

Study Group on Framework for International Television Broadcasting
Summary of Minutes (6th Meeting)

1. Date

Friday, November 24, 2006, 2 p.m. to 3:35 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 Shimizu (Vice-Chair), Fumio Takahata,
Yusuke Yasuda

(2) Expert advisors

Kazuo Asakai, Mitsuyoshi Atsuta, Yoshihiro Oto, Hatsuhisa Takashima, Sakie Tachibana
Fukushima, Junichi Nakagawa, Keiichi Nagamatsu, Toshio Fukuda, Yusuke Yasuda

(3) Observer

Takashi Hoshiyama (Director, Public Diplomacy Planning Division, Public Diplomacy
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 Advisor, Satellite and International Broadcasting Division

4. Agenda

(1) Interim summary

It was confirmed that the opinions of members and advisors were reflected in “The Draft Summary of Discussion” and additional matters were discussed.

(2) Others

The main comments made by members and advisors are as follows.

- As for Figure 3 in the distributed document, NHK international broadcasting includes not only NHK World TV but also a paid broadcasting service, NHK World Premium, distributed to 98

countries. Therefore, I suggest that this fact be added to Figure 3 as a reference.

- As for investment and support from the private sector, the fact that it is almost impossible to pay dividends is expressed in a considerably reserved manner; however, since dividends are not expected due to the nature of the business, the original expression is closer to reality.

The expression “not only making an investment” gives the impression that an investment is a basic condition. I suggest that the description be revised so that it states that there are means of cooperation available other than investment, if an investment cannot be made.

- The expression “comprehensive international television broadcasting” is based on our ideas about how we can innovate from the perspective of international television broadcasting services starting now. The expression was used according to our idea that by launching international television broadcasting services in a comprehensive manner—taking into account the convergence of communications and broadcasting as well as the broadcasting reception environments overseas—something new can be created.

Broadcasting stations as well as other carriers in Japan are proactively distributing moving picture content over the Internet, and therefore limitation to text is unreasonable.

Since it has been frequently argued that copyright problems may be caused by programs flowing back to Japan, this point was also added to the statement.

The statement about the possibility of dividend payment was made with some room left to move, on the basis that this type of expression would be reasonable, leaving room for new business entities to develop new business. (Comment by the Chair)

- As for the reception environment, the description of “anytime in 24 hours” is deleted, while the reason for the deletion given on page 3 of Document 1 is that, “Unless the broadcast is available 24 hours a day, it may be regarded as a second-class international broadcast.” This doesn’t make sense.

It also includes the statement “for the purpose of competing” against the BBC, CNN etc. I wonder whether such a concept has been established in this council.

Nothing would be better than 24-hour broadcasting; however, there is a concern that broadcasting for the whole 24 hours would be possible based solely on government funding. As for the part where government funding is injected, instead of sticking to the idea of 24-hour broadcasting, news and other programs may be broadcast for a shorter time and, for example, the relevant URL be shown so that viewers can get more details on the Internet.

- NHK is now broadcasting 24 hours a day. Now that broadcasting is going to be enhanced and reinforced by the new broadcasting service for overseas viewers, reducing the broadcasting time will be out of the question.

NHK is now broadcasting 24 hours a day and is dependent on TV license fees, which, however, are actually not enough. Injecting government funding to improve the reception environment

rather than just for content is desirable. It is not understandable if the current 24-hour broadcasting service is degraded in the new system.

- When we think about international television broadcasting, one of the main aims must be to broadcast information from Japan to the rest of the world, rather than thinking about how to narrow down targeted regions. One of the purposes of international television broadcasting that we are thinking about here is to provide breaking news about what is happening in the world, what is happening in Japan, what the views of Japanese people are and what Japan is like on a real-life basis to the rest of the world. The concept must be that the premium time is 24 hours a day, instead of broadcasting at a special time. Our broadcasting will only be internationally recognized if we start with the concept that our broadcasting should be competitive anytime. In this context, 24-hour broadcasting is a basic requirement.
- While there was an opinion that the broadcasting should occur at certain times, we think that we assumed 24-hour broadcasting.

The trial calculation by NHK is based on the assumption of 24-hour broadcasting, and discussions were probably based on the same assumption, including the discussion about whether or not the trial calculation involved the selection of moving-picture content from the Internet for incorporation into the broadcasts.

- Whether 24-hour broadcasting is necessary or not should be considered from the point of view of the relationship between costs and benefits. To obtain a certain number of viewers, 24-hour broadcasting is necessary; however, it is not known how much difference there is between the costs and benefits of 24-hour broadcasting versus five-hour broadcasting. Were there any discussions about the numbers in terms of this?
- A trial calculation was made based on 24-hour broadcasting. In the discussion on expenses, an approximate upper limit was set. If the basic conditions are varied, the upper limit of expenses is lowered depending on the variation. However, the relationship between costs and benefits depending on the broadcasting hours was not discussed. (Comment by the Chair)
- Broadcasting should take place 24 hours a day; however, the environment has not been established for the broadcasting to be viewed, even if it is 24 hours a day. BBC and CNN make a variety of investments in the development of the reception environment; however, the money received from TV license fees alone will not cover similar measures and therefore government funding is required. Otherwise, there will be no significant change in the situation of the new broadcasting service: programs are not viewed even though it is aimed at people in other countries.

Answering the question of how NHK is viewed abroad, there are opinions that it is “not sufficiently positive.” We do not want to take it for granted that NHK is a second-class international broadcaster. While this may be just a matter of wording, the standards are how to

make it available to viewers. The expression, “competing with BBC and CNN,” is also a matter of wording in that sense.

- The aim and purpose of strengthening international television broadcasting in general, through strengthening this international television broadcasting in particular, is to promote commercial activity and external trade, invite tourists and inward foreign investment and enhance Japan’s image as a safe country and enhance the image of the Japanese people. Now that Japanese companies are conducting business on a global basis, enhancing Japan’s image will directly and indirectly benefit Japanese companies in a variety of ways. Do Japanese companies pursue only immediate profits and take a negative stance against this international television broadcasting, or do they support it as a means of fulfilling social responsibility as part of CSR? Is it really necessary to submit a summary report stating that global advertising is out of the question and that investments are out of the question because there will be no profits or dividends? It would be better to make the statement in a way which would encourage these things to happen.
- The injection of government funding means the injection of taxes imposed on the people and businesses. Individuals and businesses already contribute through their taxes and these contributions are utilized externally in various forms. Companies do not deny the utilization of corporate taxes.
- It would be pointless to describe why it is impossible to do what eventually will be done. The description seems too negative, even if the fact that discussions will be eventually held has been considered. It might be better to summarize it, for example, like this: “We want to move in this direction, although this kind of problem is expected.” This is more objective. Stating that dividends are not really expected in a way that leaves open the possibility is more constructive.
- Full discussions have not been held regarding either proposal 1 or 2 for the international broadcasting entity. The amount of government funding to be contributed is still unknown. A deadlock is expected unless funding is injected every year for continuous and smooth operations. In my opinion, some modification to proposals 1 and 2 will have to be considered. As for the editing rights, various opinions were given in the Program Council and other forums emphasizing that mandated broadcasts are not suitable in principle. Also in terms of the framework for the new international broadcasting, there are strong opinions that the broadcasting entity should have the editing rights.
- The expression is redundant in terms of investment and support from the private sector, and it will be reworded. In short, the most important task is to immediately begin to study measures to obtain the cooperation of the private sector. The description following “for example ... ” can be deleted, in my opinion, since it is too detailed.

- I agree that the description should broadly seek funds, investment and support without sounding pessimistic. However, collecting billions of yen is quite a big deal. Companies are not at all hesitant to contribute to society, but there are other factors which prevent them from doing so. I also agree with the suggestion to proactively promote the idea of raising funds, including contributions from individuals. However, we must not divert attention from the fact that much depends on government funding.

I believe the trial calculation of ¥27 billion was based on 24-hour broadcasting on the condition that online and real-time news can be broadcast 24 hours a day. Does it cost ¥27 billion in the case of server-type broadcasting instead of real-time broadcasting?

- The trial calculation of ¥27 billion is only for 24-hour broadcasting. The same programs may be broadcast repeatedly at certain times. News programs are live. However, the calculation is based on the condition that some recorded programs are also broadcast.
- A simplified statement that everything should be done proactively is good. For the item on page 11, it will be necessary to determine the legal issues after coordinating between the parties concerned, including, in the future, NHK and private broadcasters. Since there is a statement on page 12 that says that the private sector will be proactively targeted for support, the idea that all parties concerned will be cooperatively engaged in the whole process will get across, even if the statement at (2) on page 9 is simplified.