

Study Group on Current Status and Issues on a Fair Receiving Fee Structure  
Summary of Minutes (14th Meeting)

1. Date and Time: Wednesday, July 2, 2008, 17:30 to 18:30

2. Location: Special Conference Room 1 at MIC, 8th 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), Ishioka, Ito, Oto, Takahashi, Torii, Niimi, Hida, Yamauchi, Yamashita (11 members)

(2) 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), Ihata (Assistant Director, Broadcasting Policy Division)

4. Agenda

(1) Opening

(2) Items on the agenda

- Comments contributed during the public comment procedure and the study group's draft opinions thereon

- Draft final report

(3) Closing

5. Outline of Proceedings

(1) The secretariat made a presentation based on Reference 1, "Comments Contributed during the Public Comment Procedure and Study Group's Draft Opinions Thereon" and Reference 2, "Draft Final Report by the Study Group on Current Status and Issues on a Fair Receiving Fee Structure."

(2) Others

The following symbols are used in this summary:

○ Remark made by a study group member

▲ Remark made by the secretariat

Each member of the study group made his/her comment in finalizing the report. The key comments are as follows:

- The conclusions of the final report succeeded in presenting a direction toward future digitization, albeit in a subdued tone and in a careful way.
  
- I believe our discussion on scrambling is one of the achievements of this study group. However, considering that the receiving fee system and the existence of NHK is two sides of the same coin, the introduction of scrambling must be discussed even further. I will continue to pay attention to NHK's new services, such as the Archives on Demand, which is to be provided on a price-for-service basis, and multimedia broadcasting for mobile terminals, which is likely to be offered as a paid service.
  
- I think one of the achievements of this study group is that the position of NHK BS broadcasting, in relation to the entire satellite broadcasting business, has been clarified more than ever through our discussions on scrambling.
  
- Issues on NHK seem very difficult to solve. They must be reviewed again by considering the overall broadcasting business, which includes terrestrial broadcasting and other areas as well as satellite broadcasting and sound broadcasting.  
I hope NHK will have in-depth internal discussions and consider points made at this study group, so that they will be able to reorganize their system to measure up to people's expectations.
  
- As it has become possible to control radio waves, there seems to be fewer technical differences between broadcasting and communications now. Meanwhile, it is time to reevaluate broadcasting anew in relation to freedom of the press, namely, whether broadcasting services by NHK and other organizations should be treated like communications.
  
- The implementation of scrambling should be avoided as much as possible. In order to establish a stable receiving fee structure, streamlining the organization including subsidiaries, is also important.

○ The structure of fees for NHK broadcasting services seems to have an aspect of contribution, rather than pricing for public goods. That is, such contributors encompass various external effects and support broadcasting as a public good.

Meanwhile, any concept of a fee for public service must balance efficiency and fairness. The same applies to the issue of a receiving fee system. It is required to show how it identifies public broadcasting from the perspective of fairness while ensuring efficiency.

○ I think it is significant that, from the beginning, we were able to calculate the figures that served as a basis in discussing the fairness of receiving fees. It was also very significant that, with regard to receiving fees that cover satellite broadcasting, we were able to present the ideas of integration and scrambling in addition to maintenance of the status quo.

○ This study group has discussed the issues of broadcasting and communications from broad perspectives. It is crucial that new discussions will be made based on our report. Will the secretariat have further discussions on the agenda studied at this study group?

▲ We do not have an immediate plan to study a receiving fee structure according to a specific schedule. But we will make the best use of this study group report in our future broadcasting policy.

○ Our discussion on the burdens of receiving fees focused on how to eliminate free riders from the suppliers' perspective. With technological advancement, however, it will become possible for consumers to actively choose the way they watch programs, which means the demand side will create forced riders as well as free riders. NHK should consider these points in making efforts in terms of cost, further development of programs, and so on, to measure up to consumers' expectations.

○ In implementing scrambling and a price-for-service system, it must further be discussed whether or not it is appropriate for NHK to operate as such and collect fees, as pointed out in the public comment. Meanwhile, the level of receiving fees as contribution has not been discussed much, and therefore requires further discussion. How to shift to a price-for-service system must also be discussed, if it is to be implemented.