuke Yasue (Mitsubishi Research Institute, Inc.)

(3) Secretariat

Ogasawara (Director, Contents Development Office, Information Policy Division, Information and Communications Policy Bureau)

(4) MIC Representatives

Ogasawara (Director-General, Information and Communications Policy Bureau), Nakata (Director-General for Policy Planning), Kawachi (Deputy Director-General, Information and Communications Policy Bureau), Matsui (Deputy Director-General, Information and Communications Policy Bureau), Suzuki (Director, General Policy Division), Yoshida (Director, Broadcasting Policy Division), Yoshida (Director, Terrestrial Broadcasting Division), Fujishima (Director, Regional Broadcasting Division)

Chair Murai: I declare the 21st meeting of the Digital Content Trading Promotion Committee open. Fellow committee members, I would like to thank you all for attending this meeting in spite of your busy schedules. Today's absentee members and the observers who took the trouble to attend this meeting are, as usual, listed in the document placed in front of each of you. Please take a look at it.

Today, I would like to ask you to share your views on the Draft Interim Report that has been prepared by the Secretariat based on discussions that took place at previous meetings. First, I would like to ask the Secretariat to give an explanation of the document, which will be followed by my own explanation. Following this I will ask for your opinions. Thank you in advance for your cooperation.

I will now ask the Secretariat to confirm and explain the relevant documents.

Secretariat: Today's documents are quite bulky. Document 1 is an outline of the Draft Interim Report. Document 2, which consists of several sheets of paper, is the full Draft Interim Report. Several reference materials are attached to the end of Document 2. These include related inquiry documents, a list of council members, a list of the Telecommunications Policy Sub-Council members and a list of members of this committee. Also attached are the following two documents, both of which are cited in the Draft Interim Report: an interim version of the Guidelines for the IP Retransmission Method and a report by the Working Group on the Formation of Content Transaction Market. We gave an account of the latter document at the last meeting. We intend to submit the reference materials for consultation together with the body of the Draft Interim Report. These are the only documents that we will be dealing with today.

Next, allow me to give a brief explanation of the structure of the current Draft Interim Report. Could you open the outline to page 15? At the last committee meeting held on July 19, each of you received three documents: one was the recommendations, another, the particulars of studies and the third dealt with relevant related facts. A look at the table of contents of the Draft Interim Report will show the good use, for the most part, that has been made of the contents of these three documents. First, Section 1 of both Chapters 1 and 2 is titled "Tasks" and incorporates the document setting out the relevant related facts that was handed out at the last meeting. In the course of this week's wide-ranging discussions, you provided various corrections to this material, for which we would like to thank you. The particulars of studies are incorporated into Section 2 "Details of Studies" in each chapter. Good use of the recommendations was made in Section 3 "Recommendations" contained in each chapter. That covers the relationship between the current Draft Interim Report and the documents submitted as draft outlines at the previous meeting.

That concludes my explanation.

Murai: Thank you.

As already explained, today's Draft Interim Report is basically a written document consisting of the Draft Interim Report submitted at the last committee meeting and incorporating the

discussions that took place at the same meeting. During the very short period between today and the last meeting on July 19, committee members voiced their opinions in a series of exchanges. I would like to again express my thanks for your cooperation in this regard.

I would now like to explain the points that received special attention in regard to this Draft Interim Report. My explanation will be broadly divided into the overall editing policy, the changes made from previous outlines and future actions.

As regards the overall editing policy, it has always been insisted that discussions be transparent. Thus attention has been paid to placing importance on the particulars of studies and to giving serious consideration to the relevant related facts. Consequently, about one-third, if I remember correctly, of the contents of the current Draft Interim Report is made up of statements given in as much detail as possible, thereby following up on the particulars of studies. As you are well aware, your opinions have covered a wide spectrum. I think that this fact itself is very important. As for operations, we arranged at each meeting for persons in a variety of positions to give their opinions. Such opinions are considered to be representative of their respective general view. We have made an effort to ensure that the language used in the report is an accurate reflection of the opinions voiced on the relevant occasions. It was pointed out at the last two meetings that it is important that discussions be thorough and open and we have endeavored also to reflect this in the report.

Next, in considering the issue of content distribution in the digital age, I believe that attendees have very clearly pointed out the basic tasks necessary, as seen from their respective standpoints, in terms of keywords and general statements, which I believe will strongly inform future discussions on the subject. We therefore made a special effort to ensure that the basic tasks discussed in the report are described in a clear and understandable manner.

By way of giving serious consideration to the relevant related facts, attendees pointed out that complex technologies should be described in an appropriate manner and that other countries are also dealing with complex situations. As part of the process of assessing such actual situations, explanations were provided and discussions took place at various committee meetings. The topics so discussed are included in the Draft Interim Report, thereby enhancing its accuracy.

With the aim of promoting discussion, several opportunities were provided to ensure attendees developed a shared awareness of the relevant related facts. This involved the relevant attendees giving explanations, which were then explored and rounded out by the remarks of other attendees. We endeavored to ensure these discussions were also properly reflected.

In terms of the general content, there was no call to significantly modify previous outlines. We have made several minor changes by way of reconfirming important points only.

The first item is the confirmation of the three principles of “Content protection and appropriate compensation for content creators,” “Responding to fast-evolving technologies and ensuring consumer convenience” and “digitization,” which were all included in previous outlines. These principles were expressly set forth in the Draft Interim Report, which gave rise to recommendations about the copy-once scheme and the content trading market.

After making recommendations on July 12 as to what improvements should be made to the copy-once scheme, I received a variety of comments from committee members. Having promised that these comments and my thoughts on them would be reported to the Telecommunications Policy Sub-Council, we took steps to ensure that such comments and so on would also be expressly stated in the Draft Interim Report, in particular, those opinions expressing concern about the recommendations. Just to give you a quick idea, the following items are all included in the report: illegal acts and efforts henceforth to curb such acts; a statement to the effect that, depending on circumstances, opportunities will be provided to revisit at later committee meetings the rules currently suggested, in consideration of radical improvements in technologies and in order to take general stock of the situation—in short, a statement to the effect that the rules are not permanent, but rather subject to review.

We received comments that it is also necessary to mention the timing of the implementation of improvement measures and of actions regarding already commercially available devices. Specifically it was suggested that this should include the timing of the implementation of the current recommendations and the measures regarding devices with regard to the viewpoints of viewers, users and other consumers.

The fact is that whether or the current recommendations will be accepted depends on commercial factors. However, in light of discoveries made from the studies conducted to date, we have pushed these ideas in the hope that those concerned will take actions appropriate for the digital age.

Regarding the timing of implementation, we used the expression “at the earliest possible stage, including sometime within this year.” As for the action to take on devices that have already been on the market, we employed the expression, “Utmost efforts should be made to conduct feasibility studies and so on.” These are very delicate matters. Anyway, they are the expressions used.

On July 19, discussions were held on the content trading market, the demonstration experiments were followed-up on and comments were made about the estimation. As a result, the following statements were also included in the Draft Interim Report: a statement of the intention to formulate and announce operating rules for demonstration experiments by September this year; and a statement regarding the actions this council will take in parallel with the experiments.

That concludes my explanation of the Draft Interim Report. On a separate issue, I would like to mention the following two matters with regard to future activities, since today's meeting is the final meeting regarding the Fourth Interim Report.

First, I would like to thank you very much for attending these 21 meetings and actively participating in discussions that added up to a few dozen hours. Today's Draft Interim Report is the result of your very active participation and exchange. Such being the case, this Draft Interim Report will be a basis on which each participant will take action as a representative of their related respective industry. Today as well, you are seated in groups according to industry. I would like to request your further cooperation, including future action by attendees as appropriate to each of your respective roles.

The second matter is that the item "Legal Systems Aimed at Content Competitiveness Enhancement" was recently submitted for deliberation. I would like to speak a little about the relationship between this item and the current deliberations. We do not intend to disband the current committee and form a new committee for new discussions, rather, we would like to this committee to continue, with this issue as its next objective. We hope that we can conduct this new study based on the relationships of trust that have been built as the result of our comprehensive discussions, the contents of the discussions and the shared awareness formed. This time, matters moved forward following very frank and robust discussions that made it possible for each of us to understand the position of our fellow attendees. I would ask again that future discussions continue in the same style. That's all I wanted to ask you in respect of future activities. Thank you in advance for your cooperation.

That brings my explanation to a close. Since today's meeting is our last chance to discuss the Fourth Interim Report, I would like to take this opportunity to seek your opinions. The floor is now open. Of course, I will take into account the comments made today. I am strongly considering submitting the resulting conclusions to subsequent sub-council meetings for deliberation. As in the case of previous discussion, I would ask you to share your opinions group by group. We will hear first from Member Takahashi.

Takahashi: Thank you. As mentioned by the chair, today's meeting is the 21st. Looking back on the efforts that have been made and the compromises that have been reached over the past year, I am very satisfied. I also serve as a member of the Assembly Committee of the Telecommunications Council and as a member of the Telecommunications Policy Sub-Council. Including these two roles, I have actually been involved in the preparation of this Draft Interim Report for over two and a half years. I'm relieved and glad that the report has been finalized, thanks to the efforts of all concerned, and I think we have fulfilled our duty.

In particular, I would like to thank Prof. Murai for ensuring transparency and balance and for respecting the positions of all concerned and taking the relevant related facts into account.

In terms of the contents, there is nothing in particular that needs to be added. I believe that a process has been provided whereby device manufacturers and broadcasters will be forced to pay serious attention to consumers, which will allow consumers to enjoy the advantages of the new terrestrial digital age, which gratifies me.

It has been suggested that consumer intentions should also be incorporated into this report. There have so far been opportunities for rights holders and consumer groups to exchange views. If broadcasters and device manufacturers wish to continue this dialogue with consumers, we would like to ensure this happens. The three consumer representatives have already approached consumer groups, requesting them to attend an explanatory meeting next week on August 6. As a result, it was promptly decided that two MIC representatives would visit the Shodanren National Liaison Committee of Consumers' Organizations, the umbrella consumer group organization, to provide an explanation and share views about terrestrial digital broadcasting. Our efforts will not stop here. We hope to continue to assist until the transition to terrestrial digital broadcasting is successfully completed in 2011.

On another issue, with regard to creating a content trading market, robust discussions eventually took place, with the result that it was decided that various trials be conducted aimed at diversifying production entities. We would like to reiterate our request that such discussions be held in an open manner. Moreover, as I said at the last meeting, we would prefer not to conduct studies after the fact but would rather observe results at intermediate stages. If binding regulations are required, we would like the opportunity to participate in related discussions. As Prof. Murai said, today's meeting is the last one for the report that will be submitted tomorrow. We expect future studies will continue to be conducted and thank you in advance for your cooperation. That concludes my remarks.

Murai: Thank you very much. Now, would Member Nagata like to take the floor?

Nagata: I would like to echo what Member Takahashi said in giving thanks to all attendees for their much appreciated efforts. The Draft Interim Report has been put together quite well and Prof. Murai did a fine job indeed. I agree that the final draft gives more consideration to the needs of consumers.

As I have been saying for quite a while now, I think that the successful transition of the entire country to terrestrial digital broadcasting in 2011 depends on how clearly the following can be communicated: What specifically should be done and when it should be done. Various items were dealt with according to different schedules. In the midst of this, changes were made to the method of handling the copy-once scheme, which resulted in new devices being added. Thus consumers are placed in the position of having to know the following: How are these matters going to be communicated and when will new devices be released? In this regard, I would like to enlist your help.

I believe that device manufacturers are now making tremendous efforts. I would like to ask them to commit themselves to creating new devices and rules as soon as possible. People who have televisions that don't work must be scratching their head right now about what to do. I would like to request that measures be taken as soon as possible to ensure that such people will receive specific instructions about what they can do.

Another point: There is the issue of whether or not legacy-based devices will come out. I mentioned this matter at an early stage. However, I knew that it would be very difficult to realize the hoped-for production of legacy-based devices. Therefore, I refrained from making such a request. However, I would like to take this opportunity to request that some measures be taken if at all possible for the benefit of various people, including long-time owners of such devices, those who intend to buy them and those who have recently done so. Anyway, at the very least I would request that studies be conducted at an early stage. I think that this will benefit consumers greatly if it is realized. I would like to request that efforts in this regard be stepped up.

Murai: Thank you very much. We will now hear from Member Kawamura.

Kawamura: I think the two previous speakers, in their various remarks, have covered most of what I wanted to say, with one exception. If I remember correctly, one of the broadcasters, looking back on the results of some of the studies, said that an increase in the practice of videotaping would hinder the secondary use of content. It is very regrettable that such a remark was made.

Personally, I do not tape programs very often, but some of my acquaintances frequently do. One of these acquaintances sent me e-mail on the topic, which I quote: "Consideration should be given to the future of broadcasting now, at a time when people are so eager to watch these programs that they will take the trouble to record them. If this doesn't happen, the broadcasters may find themselves in trouble later on. It is inappropriate to be saying, especially at this time, that an increase in the practice of videotaping will hinder the secondary use of content. The fact that people record programs in order to watch them is an indication of the success of the broadcasters." He wonders why the broadcasters do not recognize this and I quite agree with him.

As the baby boomers go into retirement, the birthrate declines, and the population ages, the number of high quality television programs will decrease. As a consequence, television sets will fall out of favor, except among those who are particularly attached to watching television programs on conventional sets. In order to convince people to buy expensive devices in preparation for 2011, highly accomplished television programs worthy of secondary use must be produced. This will be achieved by talented people competing in terms of abilities and creativity. If this happens, we will all benefit. This is all I want to say.

Murai: Thank you.

We will now hear from Member Shiina.

Shiina: First, I would like to express my respect for the efforts made by the Secretariat in bringing together the range of opinions and comments over a short period of time and consolidating several differing versions of the report.

Next, I would like to reiterate that the method to improve the copy-once scheme, as contained in the current Draft Interim Report, is the committee's greatest achievement. As a rights holder, I would like to see this respected. Also as a right holder, I hope to see new types of devices appearing on the market as soon as possible.

Furthermore, in connection with this issue, I mentioned several issues about which there is some concern, including problems related to pirate copies and the system of compensation. These issues were mentioned to those concerned, including the government, at various times, including at meetings of this committee. These items are appropriately contained in the Draft Interim Report, which I am appreciative of. On the other hand, however, these issues will not magically disappear with the release of the Draft Interim Report. It goes without saying that I

hope to see close attention being paid from now on to trends and so on related to these issues.

With regard to the issues related to the creation of the content market, rights holders welcome, as a matter of fact, new types of content business that are accompanied by commitments to see that proper remuneration is provided. I have said this repeatedly. Regarding the trial distribution exercise that is premised on the fact that copyright does not constitute an obstacle, Observer Kikuchi made a comment at the last meeting to the effect, if I remember rightly, that information should be derived not only from demonstration experiments but also by taking into account various angles based on various methodologies, with which I agree. If I recall correctly, there are three new areas of inquiry for this fiscal year: databases, the removal of pirated copies and the development of conditions which will revitalize production of better quality contents. It is my opinion that if activities along this course continue there will be no problem.

Incidentally, Member Takahashi said that she was very satisfied. In connection with this, I would like to take this opportunity to mention again the position of rights holders in this committee. It is true that we rights holders work through oriblems which come upon us, but our fundamental intention is not to haphazardly insist upon our rights. During the study on improving the copy-once scheme, there was an uncompromising statement that the EPN rules would be abided by and no concessions would be made. On the other hand, if I remember correctly, Member Takahashi made a remark to the effect that it is never the case that consumers want an unlimited number of copies. In my view, this remark triggered a remarkable shift toward “COG plus n times.” This can be regarded as an example of what is possible when, without any third-party intermediation, direct communication between consumers and rights holders, between whom great conflict could have arisen, takes place. I believe this was a very valuable lesson.

What I’m about to say now may seem over-reaching, but a significant reform was delivered in the Upper House election the other day. It seems to me that our whole society is shifting, from one in which different groups aggressively push forward their own interests to one in which meaningful dialogue plays a major role. In that sense, it is my sincere hope that the experience of this committee will serve as a model for resolving points of conflict.

That concludes my remarks.

Murai: Thank you.

We will now hear from Observer Motohashi?

Motohashi: I would like to start by apologizing for always speaking, when I'm just supposed to be an observer.

Regarding the issue of "nine times copying," committee members have pointed out that it would be preferable for equipment to be on the market as soon as possible. We are of the same opinion. Device manufacturers and we broadcasters hope, from now on, to devote ourselves to not only coming up with a method of realizing this but also, by carrying out research and so on, of doing so at an early stage.

In addition, as you already pointed out, the issue of the "nine times" has been spotlighted, however, the issues of deterring piracy and setting appropriate remuneration are also important, as was reported by Prof. Murai at the Telecommunications Policy Sub-Council. I believe that we all here have come to a common understanding on this point and I'm sure that everyone will work hard to conduct meaningful research or take actual practical actions. Of course, we too would like to take an active role in such efforts.

The "nine times" issue has already been reported by the media on a number of occasions. As a consequence, our call center has received a whole range of inquiries. Since the formal Interim Report has not yet been issued, we have been unable to respond in a meaningful way. All that we have been able to do is give very general information. But we have been trying to answer in as much detail as possible and from tomorrow, we will be able to fully elaborate. Of course, our basic policy for addressing this issue as a broadcaster is to provide simple yet detailed information. We have already prepared reference documents for giving answers. In terms of specific devices, we have received quite a few questions about the future of the legacy-based devices mentioned by Member Nagata earlier and about what the equipment will be like. However, we are unable to respond to every aspect of these questions, which leads me to believe that a lot of these questions will be directed to device manufacturers, and that these kinds of inquiries will increase from now on. As this issue relates to making things more convenient for consumers, I would ask that these questions be dealt with and answered with care so as to avoid antagonizing existing or prospective buyers. We also intend to do our best in this regard.

That concludes my remarks.

Murai: Thank you. We will now hear from Member Seki.

Seki: I think Mr. Motohashi has just about covered it from the point of view of broadcasters. I remember when these discussions began, which as Member Takahashi mentioned, was around

the end of 2004. As I recall, the 4th Working Group of the Broadcasting Policy Colloquium had just been formed. I am very happy that these long discussions—two and a half years' worth—have resulted in the course of action that has been decided. I would like to express my thanks to Prof. Murai for keeping everything together.

In connection with this, today's final Draft Interim Report contains a statement to the effect that broadcasters should aim to complete their studies as early as possible, including sometime within the year. In terms of the specific technical methods that should be used, care should be exercised in deciding what distinctions to make between free-to-air broadcaster and fee-based broadcasters, as stated in the draft Interim Report. We would like to see this issue taken up sooner rather than later.

Specifically, I think that issues relating to standard norms and technical specifications can be resolved with several months. However, how to actually apply them still needs to be determined. Therefore, we would like to see these matters dealt with promptly.

That concludes my remarks.

Murai: Thank you.

We will now hear from Member Tago.

Tago: I am very pleased that it was agreed to relax the copy-once rule now, when July 2011 is still over three years away. In connection with this, we manufacturers are urged by various quarters to start producing appropriate devices as soon as possible. What is stopping us moving quickly on this is technical specifications, specifically, broadcasting operation rules, which is the first prerequisite. Without these rules no R&D can go ahead. We would, however, like to begin at an early stage and of course will cooperate fully. We would ask that the start date, or so-called D-day, be decided. We have two tasks ahead of us at the moment: deciding on the start date and, before that, establishing technical specifications. We will work together with the broadcasters, as stated by Mr. Seki earlier, to achieve this.

These are new rules, aren't they? In that sense, the notification process will begin all over again, on the premise of videotaping onto hard disk. Therefore, as Member Kawamura has often said, consumers and dealers must be properly notified, with nothing concealed, about the various situations. In that sense, action directed at raising awareness will be very important from now on. With regard to such awareness-raising activities, as I have said every time the subject arose, broadcasters, sometimes along with consumers, ask as a lot of questions about the specifics of

devices. It takes a significant amount of time to properly respond to such inquiries. On one occasion I spent about two hours giving an explanation. So the question is: How to raise awareness? As there is not so much time, we would like it to happen quickly. Everything will be lost if the market becomes confused. To avoid this, we will put a lot of effort into addressing the issue of raising awareness.

At the same time as conducting activities aimed at raising awareness, as stated in the Draft Interim Report, we manufacturers would like to simultaneously raise awareness about illegal acts, and we hope to have the cooperation of all other parties in this regard.

That concludes my remarks.

Murai: Thank you.

We will now hear from Member Nakamura.

Nakamura: It seems to me that Japan has fallen behind in terms of content distribution and services. In my view, policy decisions should be made without delay. In terms of the action needed to address the issue, including from a regulatory point of view, robust discussions sometimes take place, including at meetings held by the Intellectual Property Strategy Headquarters. Consent was reached here on this occasion regarding the arrangement whereby a content trading market will be developed at the initiative of the private sector, thereby promoting trials. As I said earlier, I think that this will be the last opportunity for this. If it is not successful, calls for binding regulations will increase. Therefore, I would like to be sure that the private sector initiative is the right way to go.

Any entity that benefits from this should take full advantage of this opportunity. It seems likely that success or failure depends on whether the communications industry, which is in need of new contents, takes the issue seriously in terms of funding and human resources. I hope all players concerned go ahead with the necessary trials.

Murai: Thank you.

Now, is there anyone else who has something to say? Member Takahashi, please go ahead.

Takahashi: Excuse me for speaking again. I'm relieved to hear Prof. Murai make a definite promise that this committee will continue to exist. In connection with this, there are two strong requests that I have been thinking about making. I am sorry for making requests all the time,

but I would appreciate it if Prof. Murai and the Secretariat would consider them.

The first issue is this: As I understand it, verification and demonstration activities are to be performed in preparation for increasing the diversity of contents and production entities. This committee has held as many as 21 meetings, but if I remember correctly, we have not so far properly heard directly from the content producers. Therefore, I would like to request that opportunities for this be provided.

Secondly, I believe we need to improve our understanding of the systems used in other countries. I think it was announced today that Task Force on Contents and Japan Brand has been established. I have been appointed a member of this organization. This task force will conduct research on what needs to be done regarding contents and the “Japan brand.” Consideration of why the situation of the Japan brand is the way it is compared to foreign brands is needed. At past committee meetings, mention has been made of the Financial Interest and Syndication Rules in the United States and restraints on outside procurement in the United Kingdom. It would be helpful if the details of these matters were shared with all the attendees, as necessary.

Thank you in advance for your consideration of the above requests.

Murai: Thank you. Member Hori, please go ahead.

Hori: The last meeting has finally arrived. I would like to take this opportunity to say a few words.

My understanding is that the current situation is temporary and that deliberations will continue. I understand no representative of companies that produce programs for broadcast attends meetings of this committee, which I think means that the “nine plus one” system will go ahead, with no one actually knowing what will happen.

At the beginning, when I took my seat here as a rights holder, I was subject to continual remarks to the effect that seeing to the rights of rights holders slows progress. It may be that this is still the case. Be that as it may, I am now confident that attendees understand that rights holders are not the only party that is to blame, which is validation of our right to be here. Furthermore, Chair Murai suggested that contents should be respected. I think that the fact that this has been recognized is a very positive outcome.

The “sharing of the pain among the three parties” begins today and will, I think, continue to

take place in the future as well.

It may be the case that results of discussions on technical aspect here lead to very heavy burdens being imposed on device manufacturers. This should be avoided as much as possible and prices should be kept low. On the contrary, if burdens are imposed on broadcasters all at once, they, combined with previously imposed burdens, will exceed the amount of investments made in digitization by broadcasters, including local stations. Then burdens on performers will increase further. As a result, guaranteed fees will decrease, or production costs will be reduced, or local stations will be unable to get along. If television stations fall into a similar state to that of the radio stations, all will be lost. It's possible that in the future entities engaged in the contents industry will be unable to function.

All attendees present today have their respective distinct roles. Be that as it may, it would be advisable in the future to refrain from putting blame on any specific party as matters are pushed forward. In this regard, allow me to come up with extreme to say, if consumers are told that a specific party is to blame, they will gain a better understanding of the situation by assuming that party is being scapegoated. During the course of debate, it is very easy to place blame. However, the Committee's intention is to support the Japanese content market and to act in the interests of Japan. Such being the case, we rights holders would welcome moving forward, even if this means some losses will be incurred.

We always refer to ourselves as rights holders. Be that as it may, even our company's yearly turnover is only 15 billion yen, which is 1 to 10 percent of those of the other companies represented here, and our company is the biggest. In reality, entertainment and program production companies annually turn over 1 to 10 percent of our company's yearly turnover. As a matter of fact, several years ago 600 people applied for jobs with a certain production company, but this year only six people did and then four of them then turned down offers of employment. This is the kind of thing we're starting to see now. There is no hope for future developments. In connection with this, I spoke about remuneration for rights holders and content creators, including fees for the videotaping of programs. If a content trading market is created in the present circumstances, performers, producers and we operators will be even worse off. I would request that the fact that these kinds of small enterprises and people who are not invited to committee meetings account for the greater part of those affected be considered in future discussions.

Murai: Thank you. Does anyone have any other comments?

Our time is nearly up. By way of conclusion, I would like to say a few words. Your various

comments, including the notes, have been included in the current recommendations. The views offered today are also very valuable, as is the fact of your very attendance here and the discussions that have taken place. This is something I take very seriously.

I will take the following action in person: The Draft Interim Report presented here today will be submitted as the conclusion of this committee's deliberations to the Telecommunications Policy Sub-Council for deliberation.

Members Hori and Takahashi pointed out the issue of hearing directly from producers. With regard to contents, Member Nakamura touched on the situation in Japan and the issue of international competitiveness, suggesting that the situation is difficult. In connection with this and other issues mentioned today, I look forward to more deliberations as part of new inquiries. I would appreciate your participation in such discussions, which will be held as a continuation of the activities undertaken so far.

Now, does the Secretariat have anything to say?

Secretariat: Excuse me for bringing this up when the first stage has only just been completed, but I would like to discuss the date for the 22nd meeting. I am thinking about trying to organize it for late August, probably on the morning of August 22. A formal notice of the time and place will be provided to you later on. Thank you in advance for your cooperation.

Murai: It has taken a very long time and a lot of discussion to complete the Draft Interim Report. I would like to again express my deep thanks to everyone involved. I will submit today's Draft Interim Report to the Telecommunications Policy Sub-Council for deliberation. That concludes today's meeting. Thank you.

End