

Study Group on Framework for International Television Broadcasting
Provisional Summary of Minutes (5th Meeting)

1. Date: Friday, November 17, 2006, 4 to 5:50 p.m.

2. Location: Special Conference Room 1, 8th floor, Ministry of Internal Affairs and Communications

3. Attendees (honorifics omitted)
 - (1) Study Group members
Teruyasu Murakami (Study Group Chair), Eiichi Shimuzu (Vice-Chair), Fumio Takahata, Yusuke Yasuda
 - (2) Expert advisers
Kazuo Asakai, Mitsuyoshi Atsuta, Tsuguhiko Kadokawa, Yoshihiro Oto, Hatsuhsa Takashima, Jitsuro Terashima, Junichi Nakagawa, Keiichi Nagamatsu, Toshio Fukuda
 - (3) Observers
Takashi Hoshiyama (Director of the Cultural Policy Division, Cultural Affairs Department, Ministry of Foreign Affairs)
 - (4) MIC representatives
Suzuki (Director-General, Information and Communications Policy Bureau), Nakada (Deputy Director-General, Information and Communications Policy Bureau), Yamane (Director, General Affairs Division), Minami (Director, Broadcasting Policy Division), Nagashio (Senior Planning Officer, Broadcasting Policy Division), Takeda (Director, Satellite and International Broadcasting Division), Ohara (Senior Research Officer, Satellite and International Broadcasting Division)

4. Agenda
 - (1) Organization of discussions at the 4th meeting
MIC explained its organization of the discussions at the 4th meeting with the use of Reference 1.

(2) Organization of discussions to this point

The following are viewpoints expressed by the study group members and expert advisers.

i. Views and comments on previous discussions and on approaches to the entity operating international broadcasting

- Assuming we are in agreement with the previous discussions, here are some opinions from a sense of what is going on in the field. (1) The amount of news on TV Japan — the channel for Japanese living abroad — has been reduced to next to nothing because Japanese stationed abroad now watch the news on the Net. In the future news programs may be completely unnecessary. (2) CCTV-6 [China's overseas English broadcast] is expanding magnificently in tandem with China's rising diplomacy. It appears massive amounts are being invested into meticulous and time-intensive programming production. (3) In Paris, the demand for TV Japan has tapered off with the growth of the Net in stark contrast to the increasing number of channels broadcasting in Arabic. The decline in viewers has led to a decline in sponsors. International broadcasting requires tremendous resolution in its execution. Firm willpower is needed, such as matching private funds with public funds.
- In Proposal 2 regarding the entity operating international broadcasting, the statement "it is also possible to accept programming materials from a broad range of sources for broadcasts commissioned from NHK" in essence means the subsidiary is the entity that directly accepts the provision of programming materials from private broadcasters but the editorial rights and the decision rights firmly rest with NHK. (*comment from the Secretariat*)
- I think there are two reason why, in the agreement between the government and the ruling parties, a subsidiary of the NHK is being considered for the entity operating international broadcasting: (1) to take advantage of NHK's accumulated know-how, and (2) to obtain easier access to NHK's broadcasting resources. If we allow a new organization that is completely severed from

NHK to run our international broadcasting, I think we are getting away from the basic thinking of the agreement between the government and the ruling parties.

That this subsidiary will never turn a profit is evident from our previous discussions here and from the examples of other countries. Therefore, a reliable infusion of government funds will be required to cover its initial investment and operating costs.

On the other hand, to ensure this new NHK subsidiary creates better programming content than at present, it will need a foundation of professionals and managers who have private-sector management experience and management sense.

As for CCTV, when China hears that Japan is examining enhancing Japan's international broadcasts, it too looks at further strengthening its international broadcasts. I've heard that CCTV is considering adding a Japanese broadcast. Other countries have the jump on us. We must act without delay.

- NHK is an asset funded and raised by the people of Japan and it possesses a tremendous amount of valuable resources. I think it's realistic then that this new international broadcasting entity be an organization with NHK at its core.

If we think about how foreigners view our current international broadcasts, they get an image that NHK itself is regulating Japanese culture — such as broadcasts of English translations of the Tale of Genji and Japanese lessons — and see the broadcasts now as being devoid of any killer content. There is no content that generates interest in “Cool Japan.” The vitality of Tedzuka Osamu or Hayao Miyazaki's universe is not being communicated. We should be making use of the accomplishments of the Japan Foundation and other organizations. We should be vigorously putting forward Japan's assertions and points of view. Watching debate programs in another country gives you some idea how the people in that country think. The fact that we are running *Oshin* and Japanese lessons in this day and age means we have to change our content from scratch.

- What's critical is that the subsidiary is 100% guaranteed access to NHK's resources and that the management team is drawn from the private sector, not appointed by NHK. In this way, we can hope for a judicious mix of NHK assets and private-sector acumen.
- Al Jazeera is in the news for starting English language broadcasts. What's interesting is its stance that the Qatari government has provided five years of funding but not interfered with the running of the station. Now to what extent it has really not interfered is an open question, but on the surface at least, the government has stayed out of the station's affairs. Al Jazeera has managed to gather people from around the world, and its Washington correspondent is a former ABC reporter. Informed by this, I think our new corporate entity ought to convey to the world its independence from the government.

On the topic of program production, I'd like us to think carefully about what lineup is necessary to produce engaging programs and exhibit the captivation of today's Japan, which has well and truly assimilated anime and J-Pop.

- Regarding the scope of mandated broadcasts, in Proposal 1 the methodology of incorporating government money is an issue yet to be studied. In Proposal 2, it is assumed that mandated broadcasts will apply to NHK itself but not to broadcasts that are not commissioned by NHK. (*comment from the Secretariat*)
- What has emerged about the question of the international broadcasting entity is the importance that it be configured so that it can make full use of NHK's accumulated resources and that it have a form that has leeway for the incorporation of new wisdom and new aspects in its management. (*summation by the Chair*)

ii. Views and comments on the draft of the mid-term summary

- Since NHK reform, for the time being, is being pursued on a different timetable, it should be considered a separate matter from our discussions here. *(comment by the Chair)*
- When I said that the broadcasting entity is premised on the idea that it can use 100% of NHK's resources, I was speaking from the point of view of NHK reform. It's tough to say that NHK's archive is wide open to the public. Some portions have been released to private broadcasters, but the overall amount is unsatisfactory. In short, I have some misgivings on the point that a new company will have access to all of NHK's archives. Also troubling are problems of compliance and independence of management from NHK. These are basic conditions prior to implementing a new broadcasting entity.
- NHK's archive is not closed. These are copyrighted works and require copyright clearance before use. In practice, they cannot be used because of the various usage restrictions. I hope that the archive materials will be made more accessible in the future. However, it is not NHK itself that is closed.
- Referring to the point about whether we should incorporate proposals for Broadcast Law amendments, including the mandate system, in the mid-term summary, writing down everything wherever possible is our mission, although it is difficult technically from this venue to have any influence on legal amendments. *(comment by the Chair)*
- Items concerning international broadcasting that should be amended in the Broadcast Law will change substantially depending on the comments in the summary. I hope that the government will make adjustments internally and reflect the comments in the Broadcast Law amendment draft. Mandated broadcasts must be considered in conjunction with this. *(comment by the Secretariat)*
- If we are considering using NHK resources to successfully make broadcasts for foreigners with enough news brand power to compete with CNN and BBC

World, this means confronting issues that grow more intractable the more familiar one becomes with the situation. Any debate on how to build a management structure that can compete with the likes of CNN will always conflict with the Broadcast Law and NHK. How to break through the legal debates is important at this stage.

- Mandated broadcasts are at odds with the image of the new international broadcasting that we've been debating. Putting this together is probably a tall task, but I'd like to see a summary that requires the study group to examine this as a problem area.
- The description in the "advertising revenue" portion just succinctly indicates the opinions that have been put forward. (*comment by the Secretariat*)
- In regard to government funding, I think it is necessary to obtain the budget for this endeavor from related ministries and agencies, despite the fact that this study group is under the auspices of the MIC. It would be difficult for MIC alone to make such a budget requisition; therefore, it would be best if we specify the participation of related ministries and agencies.
- Obtaining government funding is crucial and requires a substantial amount of resolve. This should be strongly emphasized since it requires political decisions that cross ministry and agency boundaries or else involves large-scale changes not contained in the conventional boundaries.

We need to get serious about system construction and arranging conditions for "private investment and assistance" too, and wording to this end should be chosen. I recognize that there are objections to advertising revenue, nevertheless, I believe we have to somehow look past these and use advertising revenue to support our new international broadcasting.

Finally, regarding the framework of the international broadcasting entity, there have been calls for "NHK assets and private-sector acumen" and "new blood for management." I half get it and half don't. What we need is not just the wisdom of the private sector but also its enthusiasm. Our broadcasts

now don't provide an ounce of dynamism. And I'd like a better expression than just "management."

- Ideally, there would be absolutely no coupling between government funding and mandated broadcasts. As a minimum, the term "mandated [*meirei*]" is incongruous. Our starting point should be the ideal, no coupling, but be prepared to respond to discussions.
- The sponsors on JSTV and elsewhere at the moment are very shabby. If we are really going to consider advertising, we should take this opportunity to work out and indicate definitely what the financial world thinks of international broadcasting. We can't go ahead without product ads or sophisticated ads. There needs to be an awareness of the problem that companies do not become sponsors to spur interest in Japanese industrial brands or to sell products. Some managers are beginning to get a grasp of this problem. There should be a rousing debate on this.
- Contributions in this form will be hard to come by in practice. Although donations are regarded as losses in the Corporation Tax Law, there is increasingly stringent monitoring on expenditures that are inconsistent with shareholders' profits. There are a lot of issues that should be sorted out.
- There was a remark about Al Jazeera and the Qatari government putting in money but not interfering. It's important that Japan's new international broadcasts contain programming that shows the unvarnished Japan, including information that impacts negatively on Japan, and still generate attention to the good sense of the Japanese government.

The section on "reception environments" in the draft should be worded more strongly. Less than thoughts on effective distribution, we should write about strategic tactics, like those of CCTV, and more inspiring devices that will draw in more viewers.

- In a number of places, it is pointed out that mandate [*meirei*] essentially conflicts with editorial freedom and continuing the misunderstanding is not healthy. Debating without including this point is a waste of words. It is well enough to explicitly state a guarantee of editorial freedom on page 9, but portraying both parties as if completely ideal establishments without involving the association with revenue sources gives rise to misunderstandings.
- What we are thinking about is the initiatives of BBC World and France 24. I'd like to know how the country intervenes in these two instances. The means of budgeting wherein funds are provided without having a say in how they are used is by no means the exception, is it not?
- Funding without interference is the ideal, but there are some things to remember. (1) Budgets are debated in the Diet and securities are needed to obtain budget approvals. (2) The term "order" indicates administrative measures such as business improvement orders and as such is different from the meaning of "order" in general society. (3) I don't know about the situation in France, but the BBC, in both its domestic and its international broadcasting, and private broadcasters are subject to orders and broadcasting bans where it involves security or other issues. In fact, broadcasts on the IRA were banned. Nevertheless, I've not heard firsthand that this led to any loss of the BBC's credibility. (*comment by the Secretariat*)
- I tried asking at the Paris office about the extent of government control over France 24. No idea was the answer I got, but two of the top people at the new bureau came from France Télévisions, so there is the point of view that there may be government intervention and monitoring. Still there is no "order" system per se, so in what format the government's message is specifically given is unknown.
- Freedom of the press is guaranteed in the constitution. When the conversation came up to host the general meeting of the World Magazine Organization, they wanted to hold it in countries that protect the freedom of expression and so

Japan became the first country in Asia to host the convention. I think Japan is respected because, unlike China and South Korea, the government does not obviously intervene in broadcasting. I wonder if there is not a wiser way to get funds without saying that state intervention is probable because government funds are used.

- Does Proposal 2 on the international broadcasting entity mean that, although a new scheme is not needed, the system of international radio broadcasts is used as is for television and NHK commissions the operations to a subsidiary? If so, is this really the way to go for a new international broadcasting entity?
- Over and above the existence of mandated broadcasts with some legal mechanism, what is vital is how to ensure transparency. The use of some vague force is a problem, but assurances that are clearly visible to the public and schemes to ensure transparency are required in annual reports. Without these safeguards, the entire channel may well look like one long mandated broadcast.
- Speaking of editorial rights, I think we should protect editorial freedom and guarantee all content, quantity, and editorial rights. We must ensure that the international broadcasting organization, whatever its form, has these editorial rights.
- With the BBC, its two-tier mechanism, where it must accept requests from the cabinet minister in charge, at the very least does not use the word “order.” What does it mean to expose “order,” a legal term from 60 years ago? If we are going to fuss about the word “*meirei* [order]” then let’s change it to something else. The other details I’ll leave up to the rest of you.
- We have to consider whether it is really best to simply change the name of the mandated broadcast [*meirei hoso*] system without changing its substance. I’d like us to think about the system’s operations from the point of ensuring transparency and whether clearly stating the content of orders [*meirei*] is

sufficient. I'd like to hear your opinions on what kind of expression we can use.
(*comment from the Secretariat*)

- Although it is very difficult to find wording to express mandated broadcasts, I'd like to see the very strong interest in this issue reflected in the next midterm summary. (*summation by the Chair*)
- What's extremely important is whether we can get the public to buy into the value of using government funds for international broadcasting. We should have some backing data in the Background to the Study section of the draft summary. We need to think about how to assess whether the infusion of government funds leads to real results. The summary should state our firm intentions including such an assessment.
- It is our hope to organize the summary draft in light of our discussions today that the wording of all sections needs a little more backbone. (*summation by the Chair*)