

**“Study Group for the Development of Digitization and Broadcasting Policy”
(6th Meeting) Summary of Minutes**

1 Date and Time:

(Tues.) November 16, 2004, 9:30-12:15

2 Location:

First Special Conference Room, MIC (8th floor, Central Joint Government Building No. 2)

3 Attendees:

(1) Study Group members (Honorifics omitted; in order of the Japanese syllabary): Susumu Ito, Norio Kumabe, Soichiro Kozuka, Hiroshi Shiono, Toshiyuki Shionohara, Atsuko Nomura, Mitsutoshi Hatori, Haruko Yamashita (8 members)

(2) Invited guests:

▪ “Matsuri” GIFU Hyakuninshu (citizens group for community development in Gifu City)

Mr. Wada, Representative

▪ Prop Station (social welfare corporation)

Ms. Takenaka, President

▪ Japan Housewives’ Association

Ms. Kawamura, Vice Chair of the Permanent Committee

▪ Mitaka Education Center

Mr. Oshima, Director

▪ Sapporo municipal government

Mr. Akimoto, Director, IT Promotion Dept

- Kitakyushu municipal government
Mr. Ando, Director, Industry Promotion Dept

- Video Research Ltd.
Mr. Yamamoto, Managing Director, and others

(3) MIC members: Horie, Director-General of the Information and Communications Policy Bureau; Fukuoka, Director, General Affairs Division, Information and Communications Policy Bureau; Ando, Director, Broadcasting Policy Division; Minami, Director, Terrestrial Broadcasting Division; Imabayashi, Director, Satellite and International Broadcasting Division; Emura, Director, Regional Broadcasting Division; Ogasawara, Senior Planning Officer, Broadcasting Policy Division; Imaizumi, Assistant Director, Broadcasting Policy Division

4 Proceedings:

- (1) Opening
- (2) Agenda
Viewer/User Trends
- (3) Closing

5 Outline of Proceedings:

(Text symbols represent the following:

- - Remarks of study group members; ○ - remarks of invited guests)

Viewer/User Trends

- (1) Mr. Wada, Representative of “Matsuri” GIFU Hyakuninshu (citizens group for community development in Gifu City), explained advancement in digitization and local community development based on the group’s experience of providing content titled “36 views of Gifu” for a demonstration experiment for terrestrial digital broadcasting, and demand for terrestrial digital broadcasting.

- (2) Ms. Takenaka, President of the Prop Station (social welfare corporation), explained expectations and demands for terrestrial digital

broadcasting as a means of social participation for the disabled.

(3) Ms. Kawamura, Vice Chair of the Permanent Committee, Japan Housewives' Association, explained questions and demands on digitization of broadcasting from the consumer's perspective.

(4) Q&A sessions on (1), (2) and (3)

Key questions and answers were as follows:

- Please describe how you divide computers and broadcasting. Do you think it is better that the convenience provided by computers should be utilized in broadcasting? Or, should computers become closer to broadcasting?
- Computers will become closer to TV in some part while TV will become closer to computers in some part. Everyone can be a sender of information and a TV set at home will be the point through which information is sent. In this sense I have great expectations. Everyone can help each other whether disabled or not, which is not only the great advantage of two-way communication but also the biggest feature of IT. If the government implements it as a national policy, we would like to drive terrestrial digital broadcasting toward the direction that allows those who are regarded as unemployable to find employment on the content creator side.
- I think the functionality of two-way communications should be conducted utilizing computers. Two-way communication achieved via TV would work only in a certain way. It is not clear whether computers will not be needed, or both computers and TV sets will be needed and therefore will be provided with interactive functionality.
- The biggest characteristic of digital broadcasting is the effective use of radio waves. Good video quality and sound quality make up the second feature. The third feature is information dissemination by using data channels. The data channel for digital broadcasting is similar to the portal service of the Internet, i.e., with communication functionality, such as the Internet, added to the unidirectional

broadcasting, it provides two-way communication. Broadcasting and telecommunications are supplementing each other in this case.

- The possibilities of two-way communications must be considered by taking into account the market into account.
 - Cable television features a community-based approach. What is the current relation with that approach? Or, how will it change?
 - Digital broadcasting offers interactivity and great choice. As a broadcasting station has been established in Gifu with the launch of terrestrial digital broadcasting, very relevant information is broadcast on via cable television and is also available as text information. Additionally, you can pick up information almost whenever you want with terrestrial digital broadcasting, which makes a big difference.
 - In terms of the realities of digital TV, you need to consider how to make it easy-to-use. Is there any movement to collaborate with manufacturers and broadcasters in conducting specific experiments?
 - Since inauguration, we have established a network with the IT industry and have worked together. We would like to actively participate in any opportunities we would be offered in order to make the best of our experience and insight upon entering the terrestrial digital broadcasting era. If any manufacturer asks for our opinion, we would like to work on development together.
- (5) Mr. Oshima, Director of the Mitaka Education Center, explained the current status of IT education as well as expectations and issues for server-based digital broadcasting from the perspective of a user in the education field.
- (6) Mr. Akimoto, Director of the IT Promotion Dept of the Sapporo municipal government, explained the direction of use of terrestrial digital broadcasting in Sapporo City, focusing mainly on use of terminals for disaster prevention.
- (7) Mr. Ando, Director of the Industry Promotion Dept of the Kitakyushu municipal government, explained future use and issues of terrestrial

digital broadcasting based on the outline and the activities of a local study group on terrestrial digital broadcasting.

(8) Q&A session on (5), (6) and (7)

Key questions and answers were as follows:

- Why are doctors so active at the front line in Kitakyushu City?
- Local groups including doctors' associations, community associations, and women's associations have created community specific organizations such as the Promotional Council for Community Development. Based on the local network, people in the medical field have asked if digital broadcasting could be used for to serve a community-based purpose.
- I understand that doctors' associations have been more enthusiastic about the Internet or telecommunications areas than about broadcasting. Has the idea of digital broadcasting in Kitakyushu City emerged on such a basis?
- In our local study group, the doctors' associations reasonably questioned how it is different from telecommunications. We discussed that for about six months until we reached agreement that we could take advantage of it as we came to better understand the functions provided with digitization.
- Do you mean that you are no longer sticking to the idea of digitization and have decided to develop only some functions a little further because nice useful tools have emerged?
- Exactly.
- I can imagine an educational channel for use in the classroom. Please tell us other kinds of content that exists or is assumed to be offered in the future.
- Since broadcast content and what is taught in classes do not match, NHK programs are not used at schools as frequently as before, and most schools purchase video created by commercial companies, which corresponds to textbooks. Commercial companies are more advanced in other content as well. For example, it is highly likely

that uses such as simultaneous distribution of preparatory school's classes to remote locations or observing experiments in high-definition images will advance.

- Costs and freedom of editing would be huge systemic issues in terms of the relationship between local governments and broadcasters upon digitization. Have discussions be made on these issues? Have any bottlenecks been identified?
 - Discussions on the relationship between the local government and the broadcasters have only just started, and how to go about clarifying the relationship still needs to be worked on. Even under current conditions, the division of information provision and broadcasting has been clarified to some extent for disaster prevention. The relationship regarding the provision of other information remains to be discussed.
 - Regarding broadcasters, what should be done in order to launch broadcasting of digital radio waves within the limited timeframe is now the top priority. Direct discussions have not taken place on the relationship between broadcasters and the local government.
 - Will broadcasters be involved in content creation? Or, will the doctors' associations or the local government create the content and present it to the broadcasters?
 - The broadcasters may provide advice in the course of production, but we are assuming that we will create the content.
- (9) Mr. Yamamoto, Managing Director, and Mr. Oguro, Deputy Director, Media Research Division of Video Research Ltd. explained the current rating measurement and changes in viewer ship based on related data as well as future ratings measures.

In the subsequent Q&A session, the following key questions and answers were raised.

- Does the ReplayTV of TiVo use only one tuner? Is copying of a

program that is recorded on the hard disk to DVD or videotape allowed on a “copy once” basis?

- There is only one tuner. Analog waves are still mainly used and VTR has been widespread in the United States, the service scheme allows users to copy content to analog video tapes as many times as they want for their convenience.
- The survey on the behavior of people on the move including on a train reveals that the most used media are books, magazines and CDs in descending order of frequency. It is likely, however, that the media will change from text to image? Amid such a trend, watching TV on mobile terminals would be ranked higher if people actually used the service.
- The TV function of mobile phones is definitely yet to fully take grip, but the viewer side may find it easy to imagine how mobile TV works because small-size TV sets are already in the market. We understand that there would be two patterns to see content on jam-packed trains: watching live content and watching content stored in a memory stick. There are two groups of passengers, i.e. those who want to take rest on a train and those who play games or send e-mails by mobile phone. It may be reasonable to think that these activities will be replaced by watching content on a train. You can have greater insight into the market if you set up various situations including on a train and in a car when you compile data.
- It was mentioned that time-shifted viewing would be included in future ratings data. What is the expected time frame you would use for rating measurements? What is your opinion on the relation with rating surveys to be submitted to advertisers in light of the fact that users can manually skip commercials with TiVo?
- The issue of time-shifted viewing remains to be discussed. The rating system operated in the U.K. integrates live rating and replays within one week. We would like to establish rules through discussions with data users. As for commercials, some scenes are skipped while some scenes are repeatedly watched. We assume that

people skip a scene as they have seen it many times or it is about a product that has nothing to do with them.

The next meeting will be held from 9:30 on Tuesday, December 7, 2004.