

Summary of Minutes

6th Meeting of the Study Group on Cable Television in the 2010s

1. Date and time:
September 22 (Fri), 2006 10:00 to 12:00
2. Location:
Special Conference Room No.1 (8F), Ministry of Internal Affairs and Communications

Attendees:

- (1) Members (Honorifics omitted)
Yasutoshi Ishibasi, Yoshihiro Oto, Fujio Koike, Sigeki Goto, Kazuteru Tagaya, Tetsuro Takeoka, Kazutoshi Terasaka, Masataka Nakamura, Tomohiro Fujisaki, Tadahisa Mori, Kei Morita, Hirotsugu Yamaguchi, Haruko Yamashita, Ryuji Yamamoto
- (2) Ministry of Internal Affairs and Communications
Suzuki (Director-General of the Information and Communications Policy Bureau), Nakada (Deputy Director-General of Minister's Secretariat), Minami (Director of Broadcasting Policy Division), Takeda (Director of the Satellite and International Broadcasting Division), Okubo (Director of Broadcasting Technology Division), Ohnishi (Director of the Regional Broadcasting Division), Honma (Senior Technology Planning Officer of the Regional Broadcasting Division), Umemura (Assistant

Director of the Regional Broadcasting Division)

4. Summary of proceedings

(1) Opening

(2) Reports

- a) Roadmap for cable television's actions toward terrestrial digital broadcasting
- b) FY2005 management status of cable television operators
- c) Trends in studies on copyright issues regarding IP multicast broadcasting
- d) Technical trends in cable television

Discussions

- a) Issues regarding cable television
- b) Cable television at the beginning of the 2010s

(3) Closing

5. Major discussions

The Secretariat explained about "How to manage the 'Study Group on cable television in 2010s' (draft)" (Document 6-1), trends in the Government regarding recent cable television (Documents 6-2 to 6-5), "Issues regarding cable television (draft)" (Document 6-6) and "Cable television at the beginning of the 2010s (draft)" (Document 6-7), followed by questions and answers as detailed below.

(1) Recent Government trends regarding cable television

- ITU-T SG9 was introduced in the document and a US specialist who will attend this meeting is invited as a lecturer in a seminar scheduled to be held on 29th sponsored by the Japan Cable and Telecommunications Association, Japan Cable Television Association and Japan Cable Laboratories.
- The CS digital broadcasting also aims at HD and we welcome

discussions about the technical standards for resending HD signals by cable television.

(2) Issues regarding cable television

- We want the use of radio frequencies to be studied in order to spread cable television in areas with disadvantageous conditions.
- For "Securing equal footing of IP multicast broadcasting (IPTV) and conventional cable television," I think it essential to adapt the system to be applied to IP multicasts to the system of cable television.
- An operator alone may be insufficient to be economically independent when providing new services such as "primary telephones." We should study how the cable television industry as a whole can make efforts.
- The future vision for cable television listed in the document is a mixture of those focused on its public aspect and those on its commercial aspect. It seems that it should be limited to either of the two to be successful.

→I think that it may be possible to focus the urban-type on the commercial aspect and the local-type on the public aspect.
- When extracting issues for cable television, what matters is to have a viewpoint about how local public entities and cable television operators should work in an integrated fashion.
- While resending of BS digital broadcasting is expanding in urban cable television, it is not so in local MPIS. It is also necessary to prepare for BS digital broadcasting along with "Preparations toward the resending of terrestrial digital broadcasting."
- As for the use of free frequencies after analog radio is abolished,

if, when cable television is using the VHF band, interference occurs for a new broadcaster attempting to use the said frequency band, is it the later comer who have to pay compensation?

→It is now under consideration what services will be allocated to the VHF bands that become free.

Under the Radio Law, radio stations are protected from interference but cable television is not. I hear that there was a case where a newly-opened broadcasting station interfering in cable television has made compensation, but the case was completely based on an agreement between both parties and no legal obligation was imposed.

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- At present, there is one community channel (remote controlled channel) that uses OFDM. Does the "Improvement of community channels of cable television" also mean an increase in the number of channels?

→Chukai Cable Television System Operator, of which the Study Group has undertaken a hearing once before, provides multiple community channels and there can indeed be an improvement also in number. The guidelines of the Japan Cable and Telecommunications Association appears to assume one channel for the remote control number of the digital community channel per area. However, it is not institutionally specified and is completely under a mutual agreement between the parties based on current needs. Whether it increases to multiple channels in the future depends on an agreement between the parties.

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- The cable television of Nishi Aizumachi, which is established and run by the municipality, has been contributing to the local community and is essential for town infrastructure based on a total care for health, medical, and welfare. If it is to be operated

on a commercial basis, the use of cable television for establishing a town infrastructure will be difficult.

- We see in the document the expression, "Contribution of cable television in disadvantaged areas." However, full transition to terrestrial digital broadcasting must be the premise and the stance was that certain areas would be supported by cable television. The outcome may be the same but we should not think of disadvantaged areas in the first place.
- Since cable television is provided in many cases exclusively for a particular area, the setting of the use charge must also be studied from the viewpoint of users.

→ Competition with the video delivery service provided by communication providers exists, and there is also the question of whether the current charge system will continue to work in the future.

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- Viewers who once subscribed to a cable television system may be locked in and cannot retire from it as STB advances to promote home networking, and the range of selection for viewers may be narrowed.

→ It is natural that operators strategically try to keep users from getting away. In addition, it is rather difficult to forecast that lock-in really happens when considering the development of the standardization of STB and the possibility of emergence of competitive services from communication providers.

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- The cable television industry may grow bigger and be further restructured in the process. From the historical background of cable television, both the public and commercial aspects are essential and therefore an institutional framework is required focusing on both the aspects.

- Different business models are required for MSO (Multiple Services Operator) and public utility cables. Once MSO becomes bigger, we should study it by taking into consideration competition with the platform of satellite broadcasting in terms of the provision of programs.
- For "Securing an equal footing for Internet Protocol Multicast Broadcasting (IPTV) and conventional cable television," the Study Group must hold sufficient discussions on the classification of communications and broadcasting, as well as how copyrights are handled.

→ There exists a view that the legislations for broadcasting and for intellectual property rights need not necessarily be the same.

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- The conventional cable television industry in Japan has directly imported US technologies, but I believe that from now on we must spread our original technologies throughout the world, such as FTTH, of which Japan is a pioneer.

(3) Cable television at the beginning of the 2010s (draft)

- A service model that integrally provides hardware (line) and software (contents) has been adopted for B to C, while it may also be considered that for B2B activities, cable television operators will provide only hardware and other operators will provide software.
- There may be cases where two or more cable television facilities exist in a municipality due to municipal consolidation. We must discuss issues such as the use of the designated manager system in such cases.

→ The designated manager system is an option whereby municipalities operate cable television and it seems OK if

the relevant parties select appropriate formats—including this system.

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- The penetration rate of cable television is high in the US. If cable television becomes more popular in Japan to the level equal to that of the US, it appears that the market size for cable television will be twice the current one. We must proceed with our discussions, including about market size, in the future.

(End)