

## Study Group on the Number of NHK Satellite Broadcasting Channels—3<sup>rd</sup> Meeting

### Meeting Summary

#### 1. Date and Time

Tuesday, October 16, 2007; 16:00–18:00

#### 2. Location

Special Meeting Room 1, Ministry of Internal Affairs and Communications  
(Central Government Building No. 2, 8F)

#### 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, Eriko Hida, Hirotaka Yamauchi, Ryuji Yamamoto (12 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), Yoshida (Director-General, Terrestrial Broadcasting 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

Harada (Executive Director), Nakagawa (Director), Yahata (Director), Ohara (Chief, Accounting Bureau)

#### 4. Agenda

##### (1) Opening

##### (2) Topics

\* NHK satellite broadcasting expenses

\*Viewpoints of the review on the number of NHK satellite broadcasting channels

##### (3) 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 NHK satellite broadcasting costs according to Handout 1. The main comments by members during the Q&A and exchange of opinions were as follows.

○ Is the balance excess and deficiency cumulative total on page 4 of Handout 1 the same as the so-called cumulative loss in the calculation of profits and losses in corporate accounting.

△ The earnings from satellite broadcasting are disclosed for determining the balance required for satellite broadcasting in the setting of additional reception fees for satellite, and differs from the so-called corporate accounting.

○ The balance excess and deficiency cumulative total is minus here. Shouldn't this be solved? How much would it cost to solve it, based on the current number of channels or the level of additional reception fees?

△ The fact that the cumulative total is red means that the payment deficit of the satellite is being compensated by basic reception fees. Therefore, in the long term, satellite earnings should gradually be such that income does not drop below expenditures ideally. In addition, given the current situation where satellite broadcasting has spread to a considerable extent, this business management where income does not drop below expenditures is expected to be established in a few years' time.

○ Is it correct to think that the initial fees at the start of satellite broadcasting and high-vision will be compensated for by increased earnings later on.

△ The budget is planned so that income never falls below expenditures in the long term.

○ Should the number of satellite channels decrease, will the common costs added to satellite broadcasting decrease relatively?

△ If the number of channels decreases and the costs required for program scheduling decreases, naturally the allocation of common costs will also become smaller.

○ Does it mean that, as a result, the percentage of common costs borne by the basic reception fees increases?

△ Yes, as a result, it will be like that.

○ According to page 6 of Handout 1, regarding the grounds for the calculation of reception fees and its

nature, the description is such that the reception fees and additional reception fees for satellite differ. Is Broadcast Law Article 32 the legal basis for this?

- The legal grounds for reception fees lie in Broadcast Law Article 32. In addition, the idea of having viewers bear costs equally, lightly, and extensively is the same for both general reception fees and additional reception fees for satellite.

- Is it possible to increase re-broadcasting while holding down costs as well as ensure that audience satisfaction does not drop?

- △ As this simulation is based on the idea of maintaining and not decreasing new programs, costs have not decreased that much. The idea of ensuring that the audience's feeling that they are benefiting does not decline is an important view in terms of viewer service.

- As, in some ways, the extent to which cutting costs will affect benefits of national viewers cannot be quantitatively measured, it is not a matter of simply cutting costs. For fixed costs, reducing waves will eventually increase relative costs that must be covered by basic reception fees. This study group therefore needs to also consider such facts in addition to the economic burden of the people.

- Regarding satellite broadcasting, we should also consider establishing mechanisms which allow multi-use of programs in future reviews.

- △ Regarding the secondary use of programs, NHK hopes to play a role in the country's aim to become a country built on content distribution and content software. In relation to this, the role of programs produced for satellite broadcasting is also huge.

(2) The secretariat explained the viewpoints of review on the number of NHK satellite broadcasting channels in accordance with Handouts 2 to 4. The main comments by members during the Q&A and exchange of opinions were as follows.

- Are additional reception fees for satellite being collected from households that are unable to receive NHK terrestrial analog broadcasts due to land features?

- A monthly fee of 1000 yen is collected as a special subscription from those living in environments that can only receive satellite broadcast due to land features, etc.

- Should BS-hi and other channels be integrated, what will happen to the high-vision technology that has been accumulated?

- We think that whether to make the remaining channels HD is a factor for consideration from the viewpoint of, for instance, inheriting, accumulating, and developing technologies.
  
- To what extent will costs differ between producing the same program by SD and by HD?
  
- △ Basically programs are currently produced by high-definition, so costs will not increase due to program production by HD in the future.
  
- The viewpoints in Handout 4 should be reviewed upon clarifying the role of public broadcasting based on the spread of digital broadcasting and Internet, as well as the role of satellite broadcasting. For example, in the U.S., all popular TV programs can be watched on the Internet. In such an age, how important is it to use valuable waves to re-broadcast programs by satellite?
  
- For TV transmission over the Internet, the re-transmission of HD programs by IP is not necessarily always easy, considering current technology. In addition, from the viewpoint of “Other new roles” in Handout 4, satellite broadcasting has played a role in launching new services, such as HDTV, etc., so BS should continue playing a leading role in media in the future.