

Summary of Minutes

7th Meeting of the Study Group on Cable Television in the 2010s

1. Date and time:
October 20 (Fri), 2006 15:00 to 17:00
2. Location:
Conference 901 (9F), Ministry of Internal Affairs and
Communications
3. 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, Tomio Kihara (by
proxy), 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), Okubo (Director of Broadcasting Technology
Division), Ando (Director of Terrestrial Broadcasting Division),
Ohnishi (Director of the Regional Broadcasting Division), Inoue
(Assistant Director of the Regional Broadcasting Division)
4. Summary of proceedings

- (1) Opening
- (2) Presentation(Member Oto)
"Issues in considering the future prospects of cable television"
- (3) Discussions
 - a) Measures and issues regarding cable television
 - b) Current status and issues in the legislation aspect of cable television
- (4) Closing

5. Major discussions

Member Oto made a presentation on "Issues for considering the future prospects of cable television" (Document 7-1). Then the Secretariat explained about "Measures and issues regarding cable television" (Document 7-2) and "Current status and issues regarding the legislation of cable television" (Document 7-3) followed by questions and answers and discussions detailed below.

- (1) Issues for considering the future prospects of cable television
(Document 7-1)

○Cable television has been classified into three types. Which type do you think will compete with operators such as IPTV?

→I think that the MSO-type, the local city-type, and the publicly-run type will all compete with cable televisions, including IPTV. Under such circumstances, cable television operators may get into partnership with each other or launch businesses in cooperation with other operators.

○The term "community" is used as a keyword. What do you think about the mission of cable television in the "community" in the future?

→It will be a problem if the social role that the existing cable television in Japan has played in the communities vanishes. I think that what could be lost as a result of growth should be institutionally secured.

○It was explained that business restructuring would be promoted through deregulation. What regulations you are assuming to deregulate and how? Please tell us specifically. It would be fine if you can just show us some

example cases.

→ The term "amalgamation of communication and broadcasting" has become popular in recent years. However, I think the hurdle is still high for new firms to attempt to enter another party's media business.

○ You said that industry size would increase according to the policy. What size and sales are expected for the cable television industry in 2015? What size do you think is required?

→ It is rather difficult to answer in this presentation about the setting of the target values, including size. Growth in Japan is rather slow compared to that of the US cable television in the 1980s, but I believe that cable television has the potential still to grow in Japan.

○ You told us that "end user service" must be secured even if the "B2B service" is to be implemented. Is the "end user service" provided by cable television a provision of animations or access networks in triple play, etc.?

→ It is feared that services provided to general users may be degraded if cable television, which provides general users with animation and communication services, starts to provide "B2B services" with higher business efficiency. In such case, certain measures should be taken in order that existing services can be maintained, including cases where companies other than cable television provide such services.

(2) "Measures and issues regarding cable television" (Document 7-2) and "Current status and issues regarding the legislation of cable television" (Document 7-3)

○ P9 (4) a of Document 7-2 says, "There are cases where the cable television service has been abolished"; does this mean that the service was abolished through the merger of municipalities? Could you please give us specific examples?

→ In the case of Television Tonan, I know that Tonan village merged with Morioka City and then the television service was abolished because it was difficult to invest in the digitization of the cable television facility of the said cable television service and integration with other nearby

operators was not possible.

○The role of cable television in areas with fewer channels on P1 of Document 7-2 is stated from the viewpoint of cable television, but it is also a matter of great importance for terrestrial operators. When cable television undertakes resending out of the area, it must be emphasized that the consent of commercial television broadcasters must be obtained after holding thorough discussions with them.

Fewer channel areas are issues not only for cable television but also for broadcasting policy. In the medium to long-term, they must be studied through a variety of means.

○We understand that resending out of the area is an issue for the entire broadcasting system. We should discuss the issue based on the fact that there are viewers who are watching television in fewer channel areas through resending from out of the area.

○The arbitrage system of the Japanese Cable Television Law is a system from the time when cable television was a minor-scale service. It must be reviewed based on the current situation. It seems appropriate to " hold further discussions, taking account of the new situation in the new times."

○The arbitrage system of the Japanese Cable Television Law is essential since there is the possibility that disputes may occur between cable television and commercial television over agreements on resending.

○Even though NHK (Japan Broadcasting Corporation) is considering allowing resending out of the area based on natural and cultural circumstances specific to an area, we would ask cable television and commercial broadcasting services to hold proper discussions, since relationships with local commercial broadcasting services are ultimately involved.

○ At present there is no law to directly control illegal tuners stated on P.10 of Document 7-2, and thus the law related to electronic safety has been applied. I hear that an electronic signal burglary charge exists in the US and

we, too, must discuss this issue.

○P.5 (3) of Document 7-2 says, "The Government will study the necessary measures from the viewpoint of securing international competitiveness and the promotion of innovation," but many current STBs are made in Korea, driving those made in Japan out of the market. This is because the Korean manufacturers make better responses to new demands. It is also necessary for Japan to consider supporting deployment studies.

○Under the current status where services such as YouTube exist on the Internet, how should the public access channels develop through cable television?

→ I think it important that a channel be prepared for residents to take part in the local community. Differences may be identified in that services like YouTube have no relation with the local community but the public access channel of cable television depends on the local area.

→In the case of a viewer-participation program of the Chukai Cable Television System Operator, screening is made for the program on the provider side. Such type of viewer-participation programs may sometimes promote the development of the town.

○ Communication is of open-to-public type in the case of YouTube, but there may be systems that have viewer-participation programs only for registered users within a closed cable television network.

○ In terms of the provision of viewer-participation programs closely attached to the area, the Toyama cable television system to which I belong is sending out broadcast message images such as "purikura (print club stickers)" using one channel.

○ Many voluntary and community channels are presenting programs not produced by their own stations. In such cases, digital rights management is important.

○ Digital images presented only within the cable television network may sometimes be presented on the Internet by viewers. It is necessary for cable

television operators to think of digital right management when providing triple play services.

(End)