

**Study Group for the Development of Digitization and Broadcasting Policy
(11th Meeting) Summary of Minutes**

1. Date and Time:

(Fri.) June 3, 2005, 16:00-18:00

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, Hiroshi Shiono,
Toshiyuki Shinohara, Ikufumi Niimi, Atsuko Nomura, Yasuo
Hasebe, Mitsutoshi Hatori, Masayuki Funada, Jun Murai, Haruko
Yamashita (11 members)

(2) MIC members: Horie, Director-General of the Information and
Communications Policy Bureau; Ogasawara, Deputy
Director-General; Fukuoka, Director, General Affairs Division,
Information and Communications Policy Bureau; Ando, Director,
Broadcasting Policy Division; Asami, Director, Broadcasting
Technology Division; Minami, Director, Terrestrial Broadcasting
Division; Imabayashi, Director, Satellite and International
Broadcasting Division; Ogasawara, Senior Planning Officer,
Broadcasting Policy Division; Inoue Senior Planning Officer,
Broadcasting Policy Division

4. Proceedings:

- (1) Opening
- (2) Agenda
Status of Discussions of Working Groups
- (3) Closing

5. Outline of Proceedings:

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

- (1) Status of Discussions of Working Groups

Chairs of respective working groups explained the progress of their group's discussions since the last plenary meeting.

- (2) Q&A on (1)

Key questions and answers were as follows:

- The fact that 1-segment TV broadcasting and radio broadcasting are basically the same despite the technical difference of band frequency will remain a key point. It is likely, however, that the line will slowly and gradually blur between the two based on the current concepts of TV broadcasting and radio broadcasting in the foreseeable future.
The best characteristic of digital technology is that once the data is translated into ones and zeros, everything including images and sounds can be flexibly handled in the same way. There will inevitably be some clashes, however, between such technological advantages and development from now.
- In regard to the "copy once" system, is "copy twice" technically possible?
- As copying can be made "n" times, it would be possible to propose a technology that allows to read the numbers differently for household use based on the concept of securing convenience.

- It may be impossible to explain why it should be copy “once,” from the perspective of legality.

- It is very difficult, and the key issues are: how to build consensus on the concept in terms of systems or legal systems; whether it is technically possible; and the perspective of its use, which has been claimed as the point that we should discuss more critically in our study group meetings. Some study group members and manufacturers reported that they had actually received opinions from users saying that it was uncomfortable to use the service compared with conventional services. In response to such an opinion as well as other issues, the manufacturer and broadcasters have started to study ways to improve the user method.

- The discussions on the copy once scheme seems to be double-layered—one agenda is the term, or whether “move” is more appropriate than “copy,” and the other is an element of societal surprise caused by limiting the number of copying to one and consequential unreasonableness and inconvenience.

- How far have copyrights and related issues on server-based broadcasting been organized?

- Various kinds of discussions have taken place, but the mechanism of server-based broadcasting is that broadcast content that combines data and so-called images is stored to be re-used. There are concerns though as to what kind of mechanism will allow teachers, for example, to re-use content for educational purposes or local governments to re-use content, when based on the copy-once assumption. In response, technical development is under way to provide broadcasting to allow such specific cases of re-use.

- Is there an opinion that the copy once scheme is not the only option but rather open to be decided by policy considerations?

- Discussions are being made to come up with a better way while considering the respective viewpoints.
- The content creator side, especially Hollywood in the United States, is very afraid that, as digitization has allowed users to create high-quality copies, copying might spread without limitation as the permitted number for copying increases. Therefore, we may need to come up with a way to bring people to reason. In the United States, the FCC was about to implement a broadcasting flag, which is similar to the copy once scheme, but the Supreme Court ruled it unconstitutional because it did not fall under the authority of the FCC. In fact, the matter has become a huge issue.

There is another very difficult issue: How far private use should be allowed because content trading has become very easy with digital technologies. When and who should decide the relevant regulations by assessing the reality of trade in society seems to be a very big problem.
- Do broadcast program providers offer programs to terrestrial broadcasters, not just to program-supplying broadcasters of CS?
- In the case of a provider who participated in one of these hearings, he sells whatever programs he can sell to BS or CS broadcasters. In the case of terrestrial broadcasting, they may be selling programs to local broadcasters.
- Selling good programs to CS even for a lower price while earning money with diverse and moneymaking programs in terrestrial broadcasting seems to be a common business practice.
- As far as I know from the hearing, good programs do not

always sell well from the start.

- Which media should be prioritized may differ considerably between program suppliers. In the case of one company that participated in one of our meetings, it sometimes provides programs to CS for promotional purposes with no thought of profit. However, the company said that it is better business to undertake time slots than to own a channel.
- When will the roundtable organized by Japan Broadcasting Corp, (NHK) provide deliverables?
- I heard that the members of the NHK roundtable were announced on May 31, and discussions will start as early as possible, probably by the end of June, so that a report can be compiled by the end of this fiscal year.
- From the perspective of “more channels” for digital radio, will new services be additionally offered to target existing radio receivers, of which there are presumably thousands of millions? Or, will new markets that have nothing to do with existing markets be created so that new industries or usage will be created for the markets? Has consensus been built on the vision, which is a foundation of this discussion? Should it be discussed in this meeting or somewhere else?
- Basically, the “Roundtable on the Future Vision of Radio Broadcasting in the Digital Era” has compiled a report on this issue, and our discussion here is about how to understand the issues in terms of the broadcasting policy, especially in terms of the broadcasting system. The perspective you have just pointed out should be handled by the division in charge.
- The summary of the report by “Roundtable on the Future Vision of Radio Broadcasting in the Digital Era” includes a market estimate of the radio industry, which expects that the

market will double in 10 years. The radio market has tended to be hit by various new media in recent years, but the roundtable compiled the report, expecting that the initiatives would help the industry regain vitality and take a new direction by optimizing the characteristics of radio and the technical advantages of radio, or would lead to such development.

- It seems necessary for the industry to clarify the image of usage, i.e. who and how many people will use radio in what situation, or the image of radio, i.e. how each and every individual Japanese citizen will view it, and then make efforts to realize their images. Meanwhile, we should discuss what the government can or should do.

- Discussions on issues pertaining to the Broadcast Law or to the broadcasting business have been provider-oriented. We may need to change the direction to a user-oriented approach, or we should start fresh discussions based on that outlook.

- There can be two perspectives in considering the future of digital radio. One is “more channels.” Current analog broadcasting will play a role of core broadcasting in the event of disaster or one of the important tools of sending local information. The other is what kind of system is required to convince viewers that radio has changed and become as convenient as possible. That’s what the roundtable discussion has focused on.

- The roundtable’s draft report seems to imply the intention to penetrate receivers that can receive terrestrial digital radio programs as one of its industrial policy approaches.

- Penetration of receivers is important, but the design theory required when designing receivers may be different when assuming the launch of 3,000 million receivers and when

aiming to penetrate 10 million receivers.

- This is a very delicate issue, but launching more channels and new services is the basic standpoint. Consequences can be partly left to the demands of the market or users.
- What do you think of the policy on the role of radio—as public broadcasting or as broadcasting with a public role?
 - It doesn't mean that digital radio has no public interest. Securing the roles of existing analog FM broadcasting to some extent while NHK provides such services seems to imply the intention to work on radio as public broadcasting. We'd like to make a soft landing as a whole when launching digital radio broadcasting by keeping a balance between various fields while maintaining the main features of radio, i.e. the public interest.
 - The most drastic issue seems to be the way that we should actually view the broadcasting policy: the industrial policies including promotional measures for the broadcasting business, especially the radio business; the technology policies, including the just-mentioned policy on design; and the program policies such as the public interest of broadcasting. We may actually need to reach a consensus on this point.

The broadcasting policy has difficult aspects, but the basic policy is not to maintain the public interest of programs, but how to maintain the fairness of broadcasting, which is a market for freedom of expression. This must be the focal point.
 - The “Roundtable on the Future Vision of Radio Broadcasting in the Digital Era” seems to have undertaken discussions by often referring to the situation in the United Kingdom. However, it may be a case where things have worked out more successfully than expected. It is likely to depend considerably

on the market trends.

In the United Kingdom, the public interest is secured to the minimum extent because each service is required to be politically fair and multiplex is allowed only to those who have the license. As long as these are complied with, the government leaves the business to the actors.

- What happens when a scheme like 1-segment broadcasting can provide services similar to digital radio services as well as different services may depend on competition. Why don't we pursue possibilities to provide services for which users are just as happy to use new means?

The schedule of the next meeting is to be decided.