

Study Group on Approaches to Cable Television in the 2010s
Summary of Minutes (9th meeting)

1. Date

Friday, December 22, 2006, 2 to 4 p.m.

2. Location

Conference Room 1, 1st floor, Low-Rise Building, Ministry of Internal Affairs and Communications

3. Attendees

(1) Committee members (honorifics omitted)

Tsunetoshi Ishibashi, Yoshihiro Oto, Fujio Koike, Shigeki Goto, Toshihiko Shimizu, Kazuteru Tagaya, Tetsuro Takeoka, Kazutoshi Terasaka, Masataka Nakamura, Tomohiro Fujisaki, Yuuji Fujimoto, Tadahisa Mori, Hirotsugu Yamaguchi, Ryuji Yamamoto

(2) MIC representatives

Suzuki (Director-General, Information and Communications Policy Bureau), Nakata (Deputy Director-General, Minister's Secretariat), Yamane (Director, General Affairs Division), Takeda (Director, Satellite and International Broadcasting Division), Fujishima (Director, Regional Broadcasting Division), Honma (Senior Technology Planning Officer, Regional Broadcasting Division), Inoue (Deputy Director, Regional Broadcasting Division)

(3) Presenters

Ito (Senior Manager, Information & Telecommunications Department, Development Bank of Japan), Kishigami (Director, NTT)

4. Outline of proceedings

(1) Call to order

(2) Presentations

(a) Development Bank of Japan

(b) Japan Cable and Telecommunications Association

(c) NTT

(3) Discussion

- On the draft Table of Contents for the report

(4) Meeting adjourned

5. Main discussions

After the Development Bank of Japan, the Japan Cable and Telecommunications Association, and NTT gave their presentations and the Secretariat described the draft Table of Contents for the report, a question-and-answer session as follows was held on each of these topics.

(1) The Present State of the Cable Television Business and the Cable Television World as Seen from Financial Institutions (Reference 9-1)

- You mentioned two types of cable TV businesses: publicly built and operated types and commercial-enterprise types. But there is also a third configuration: “publicly built, privately operated,” in which commercial enterprises operate facilities set up by local governments. Is this configuration included in your study?

→ Compared to the other types, there are very few examples of this type in absolute numbers. For this reason, “publicly built, privately operated” configurations were not included in this reference, but we do recognize the necessity of studying this configuration.

(2) The Cable Television Business in the 2010s (2015) (Reference 9-2)

- I wonder if there will be calls in the future for cable television to provide such things as services for seniors who live alone or to make endeavors regarding safety and security. If so, more robust information security, such as protection of customer privacy, will be demanded. What are the response measures to these demands?

→ Strengthening employee training, external monitoring, and similar measures are critical. We, too, wish to be very thorough in this area.

- In the Development Bank of Japan's presentation just now, you said that subscriber percentages have been stuck at 20% for the past several years. What reasons can you think of for this?

→ It's likely a transitional situation owing to the continued expansion of service areas by cable television operators. The subscriber percentages have risen in existing service areas, but subscriber numbers obviously do not increase immediately in new areas when the service areas expand. This makes it appear that subscriber percentages have been flat.

(3) IPTV efforts (Reference 9-3)

- When in your view will IPTV [Internet protocol television] be introduced in Japan?

→ Each operator's schedule is different, but I suspect IPTV services will begin rolling out gradually starting from the end of fiscal year 2007 (January to March 2008). NTT is conducting a one-year NGN [next-generation network] trial (December 2006 to December 2007) and we hope to develop a business from the most feasible aspects of this trial as soon as possible. We will probably need to establish both technical and system frameworks to do this.

- You seemed to have premised your study in this reference on the use of FTTH [fiber to the home] as the network providing IPTV services. Most cable television networks, however, employ HFC [hybrid fiber coaxial]. Have you studied cable television STBs [set-top boxes] based on the use of HFC?

→ We have not made a study assuming HFC.

- I think the situation where broadband environments are constructed from fiber in urban areas and from HFC and wireless in more rural areas will continue to persist even in 2015. Is the promotion of the NGN idea premised totally on FTTH?

→ It's very difficult to supply fiber to all households, but it's important that networks can be used in a seamless fashion from the viewpoint of the user. The NTT Group is pushing toward the NGN idea, but there may well be a need to study interconnectivity and collaborations.

- In urban areas, services from telecoms and cable TV operators both exist. How does this relate to NGN?

→ IP methods and RF methods have their respective pluses and minuses. The NTT Group is now studying what selection of methods is most advantageous for the user. RF methods are not categorized in NGN, but they may coexist in the future. We will have to spend time in the future studying how these modalities should be balanced.

- How will distribution to limited broadcast service areas be realized with simultaneous IP retransmissions of terrestrial broadcasts?

→ The selective use of regional IP networks will be combined with CAS [conditional access system] or DRM [digital rights management] mechanisms on the receiver end.

- The delay times in IP delivery are said to be from over one second to two seconds long. Is this predictable?

→ The dominant factor, more than network delays, in these delay times is the time to encode and decode the signal. (These are one to two magnitudes larger than the delay times on the network.)

(4) Draft of the Table of Contents of the Report (Reference 9-4)

- Please submit any opinions or comments on the draft to the Secretariat as soon as possible.