

Study Group on Current Status and Issues on a Fair Receiving Fee Structure
Summary of Minutes (13th Meeting)

1. Date and Time: Tuesday, May 20, 2008, 10:00 to 12:00

2. Location: Special Conference Room 4 at MIC, 5th Floor, No. 2 Joint Government Building

3. Attendees

(1) Members of the study group (honorifics omitted; in the order of the Japanese syllabary)

Funada (Chair), Nakamura (Vice Chair), Sugaya, Torii, Hida (5 members)

(2) Observers

Ishioka, Kenjo, Takahashi (3 observers)

(3) NHK representatives

Mr. Ueda, General Manager in Charge, and Mr. Kuroda, Manager in Charge, Corporate Planning Bureau (Management Plan); and Mr. Watanabe, Manager in Charge, Audience Relations & Services Department (Planning)

(4) Ministry of Internal Affairs and Communications (MIC)

Ogasawara (Director-General, Information and Communications Policy Bureau), Kawauchi (Deputy Director-General of Minister's Secretariat), Imabayashi (Director, General Affairs Division), Yoshida (Director, Broadcasting Policy Division), Takeda (Director, Satellite and International Broadcasting Division), Nagashio (Senior Planning Officer, Broadcasting Policy Division), Ihata (Assistant Director, Broadcasting Policy Division)

4. Agenda

(1) Opening

(2) Items on the agenda

Draft final report

(3) Closing

5. Outlines of Proceedings

The following symbols are used in this summary:

○ Remark made by a study group member or an observer

● Remark made by an MIC representative

(1) The secretariat made a presentation based on Reference 1, "Outline of the Draft Final Report by the Study Group on Current Status and Issues on a Fair Receiving Fee Structure" and Reference 2, "Draft Final Report by the Study Group on Current Status and Issues on a Fair Receiving Fee Structure."

(2) The key questions and opinions voiced by the study group members regarding (1) are as follows:

○ The draft final report discusses the integration of a contract for satellite broadcasting into a contract for terrestrial broadcasting in a subdued tone, using "logically possible" rather than "such a concept is possible," or As for the scrambling of satellite broadcasting, will the expression, "such a concept is possible" be used in the finalized report?

○ I assume that such an expression is used because the integration of a contract for satellite broadcasting into one for terrestrial broadcasting is not feasible while the scrambling of satellite broadcasting is possible.

○ In order to promote satellite broadcasting, broadcast programs to be offered when scrambling is implemented should be discussed only after discussing whether or not promotion of programs which have content unique to satellite broadcasting and help fulfill its role as a public broadcaster is possible. Considering these points, the third item on page 23 should be moved to the top as a general challenge.

○ I remember many issues have been pointed out regarding scrambling. Therefore, it seems not so appropriate to use such expressions as "smooth implementation" and "innovative operations" on the premise that scrambling is to be implemented.

○ If the report states CAS "may require innovative operations," readers may think that implementation is the premise. I suggest the report should use "study of operational issues" instead of "innovative operation."

○ Cost of equity is not included when calculating NHK revenues and expenditures. Note 44 on page 24 defined "the level that includes profits" as "the level to be set when cost of equity is the premise". What it means seems quite different from what "the level that includes

profits” originally refers to. Readers may think that “the level that includes profits” implies that it includes something other than cost of equity.

○ Regarding “diversification of the interests and tastes of the Japanese audience” on page 28, the expression “Japanese audience”, seems a rather strong way to describe the audience when one considers the fact that not all Japanese people have completed a contract for satellite broadcasting.

○ Regarding the influences of scrambling on revenue from receiving fees on page 26, “revenue decrease (?)” is listed in the table while there is no mention about it in the text. It lacks balance.

○ The report recognizes that the scrambling of satellite broadcasting “has positive meanings” on page 28, but I wonder whether it really has “positive” meanings. If we choose to use the words, “positive meanings,” readers may think there are some intentions behind it. We should rather use a neutral expression, for example, “is a possible benefit.”

(3) Others

○ It was decided that the draft final report would be reviewed by considering opinions voiced by the study group members at this meeting, modified if needed, and approved by all members, including those who were absent. It was also decided to invite public comment on the draft final report after modification at the MIC web site. These processes were left to chair.

○ It was decided to hold the next meeting (14th meeting) from 17:30 on Wednesday, July 2, 2008.