

**Study Group for the Development of Digitization and Broadcasting Policy
(7th Meeting) Summary of Minutes**

- 1 Date and Time:
(Tues.) December 7, 2004, 9:30-11:35
- 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 Shinohara, Atsuko Nomura, Mitsutoshi Hatori, Junichi Hamada, Masayuki Funada, Jun Murai, Haruko Yamashita (11 members)
 - (2) 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; Asami, Director, Broadcasting Technology 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
 - 1) Overseas Trends
 - 2) Organizational Issues

(3) Closing

5 Outline of Proceedings:

(Text symbols represent the following: ●- remarks of study group members; ○ - remarks of invited guests)

(1) Overseas Trends

Mr. Kumabe made a presentation on the “Advancement in Digitization of Broadcasting in Major Countries,” outlining the current status of broadcasting digitization overseas.

Ms. Nomura gave a presentation on “New Developments in Broadcasting Services: Overseas Trends,” explaining two-way services using digital broadcasting and mobile services in major countries abroad.

(2) Q&A session

Key questions and answers were as follows:

- Which actors decide the termination timing of analog broadcasting in other countries? Do they frequently change the termination timing according to the progress of penetration or do they adhere to the original schedule?
- The actors who decide the termination timing are primarily the institutions that supervise broadcasting. In some countries, the timing is decided through a national parliament resolution—it all depends. It is certain, however, that all countries would like to maintain the termination timing once it is decided as it is a national goal. Some countries have reviewed the timing when penetration was behind the schedule and subsequently made adjustments.
- Some of the preceding examples of other countries have a viewing style of watching broadcast programs that are stored in a set-top box. How is the issue of copyright control handled in these cases?
- I understand that some issues still exist. What happened first in regard to DVR and PVR is commercial skipping. Currently, it is

only possible to skip commercials manually. Meanwhile, the copyright issue remains to be solved for personal use of recorded programs. Although the principle of “only for personal use” exists in the United States, the scope of personal use is a controversial subject and I think it will become an issue in each country.

- As a countermeasure against commercial skipping, FastWeb in Italy stores content in the service provider’s server and sends it upon viewers’ request so that commercials will not be cut. A survey of DVR owners on commercial skipping conducted by a U.S. research company revealed that movie trailers and commercials during news or sports programs are generally not skipped a great deal. Therefore, there must be some way to prevent skipping in terms of commercial content.
- There are two major aspects of Internet broadcasting: running programs so that everyone can watch them, and allowing people to watch TV programs personally over the Internet when they are on the go. I understand that TiVo in the United States allows such usage. As you can also see in the case of South Korea, the main issue of Internet broadcasting seems to relate to the concept of personal viewing.
- Have any theoretical discussions on broadcasting systems, such as how public broadcasting should be carried out, taken place in conjunction with digitization of broadcasting in other countries?
- The United Kingdom is currently reviewing BBC’s broadcasting framework as its royal charter expires at the end of December 2006. The broadcaster is aware that exiting public broadcasting is no longer viable at the time of the switch from analog to digital, and is subsequently considering what should be done. One proposal, although not announced publicly, was that progress of digitization should be reviewed around the middle of the next royal charter period, which is the end of 2011, to reconsider future directions including the license fee system. I think there is a strong awareness of the shape public broadcasting should take as digitization advances.

- I would like the secretariat to check if such discussions are under way in Germany.
- I heard that the BBC is providing free educational material over the Internet. Is it not provided for broadcasting? Or, is it an alternative measure since it is difficult to use content for educational purposes due to the “copy once” system?
- It is likely that the BBC is positioning that as an Internet service although they are also apparently making the best use of a library that has been created specifically for broadcasting. They are trying to make the service available free of charge for homes as well as schools. It would be difficult to provide such a service in Japan due to copyright-related restrictions. However, in Britain the service was able to take shape after solving such issues. They also have a condition that 50% of orders should be placed with commercial companies that produce educational materials.
- Is this a broadcast model for a specified audience?
- That is not yet clarified although it would be broadcasted free of charge over the Internet. There are security issues but it will be open to an extensive audience as its positioning is similar to public broadcasting in terms of returning wide benefits. I understand that they will start providing limited content whose copyright issues are solved on a pilot basis, and gradually expand the service.
- Please provide examples of collaboration between newspaper publishers and broadcasters in Europe or the United States in relation to Internet services offered by broadcasters or in relation to the principle of excluding multiple ownership of the media.
- In the United States, newspaper publishers are enthusiastic about providing local information on their websites. Due to the issue of media ownership rules, there are cases of collaboration and partnerships between local broadcasters and newspaper publishers,

in which the broadcasters provide image data to the newspaper publishers even in the absence of capital ties.

- One example of collaboration between telecommunications carriers and broadcasters is an initiative in France, in which telecommunications carriers have been collaborating with broadcasters in spreading video programs to households via the broadband network as a way of promoting ADSL. A similar initiative is also under way in Italy.

Meanwhile, in the United States, DirecTV, for example, is reportedly considering joining forces with DSL providers on uplink so that they can compete against cable TV broadcasters. Also in the United States, mobile phone operators are providing a service to send TV programs to its subscribers, although terrestrial TV broadcasts cannot be received with mobile handsets at present. This service offers limited programs only, rather than resending regular programs that have been broadcast terrestrially.

- In the United Kingdom, is there any regulation that prohibits broadcasters from providing an Internet-based content service?

- Presumably, there aren't many such cases in the United Kingdom.

- How would you compare France's method of broadcasting using broadband in the Japanese context? Is the case similar to Japan Broadcasting Corp. (NHK) sending content to households via broadband?

- Yes.

- Is the content the same as the content broadcasted for terrestrial broadcasting?

- As for distribution of TV programs via DSL, France Telecom is

providing the service by using telecommunications protocol for TF1. I believe that some programs are the same while some are re-edited.

(3) Organizational Issues

The secretariat outlined key points of the hearing.

Key questions and answers of the Q&A session were as follows:

- It appears that the level of discussion on points 1 and 3 is not the same as for point 2. While the discussions regarding 1 and 3 appear to focus on promoting culture through Japanese broadcasting from the broader perspective, such discussions seem to be mixed up with demands of interested parties in the case of 2.
- I would like to raise the issue of how this study group should discuss the point in the next meeting or the one following that.
- I think it is better to move the items of “4. Other discussions” to category “2. Public broadcasting in the digital broadcasting era,” so they can be discussed in tandem as part of the wider model of how public broadcasting should be.
- We may need to review the method of organizing the issues around the transmission path and reconstruct the issues from the perspective of functionality, i.e. users including viewers, or business models.
- Please pass me any comments, including suggestions for additional agenda items, in advance so that I can present a proposal that incorporates your comments during the next meeting. Following that, I will collect your opinions on the issues, including suggestions for their organization.

The next meeting will be held from 10 a.m. on Tuesday, December 21, 2004.