Panel on Multimedia Broadcast Services for Mobile Terminal—2– 2nd Meeting
Summary of Minutes

1. Date and Time

Tuesday, October 9, 2007; 14:00−-16:00

2. Location

MIC Special Conference Room 1, 8th floor, 2nd Bldg. of the Central Common Government Office

3. Attendees

(1) Members (Japanese alphabetical order; honorifics omitted)

Yumi Ogose, Tomoko Kanayama, Shun'ichi Kita, Hiroshi Suzuki, Akira Negishi (chair), Hiroyuki Morikawa, Takashi Yamamoto, Nozomu Yoshida

(2) MIC Representatives

Ogasawara (Director-General, Information and Communications Policy Bureau), Kawachi (Deputy Director-General, Information and Communications Policy Bureau), Imabayashi (Director, General Affairs Division), Yoshida (Director, Broadcasting Policy Division), Oku (Director, Broadcasting Technology Division), Yoshida (Director, Terrestrial Broadcasting Division), Takeda (Director, Satellite and International Broadcasting Division), Fujishima (Director, Regional Broadcasting Division), Nagashio (Senior Planning Officer, Broadcasting Policy Division)

4. Agenda

(1) Results of Call for Proposals of Study Items
(2) Presentations (1st Group)
・Digital Radio Promotion Association (Corporate Judicial Person)
・MediaFLO Japan Planning, Ltd.
・Mobile Media Planning Corp.
(3) Others

5. Meeting Summary

・ MIC announced a personnel change in the Secretariat.
・ MIC explained "Supplementary Memo re 1st Meeting" (Handout 1).

(1) Results of Call for Proposals of Study Items

・ Explanation

The Secretariat explained “Results of Call for Proposals of Study Items (Summary)” (Handout 2-1) and “Results of Call for Proposals of Study Items (Details)” (Handout 2-2).

・ Q&A, Exchange of Opinions

Member: Regarding “Relationship between Analog and Digital Radio,” which is found on page 2 of the Handout 2-1 and elsewhere, could you please clarify one very fundamental point, that is, how to position digital radio, I mean, whether it is to be positioned as a group of channels additional to analog radio channels? Or, will today’s analog radio be eventually replaced by digital radio? What is the status of the discussion at the MIC?

MIC: Today, FM and AM both refer to analog radio. As we touched on at the previous meeting, a digital radio service has been in operation on an experimental basis since October 2003, that is, for about four years now. A corporate judicial person called Digital Radio Promotion Association has been operating a test station for practical use of the digital radio service in Tokyo and another in Osaka. Currently they are using FChannel 7 of VHS. We established a licensing policy for serviceit in the year 2000. In essence, official licenses, if we are to issue them, will not be granted to necessarily those who are currently undertaking a test station service. Operating a test station does not mean that they are given any privilege or preferential status just because they are operating a test station for practical use, and that the frequency band, that is, Channel 7 currently used for test broadcast , is not guaranteed to be used also in the official broadcast. Today’s test stations for practical use are just for testing and there is no guarantee that they will be licensed to operate in the future. That’s where we stand now regarding digital radio.

Therefore, whether or not what is applied to digital radio today will also be applied to multimedia broadcast is within the scope of discussion for this Panel. In this regard, we will eventually have to discuss whether to apply today’s licensing guidelines for radio operators also to multimedia broadcast, and also how to position digital radio within the entire picture of multimedia broadcast as a set of new services.

Member: As for analog radio, am I correct in understanding that your policy today is to let it go for an extensive period of time, instead of setting a cut-off date?

MIC: As for radio, currently we have no concrete plans to switch from analog to digital, nor to discontinue analog broadcast. We have not allocated any substantial frequency for digital radio at present.

(2)Presentations (1st Group)

Digital Radio Promotion Association, MediaFLO Japan Planning, and Mobile Media Planning each gave a presentation on the study items and their views on them, followed by a session of questions and answers and exchange of opinions.

1) Digital Radio Promotion Association

- Presentation

  Refer to the Handout 3.

- Q&A, Exchange of Opinions

Member: Regarding the commonality with terrestrial digital TV broadcast as shown in one of the slides, what benefits would it actually bring, for example, benefits to consumers in terms of lower prices of TV sets, or benefits in terms of transmission equipment?

Digital Radio Promotion Association: First, since the system has a great deal of commonality with one-segment, the costs of developing TV sets would be significantly reduced, in that there would be no new components to be developed. There are already more than 10 million one-segment receivers sold, and hardware-wise, digital radio is almost entirely the same as one-segment receivers. In fact, all the 1-million-plus digital radio receivers manufactured so far also serve as one-segment terminals, and the subscribers can choose the stations without being aware of the differences. This seamlessness is a great benefit to subscribers.

Since the system is the same, the transmission equipment can also benefit from the commonality, which would be a great advantage for broadcasters.

Member: How about, then, mobility? What would be the performance, or the advantage?

Digital Radio Promotion Association: Generally speaking, in terms of the use of the OFDM technology and the use of a frequency bandthat is easy to receive, we believe one-segment is widely accepted.

When it comes to digital radio, everything will be embraced under the concept of mobile broadcast. For example, we will be able to install a gap-filler where there is a reception problem, which makes sense in terms of building a transmission network. Thus, digital radio will be more useful than one-segment and we will also be able to build broadcast stations.

Member: I have a couple of questions. One is about the use of broadcast for the benefit to the general public. In the present test broadcast, are you actually testing emergency broadcast and broadcast related to safety and security, which have already been put into practice by existing radio stations?

The other question is about different types of subscribers. The handouts you have shown so far give me an impression that this test broadcast is targeted at younger generations or residents of big cities. Do you plan to conduct experiments with those who are not quite familiar with mobile phones, such as higher age groups and people living in rural areas?

Digital Radio Promotion Association: First, as for the use for the benefit to the general public, currently we are not conducting anything of the sort on a daily basis, since we are confined to very small areas because of the nature of the test for practical use. However, we did provide a special program about disaster prevention on the Disaster Preparedness Day, and are also studying how to incorporate various tips accumulated by other broadcasters into our digital broadcast.

As for care for senior people, we are also conducting an experiment to make news easier for them to comprehend. As you may know, NHK is already experimenting a similar technology in their news program at 19:00 using the multi-channel part. They call it “slow-down radio.” It is to lower the speed of the talk to some extent, yet keeping the start and the end parts within the same length of time. There are techniques such as making the gaps shorter. Such a service is possible only with multi-channel broadcast, which is possible with digital broadcast. Senior people can select such a channel.

Digital Radio Promotion Association: There is one more benefit of multi-channel broadcast, if I may. It can carry the same program in various languages. This way, we hope a lot more people with different backgrounds will come to the radio.

As for disaster news release, we are already transmitting data broadcast constantly, so that the subscribers can view the latest news all the time. Although we are currently limiting actual voice broadcast to regular news programs only, I know all other stations are trying out such experiments.

Member: About the coordination between hardware and software, the prevailing rhetoric seems that it is necessary because it will contribute to the well-being of the public. On the other hand, with the blending of telecommunication with broadcast, the telecommunications people tend to think that the well-being of the public can still be achieved even if hardware

and software are not coordinated. If you can think of good justification of the hardware-software coordination as a requirement for the well-being of the public, please share it with us.

Digital Radio Promotion Association: Well, our logic is this: If broadcasters take responsibility for both the broadcast infrastructure and program content, it would contribute to the well-being of the public in the end. In essence, the broadcaster has two sides: first, it fulfills the duty of accurately delivering the electromagnetic waves, and it shows its "signature," as put in the handout, that is, it shows its face as the author of the program content. We believe these two aspects put together have contributed to the well-being of the public, and in this context we have proposed the coordination between hardware and software.

Member: Does that mean that they can be separately regulated, for example, content will be defined by a content regulation law or something, and the infrastructure will be regulated by something else?

Digital Radio Promotion Association: Of course, it is okay that the two worlds take responsibility separately for their own matters. In the case of terrestrial broadcast, you have to take business feasibility into consideration; for example, some programs must be delivered to the subscribers in a certain location. Likewise, in the case of satellite broadcast, the two worlds have been taking responsibility separately for their own matters. In terms of business feasibility, however, we now tend to think it better to take both sides into consideration, that is, for one business entity to take responsibility for both.

Member: There is one more thing to it. I have long been engaged in radio business. The number of radio stations is not increasing during the past 20 years. Key stations are doing okay, but local stations have been having a very hard time keeping their heads above water. So, in terms of business, I'm concerned about whether it is possible on a long term basis to tackle new broadcast while maintaining their analog broadcast.
What do you think of this point?

Digital Radio Promotion Association: ISDB-Tsb, which is employed by this system, allows a single transmitter to transmit multiple broadcast waves simultaneously. With this system, therefore, it is not necessary for each broadcaster to build its network on its own. As has been practiced in some areas, several broadcasters in a geographical area get together to

build a shared network, sharing relay towers. In this way, they can build their infrastructure at low costs. Those broadcasters who find benefits in adding digital content to their programs can then participate in the project. We do, however, realize that it is fairly tough.

2) MediaFLO Japan Planning

- Presentation

  Refer to the Handout 4.

- Q&A, Exchange of Opinions

Member: I have a few questions. First, it sounded like a mobile phone version of the Skyperfect model; is my understanding correct? Second, if that's the case, how much do you reckon the monthly fee would be that you can collect from individual mobile phone users, which is similar, for example, to the fee for payable channels? Third, what share, in other words, how many subscribers would you expect to get? If you have a rough idea,…

MediaFLO Japan Planning: There are indeed many similarities, but as I understand, there can also be differences, depending on how we are going to build our business model, such as how the infrastructure will be constructed and its costs shared, and how the content will be procured.

As for the second point, we can think of various ways of collecting fees, for example, as you have just mentioned, charging a monthly base fee plus an optional package fee within which the subscriber can choose several programs. Another example is to charge for individual programs or channels, which is actually already supported by the system.

We have been studying likely monthly fees, of course, and are thinking of somewhere between several hundred yen to about 1,000 yen, which would be low enough to attract potential customers. Of course, this is a matter of balance between the value of the content and the market's demand for content, and we will review it as we move closer to the actual launch of our business and will then share it with you.

Member: A few more things. If you know of any companies abroad in this line of business that may be of some interest, please share it with us. As for copyright issues, there can be arguments about various rights such as right to license and right to remuneration. Which rights do you want to have reviewed or amended?

MediaFLO Japan Planning: MediaFLO, which is a technology we are considering adopting, has already been in operation in North America. Various business models have been studied there, and there will be some more new ones. We are checking them out as one of the

possibilities.

We have been also looking into copyright issues. There are several points to be straightened out, including those just pointed out. Particularly, with regard to the procurement of content, for example, we need to address how to protect the rights of the holder of the content, and how to define a framework for the use of the content in business. In this respect, we would like to request the Government to straighten out copyright and neighboring issues which our business will hinge on and also to take care of general coordination around this matter, although I cannot pinpoint specific areas today.

Member: The business model presented today seems to presuppose that a third party will provide content. If so, does MediaFLO hope that it will live on the licensing fees, or expect some income from content?

MediaFLO Japan Planning: Both are possible scenarios, that is, we will get some content from somebody else, and will provide other content ourselves. So, to answer the question, both forms will coexist.

Member: There is mention of advances in technology and also flexibility in technology. What technological advances do you have in mind at the moment?

MediaFLO Japan Planning: As for the technological system which we are considering adopting this time, we already have the first version of the specifications for the service, which are now fixed. We are already studying some functions for the next version that will be needed to deliver a new form of services, while I cannot elaborate on them today since they are quite new. So, there is always a new move running simultaneously with the current one, and things will continue that way. It is from this point of view that I have talked about the technologies that will continue to evolve over time.

Member: Now, in terms of international standards, is this technology closed within North America, or reis there a tie-up with other parts of the world?

MediaFLO Japan Planning: Currently North America, that is, the U.S., is operating it on a commercial basis. There are several trial operations already announced, including the U.K. in Europe and Taiwan, Hong Kong, and Malaysia in Asia.

Furthermore, there are several countries which are preparing for trial operation, although I cannot elaborate on it today. So, a number of countries are already moving

toward its adoption.

3) Mobile Media Planning

- Presentation

  Refer to the Handout 5.

- Q&A, Exchange of Opinions

Member: I have found your presentation very reasonable. When it comes to practical application, however, a question pops up in my mind. While it would be better to use a frequency band which allows for a higher bit rate, VHF waves cannot carry a lot of information. In this regard, I wonder if it would be able to accommodate diversity, or to cite a phrase in this handout, information necessary for multiple technologies. What would you think?

Mobile Media Planning: If you ask us, we have our own requirements for frequency bands, but after all, we would be only given, for example, a high or a low band of VHF. So, we'd like to study, within the given frequency band, which technology standard would be the most efficient.

Member: Referring to the encouragement of competition, page 17 says "… offering diverse and inexpensive services by encouraging competition," and in the middle, "to ensure the impartial and efficient use of electromagnetic waves." Now, for whom do you mean it to be impartial and efficient?

Mobile Media Planning: This refers to both end-users and those who wish to start the business. In terms of impartial and efficient use of electromagnetic waves for end-users, we mean that adopting an open platform will encourage a variety of companies to join, which will result in low-cost services.

In terms of impartial use of electromagnetic waves for companies, well, again, there will be an extremely limited number of frequency bands relative to the number of business operators who wish to join the bandwagon. Some operators may not be allocated a frequency band. The proposed system, however, may allow them to still conduct business by getting on this platform and being allocated a limited, not full, bandwidth, or speed range.

Member: If so, that is, if you would be able to offer end-users low-cost services, then, do you think of their quality, or their content?

Mobile Media Planning: I believe there are two aspects here. One is the reliability of delivering the data of the infrastructure, or the carrier waves to end-users, and the other is the reliability of content.

First, in terms of delivering electromagnetic waves, I believe we can satisfy the reliability requirement easily by changing the wording of the definition. For example, telecommunications operators today define what they call the service grade, when delivering services to users. If we are to define a certain service grade also for broadcast in a similar fashion, then it would be easier to ensure that this grade of service will be delivered to both the business operator who utilizes the telecommunication service and its users.

As for content, I'm afraid there will be a lot of difficulty. As I said earlier in my presentation, it may be necessary to establish a checking mechanism for broadcast programs whose nature is considered extremely public. If, on the other hand, the content becomes similar to CGM on the Internet as a result of the diversification of services, then users would stand up to take mutual control of content, so that undesirable content would be eliminated.

Beyond that, we have no clear idea today about what mechanism we should employ.

Member: We can think of different forms of business operation. One is for a hardware-independent platform operator to run the business in combination with several telecommunications operators, and another is a blended operation between platform operators and telecommunications operators. So, in this context, which do you regard as the preferred type of platform operation, one offered by a neutral platform operator to multiple operators, or a blended one between platform and hardware operators?

Mobile Media Planning: We think it should be very open and neutral. Taking our business as an example, it would be services offered to all Softbank Mobile, NTT DoCoMo, and au users. A certain frequency band may be purchased by, for example, Softbank Mobile to deliver information for its own users, another by au, and still another by NTT DoCoMo, but overall, it will be neutral.