

Study Group on the Number of NHK Satellite Broadcasting Channels—2nd Meeting

Meeting Summary

1. Date and Time

Tuesday, September 25, 2007; 16:00–18:00

2. Location

Meeting Room 1, Ministry of Internal Affairs and Communications

(Ministry of Internal Affairs and Communications Building (Lower Block), 1F)

3. Attendees (honorifics omitted)

(1) Study Group Members (in order of Japanese syllabary)

Katsutoshi Ishioka, Susumu Ito, Yoshihiro Oto, Hiroyuki Kishi, Mieko Kenjo, Minoru Sugaya, Nobuko Takahashi, Teruhiko Tanaka, Akio Torii, Hirotaka Yamauchi (10 members)

(2) MIC Representatives

Suzuki (Vice-Minister, Policy Coordination), Ogasawara (Director-General, Information and Communications Policy Bureau), Kawauchi (Deputy Director-General, Minister's Secretariat), Imabayashi (Director-General, General Affairs Division), Yoshida (Director-General, Broadcasting Policy Division), Oku (Director-General, Broadcasting Technology Division), Takeda (Director-General, Satellite and International Broadcasting Division), Nagashio (Senior Planning Officer, Broadcasting Policy Division), Ibata (Deputy Director-General, Broadcasting Policy Division)

(3) NHK Representatives

Okuda (Chief, Editing Bureau), Ohara (Chief, Accounting Bureau), Imai (Bureau Chief, General Planning Section)

4. Agenda

(1) Opening

(2) Viewing situation of NHK satellite broadcasting

(3) NHK satellite broadcasting expenses

(4) Close

5. Outline of the Agenda

(Symbols in the text have the following meanings.)

○ Comment by member ● Comment by MIC △ Comment by NHK

(1) NHK explained the viewing situation of NHK satellite broadcasting according to Handout 2. The

main comments by members during the Q&A and exchange of opinions were as follows.

○ Viewers of satellite broadcasting has been increasing at the rate of 800,000 households per year since 1997, starting from 1 million households at the beginning. Are future forecasts being carried out?

△ We think there are many variable elements for forecasts, such as ideal channel, etc. Basically, a constant increase is forecasted for the time being.

○ Regarding BS2, it says that 60% of BS2 broadcasting is measures for poor viewing conditions based on the broadcasting time. Is this 60% based on broadcasting time enshrined into law?

● We have not set a minimum line for this, as it also concerns program scheduling, but the prerequisite is to schedule programs so that the poor viewing measure targets are reached.

○ Is there any difference between channels, regarding the percentages of external production programs for NHK satellite broadcasting?

△ BS1 is 5%, BS2 is 4%, and BS hi-vision is 8.8%. So BS hi-vision is the highest in terms of percentage of external production programs.

○ Regarding positioning in the basic broadcasting penetration plan, BS1 is taken to be a general broadcasting channel contributing to the spread of satellite broadcasting, but isn't satellite broadcasting already in widespread use? Given that this positioning still exists, does the government believe that satellite broadcasting has yet to spread? In this case, are there specific targets for the spread of satellite broadcasting?

● The subject of positioning of channels is a theme to be discussed in this study group in relation to the number of NHK satellite broadcasting channels after 2011.

○ NHK says that major league relays are well watched, but according to the Net 1000 Person Survey conducted jointly by Nikkei Sangyo Newspaper and C-NEWS in August, major league was given as the second top NHK program which can be downsized. In this light, it is advisable to make decisions regarding programs, including dramas and variety shows, based on various outside opinions.

△ We think BS broadcasting seems to be positioned between terrestrial broadcasts that are well watched by a wide range of viewers and special channel CS broadcasting. There is this aspect to BS broadcasting; it broadcasts soft content narrowing down targets slightly more than NHK General TV, targeting 20 million households, which is the current number of households viewing BS broadcasting.

○ Regarding weekly contact percentage, what are the specific figures when only those who can watch BS digital broadcasting are taken as the denominator?

△ BS1 is 59%, BS2 is 58%, and BS-hi is 36%.

(2) NHK explained satellite broadcasting expenses in accordance with Handout 3. The main comments by members during the Q&A and exchange of opinions were as follows.

○ Are the “basic expenses supporting NHK as the public broadcaster” on page 10 of Handout 3 and the outlined portion in the pie chart on page 15 the same?

△ The “receiver contract and reception fees collection” in the outlined portion in the pie chart on page 15 are included as sales expenses in the expenses only directly related to terrestrial broadcasting and expenses only directly related to satellite broadcasting, so they are basically different.

○ Pages 25 and 26 of Handout 3 say that 500 million yen to 26,900 million yen can be cut. Does this correspond to the channel proper expenses on the rightmost of page 18?

△ The cuttable expenses for one wave reduction mostly corresponds to direct charge expenses. In the case of reduction of two waves, as indirect expenses are included to a small extent, some common costs are also included.

○ Regarding reception fees, it says that the multiple costing method is used to calculate the basics, but multiple costing is normally considered to include capital yield. In NHK’s accounting classification, which does not include return from investments, precisely speaking, can it really be said that the multiple costing is used to calculate the basics for the calculation of the reception fees?

○ Regarding the calculation of the expenses per channel on page 20 of Handout 3, are production costs of re-broadcast programs not included in the channel proper expenses of BS2 in which 60% are re-broadcasts? If we say that it is not included, will the channel proper expenses of BS2 be this high?

△ The production costs for terrestrial re-broadcast programs as poor viewing measures are not included here. Compared to NHK G terrestrial broadcasting, the costs of BS2 are not necessarily high. As for BS1, because it consists mainly of news which does not cost a lot, it is quite an inexpensive channel.

○ In the estimation on page 23 of Handout 3, three types are given. Providing solutions on how to handle the so-called safety net, as a measure against poor viewing, should be a major prerequisite in

considering the number of NHK satellite broadcasting channels. Does that mean that this study group will individually consider the case of including measures against poor viewing in NHK channels and the case of not including them?

- The types on page 23 were given so that NHK could provide a clear illustration of cost reduction.