

Strategic Council on Bridging the Digital Divide—2nd Meeting
Summary of Minutes

1. Date and Time

Thursday, December 20, 2007; 10:30–12:30

2. Location

Auditorium, Basement 2, MIC

3. Attendees (honorifics omitted)

(1) Council Members (in alphabetical order)

Zenichi Fujio, Harunari Futatsugi, Hiroki Hirasawa, Hideo Kanada, Hioroichi Kawashima, Hideaki Kido, Kazuyoshi Kurokawa, Koichi Machida, Kunihiko Matsushita, Hitoshi Mitomo, Yuji Moriyama (Proxy: Jinichi Nakaizumi), Takeshi Nagao, Akio Nishio (Proxy: Hiroaki Kubozono), Naohiko Nishio, Kenji Okamoto, Terutoshi Sano, Hideyo Shimamura, Toshihiro Shinohara (Proxy: Tetsuya Tsubaki), Nobuko Takahashi, Fumio Takahata, Sumio Tamura (Proxy: Yasufumi Kameyama), Hirofumi Tayama, Atsushi Togashi, Kiyoshi Tokuhiko, Hideyuki Tsukuda, Toyoaki Ukita (Proxy: Shinji Kojima), Masayoshi Wakao, Hiroyuki Yashima, Makoto Yoshimuro, Saburo Yoshino

(2) MIC Representatives

Terazaki (Director-General, Telecommunications Bureau), Takeuchi (Director-General, Telecommunications Business Department), Tanaka (Director-General, Radio Department), Ando (Director, General Affairs Division), Taniwaki (Director, Telecommunications Policy Division), Honma (Senior Investigation Officer, Telecommunications Policy Division), Hirano (Director, Advanced Network Division), Sasaki (Director, Fixed Radio Communications Division), Miyazaki (Deputy Director, Land Mobile Communications Division), Yoshida (Director, Terrestrial Broadcasting Division), Ando (Director, Regional Communications Development Division)

4. Agenda

- (1) Results of provincial surveys
- (2) Preliminary draft of major points at issue
- (3) Others

5. Summary of Meeting

Results of actual condition surveys pertaining to areas where it is difficult to develop broadband

networks

- The Secretariat explained Document 2-1, “Results of Actual Condition Surveys Pertaining to Areas Where It Is Difficult to Develop Broadband Networks.”

Results of actual condition surveys in municipalities with regard to mobile telephone area development

- The Secretariat explained Document 2-2, “Results of Actual Condition Surveys in Municipalities with Regard to Mobile Telephone Area Development.”

Preliminary draft of major points at issue at the Strategic Council on Bridging the Digital Divide, as well as reference documents

- The Secretariat explained Document 2-3, “Preliminary Draft of Major Points at Issue at the Strategic Council on Bridging the Digital Divide” and Document 2-4, “Reference Documents.”

Opinions of members

- Opinions were solicited from those Council members who did not have a chance to speak at the first meeting due to time constraints. Members who had submitted written opinions in advance reiterated their opinions as set out in Document 2-5.
- The main points of opinions expressed are as follows:
 - By way of measures to bridge the digital divide, I would like to give a presentation on experiments in areas with adverse conditions such as outlying islands and mountainous regions. [The member then gave an explanation based on pages 1 and 2 of Document 2-5.] It is hard to say at the present stage that optical wireless transmission is widely recognized. Be that as it may, this technology is inexpensive and is effective except during dense fogs. Apart from performing experiments, opinions were solicited from entities including local governments in areas with adverse conditions. There was a comment that an issue that has emerged in recent years is that without broadband services it is impossible to download software and material, and therefore people in such areas cannot do their work. As stated in the “Preliminary Draft of Major Points at Issue,” it is important to develop networks for broadband services, terrestrial digital broadcasting and mobile telephone services by means of “combined techniques.”

- I would like to discuss two items. First, I wish to give a presentation on activities carried out by the Association for the Promotion of Public Local Information and Communication (APPLIC). Second, I would like to give an opinion from the point of view that the information on actions taken in Japan regarding broadband network development should be shared with the international community. [The member then gave explanations based on pages 3 to 18 of Document 2-5.]

- I have experience in carrying out activities to revitalize local areas by utilizing information and communications infrastructure in cooperation with municipalities in Miyagi Prefecture. On the basis of such experience, I would like to discuss three issues and will give my opinion and make some proposals in relation to them. [The member then gave explanations based on pages 19 to 21 of Document 2-5.]

- I would like to discuss the issues from the perspective of consumers and ordinary citizens. Ordinary people are not well aware of and do not often discuss issues such as profitability, costs, burden ratios, etc. with regard to solving the problem of mobile phone dead zones and the problem of areas without broadband services. I suggest that steps be taken by this Council to obtain the consensus of ordinary citizens. MIC's councils and study groups include various organizations such as this Strategic Council on Bridging the Digital Divide, the National Council for the Promotion of Terrestrial Digital Broadcasting, the Study Group on Mobile Business, the Study Group on Countermeasures against Illegal/Harmful Information on the Internet and the Panel on Multimedia Broadcasting Services for Mobile Terminals. Isn't it possible for organizations in all fields to cooperate with one another, thereby efficiently promoting development?

- It is conceivable that bridging the digital divide will involve many difficulties due to systems available and local conditions. Personally, I would like to request that studies be conducted on the following items: (1) effective use of radio frequencies, (2) joint use of infrastructure pertaining to fixed communications, mobile communications and broadcasting, and (3) establishment of nationwide uniform patterns of system development and operation. [The member then gave explanations based on page 22 of Document 2-5.]

Discussions of the Preliminary Draft of Major Points at Issue

- The main points of opinions expressed are as follows:

- Can't maintenance costs, including those of relay line maintenance and access in cases where there are long distances between the mainland and outlying islands, be incorporated into the "Preliminary Draft of Major Points at Issue," and specific studies conducted?
- From the point of view of the costs and progress of technologies, it tends to be more advantageous to participate in network development at the later stages. In developing broadband networks, as well as in solving the problem of mobile phone dead zones, it is necessary for the national government to introduce incentive programs in the interest of operators and local governments that are going to undertake network development at the early stages.
- In the case of any small-scale local governments, the amount of costs borne per household related to broadband network development is large. Isn't it possible, through the activities of this Council, to consolidate proposals that may help such local government persuade municipal assemblies to carry out development? Proposals should cover such issues as comparisons with other municipalities, cost-effectiveness and choosing between cost sharing and the injection of tax revenues.
- I am interested in the "combined techniques" project explained by the Secretariat. What are the differences, in specific terms, between combined techniques and existing support measures by the national government?
- So far, different support schemes have been applied to broadband services and mobile telephone services. In the case of "combined techniques," such schemes are integrated. Specific contents are still to be decided. We would like to hear opinions from all the members on this issue.
- Cable television operators have already realized "combined techniques" for broadcasting, Internet provision and telephone services in urban areas. By way of measures to bridge the digital divide, it is conceivable that action could be taken to replace cable television infrastructure with broadband infrastructure in remote areas.
- Pages 9 and 10 of Document 2-3, "Preliminary Draft of Major Points at Issue," take up the issue of promoting the replacement of cable television networks with super-high-speed broadband networks. I would appreciate it if opinions could be offered on this point.
- As regards "combined techniques," I would suggest that instances of urban development

carried out by the Ministry of Land, Infrastructure and Transport serve as a useful reference. The explanation of such urban development is this. In the past, support was provided separately for work on roads, rivers, houses, etc. These days, however, if plans for urban development are prepared, support is provided in a flexible manner. What should be noted is that there are people who understand and think about technologies, optimum combinations of technologies and the needs of the areas in question. In this respect, systems for receiving input from information and communications advisors and so on play an important role.

- Page 12 of the “Preliminary Draft of Major Points at Issue” takes up the issue of the “utilization of local ICT advisors.” As was pointed out, consultation is important. Particularly, when thought is given to the fact that new technologies like WiMAX will emerge in the future, in my opinion it is important to establish support setups and carry out model projects centered on relevant telecommunications bureaus.
- With regard to the utilization of consultative assemblies of operators, local governments, etc., an important factor is whether or not there are in regional areas young people with vision who can create markets and negotiate with operators. Human resource development programs should be modified to give people with an understanding of local areas the tools and skills to develop infrastructure themselves.
- A very real issue in terms of human resources training is who should teach what skills to whom. I would think that if there were guidelines, it would make it easier for local governments to train workers.
- We think that in addition to the issues discussed on page 12 of the “Preliminary Draft of Major Points at Issue,” it is necessary to find a way to organically connect relevant measures, for example, by training CIOs in local governments.
- In any municipality with a population of several thousand, it is often the case that a single functionary takes charge of digitization of various data, statistics and urban development. Requiring such a person to even just prepare answers to questionnaires for the actual condition surveys in Documents 2-1 and 2-2 that were presented at this meeting places a significant burden on them.
- If universal service is expanded to include broadband services, then compensation costs will increase. It is necessary to discuss how broadband network development and maintenance costs in areas with adverse conditions should be borne nationwide.

- “Combined techniques” are fine, but does the Secretariat intend to request different government agencies and bureaus to cooperate?
- Information Material 30 in Document 2-4, “Reference Documents,” takes up the issue of instances of cooperation with other government agencies. The number of such instances is small. Be that as it may, government at all levels is dealing with provincial rejuvenation. In this regard we intend to continue our efforts. As regards the review of the Universal Service Fund System, we are conducting studies with the intention of providing compensation for maintenance costs by means of this system when broadband infrastructure is developed to some extent in 2010. The question of what form these costs should take should be studied from various angles. Possibilities include compensation by the Universal Service Fund System, compensation by tax deduction, etc. The extent of the costs to be transferred from urban areas to rural areas should also be studied.
- Isn’t it possible to show in figures the cost of solving the problem of mobile phone dead zones and the problem of areas with no broadband services? For example, isn’t it possible to show the amount estimated for the development of infrastructure for the whole country using combined techniques? To help the general public understand this, it is necessary to provide clear figures, for instance, by indicating that each user will be charged 100 yen per month to pay for the development of infrastructure for the whole country.
- The Secretariat estimated the maintenance cost of FTTH. However, regarding new technologies such as WiMAX, the extent of the merit of scale is unknown, and also it is difficult to calculate the cost.
- To realize combined techniques and carry out efficient maintenance, as has been argued so far, MIC must put its collective heads together and come up with some figures for the cost of infrastructure development by way of a springboard for discussions. I assume that it would also be effective to develop combined techniques in a limited number of areas, as model cases.
- It is necessary to show what should be done by what time to bridge the digital divide. It is also necessary to state how much it will cost. Moreover, it is necessary to hold discussions as to whether the cost should be covered by public funds or by the Universal Service Fund System.
- Regarding the matter referred to, we, the Secretariat, would like to investigate how to

encourage innovative thinking. We would also request that you make suggestions.

- Judging from overseas examples, it's my opinion that the issue of bridging the digital divide must be addressed from the two perspectives of the competition and cooperation.
- Developing and maintaining infrastructure costs money. The issue of what to do about infrastructure development and maintenance, including the issue of how costs should be shared, must be discussed.
- To begin with, is this Council intending to include remote villages in its consideration of how to solve the problem of mobile phone dead zones and the problem of areas with no broadband services?
- The national government's fundamental position is that while we would like to consider strategies for solving the problem of mobile phone dead zones and the problem of areas with no broadband services that include solving these problems for remote villages, it is also important to take into account issues such as actual demand. Simply establishing the infrastructure is not enough. As mentioned under the heading, "Promotion of Broadband Infrastructure Development by FTTH, etc.," on page 9 of Document 2-3, "Preliminary Draft of Major Points at Issue2," we would like to study various options, including the following: to install fiber-optic cables in all households; and to install fiber-optic cables up to feeder points and use wireless transmission to extend the reach to further areas.
- In order to solve the problem of mobile phone dead zones and the problem of areas having no broadband services by fiscal year 2010, specific measures must be established by June 2008. I am of the opinion that it is necessary not only for members to jointly address the problems and share the tasks but also to establish the direction of national discussions in such a way as to gain the support of the citizenry.