Strategic Council on Bridging the Digital Divide—3rd Meeting
Summary of Minutes

1. Date and Time

   Thursday, February 7, 2008; 14:00–16:00

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
   (Proxy: Koichi Nishihara), Hideaki Kido, Kazuyoshi Kurokawa, Koichi Machida,
   Kunihiko Matsushita, Hitoshi Mitomo, Yuji Moriyama, Takeshi Nagao, Akio Nishio
   (Proxy: Keizo Yamamoto), Naohiko Nishio, Kenji Okamoto, Terutoshi Sano, Hideyo
   Shimamura, Toshihiro Shinohara, Fumio Takahata, Sumio Tamura (Proxy: Yasufumi
   Kameyama), Hirofumi Tayama, Atsushi Togashi, Kiyoshi Tokuhiro (Proxy: Tomohiko
   Ozaki), Hideyuki Tsukuda, Toyoaki Ukita (Proxy: Shinji Kojima), Masayoshi Wakao,
   Hiroyuki Yashima, Makoto Yoshimuro, Saburo Yoshino

   (2) MIC Representatives

   Suzuki (Vice Minister for Policy Coordination), Terazaki (Director-General,
   Telecommunications Bureau), Takeuchi (Director-General, Telecommunications Business
   Department), Tanaka (Director-General, Radio Department), Taniwaki (Director,
   Telecommunications Policy Division), Honma (Senior Investigation Officer,
   Telecommunications Policy Division), Hirano (Director, Advanced Network Division),
   Okamoto (Senior Promotion Officer, Advanced Network Division), Sasaki (Director, Fixed
   Radio Communications Division), Watanabe (Director, Land Mobile Communications
   Division), Yoshida (Director, Terrestrial Broadcasting Division), Fujishima (Director,
   Regional Broadcasting Division), Ando (Director, Regional Communications Development
   Division)

4. Agenda

   (1) Draft Phase 1 Report
   (2) Estimation of costs required for broadband infrastructure development in Niigata Prefecture
   (3) Others

5. Summary of Meeting

Schedule of future studies

○ The Secretariat explained Document 3-2 (2), "Strategic Council on Bridging the Digital Divide—Schedule of Future Studies."

Draft Phase 1 Report

○ The Secretariat explained Document 3-1, "Draft Phase 1 Report of Strategic Council on Bridging the Digital Divide."

Estimation of costs required for broadband infrastructure development in Niigata Prefecture

○ Member Matsushita (Niigata Prefecture) explained Document 3-5, "Costs of Establishing Wireless Broadband Services in Areas Where Infrastructure Development is Impractical (Estimation)."

Discussion of Draft Phase 1 Report

○ The main points of opinions expressed during the discussion are as follows:

1. Significance of bridging the digital divide

● I think that the significance of bridging the digital divide lies in the rationale that the broadband service coverage ratio will be brought to 100 percent by 2010. The Draft Phase 1 Report contains statements about issues such as disasters and local revitalization. In this respect, I suggest that specific issues as examined from a long-term perspective be incorporated, such as the statement that the lack of broadband services will result in people choosing not to live in certain areas or cause other opportunities to be lost.

● There are huge differences among different areas. Particularly, a single functionary does two or more jobs at the same time in most small local governments and therefore cannot practically get around to dealing with broadband services. I think that the issues arising from such differences should be stated in specific terms.

● On one hand, the needs of residents are important. Be that as it may, my feeling is that the outcome of about 50 percent of the matters we decide depends on whether the head of the local government is conscientious. I would suggest that this is also an important factor.

● Whether broadband and mobile telephone services are really important in terms of national policies, as compared to other projects, is related to the issue of the Universal Service Fund System. Therefore, I suggest that the issues be discussed in detail until June.

2. Basic perspectives on bridging the digital divide

● The original draft gives the impression that the national government will take the lead. In this respect, I think it is necessary to clarify the government's stance that the principle of private sector initiative should be maintained.

● The phrase "the principle of private sector initiative" was mentioned. In regard to this, regarding combined techniques, for example, there are cases where the private sector alone is unable to provide services and lines owned by local governments, for instance, will have to be borrowed. Therefore, it seems that the level of government involvement is not fixed.

● It is important to create local demand. So far, projects have been carried out on the assumption that subsidies will be granted. From now on, however, I would suggest that it is important for prefectural bodies and telecommunications bureaus to collaborate to create such demand, providing an entry point for operators.

● It is true that broadband services are necessary. But there is a barrier that could prevent them from being developed. Namely, there is a large gap between the ideal and the reality. I would propose that it is the job of this Strategic Council to close this gap by various ways and means.

● I am of the view that it is necessary to establish a system whereby the most efficient and comprehensive technique will emerge through competitive joint collaborations and by skillfully using combined techniques that incorporate the best technologies.

● The wording of the statement on demand is not specific enough. When considering running costs, how users make use of services is significant. Young people move out of the area in which they live, taking demand with them. In spite of this, only the methods for maintaining infrastructure are addressed, demonstrating a lack of strategic thinking.

● It is necessary to delve further into support for running costs and into putting various

types of services in the category of universal service.

3. Specific measures aimed at bridging the digital divide

- Page 11 contains the expression "by means of cables including fiber-optic cables." In this respect, areas with adverse conditions are not short of available frequencies. Therefore, I presume it unnecessary to limit the means of transmission to cables.

- The only section in which there is no mention of combined techniques is that pertaining to satellite broadband services. In this respect, I would suggest that it would be effective to take action, including utilizing them for mobile telephones. It is mentioned that the capacity of satellite transponders is limited. However, I have the feeling that in reality, there is surplus capacity.

- The possibility of satellites being the last-ditch effort is important. Furthermore, it is technically possible to use satellites to relay mobile telephone calls. Regarding the capacity of transponders, it is possible to use them as long as there is room available. In this regard, limitations arise due to the actual number of transponders.

- I am referring to the techniques contained in the Draft Report. Is it meant that all possibilities are listed? Or is it intended that the best one to be considered on the basis of such techniques?

- I would think it necessary to enumerate all possibilities so as to selecting those compatible with the actual conditions of relevant areas.

4. Matters such as follow-up setups aimed at bridging the digital divide

- Actions taken by the national government are described. In this respect, I think it is important to clarify the respective roles to be played by the national government, local governments, and operators.

- I suggest that instead of specifying that the national government should do such-and-such thing, it should be so arranged that where there are issues to be considered by local entities, local people will be involved.

- It is my opinion that the formulation of "national policies" is necessary, in the sense that there is no choice but for everyone to participate in implementation.

● I think that the national government should establish support setups in regard to vision and technical guidance.