

**“Study Group for the Development of Digitization and Broadcasting Policy”  
(13th Meeting) Summary of Minutes**

1. Date and Time:

Friday, October 7, 2005 10:00-11:30

2. Location:

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

3. Attendees:

(1) Study Group Members (Honorifics omitted; in the order of the Japanese syllabary)  
Susumu Ito, Norio Kumabe, Soichiro Kozuka, Hiroshi Shiono, Toshiyuki Shinohara, Atsuko Nomura, Yasuo Hasebe, Mitsutoshi Hatori, Junichi Hamada, Jun Murai, Haruko Yamashita (A total of 11 members)

(2) MIC

Shimizu, Director-General for Policy Planning; Kono, Deputy Director-General; Fukuoka, Director, General Affairs Division, Information and Communications Policy Bureau; Minami, Director, Broadcasting Policy Division; Okubo, Director, Broadcasting Technology Division; Ando, Director, Terrestrial Broadcasting Division; Imabayashi, Director, Satellite and International Broadcasting Division; Okazaki, Director, Regional Broadcasting Division; Nagashio, Senior Planning Officer, Broadcasting Policy Division

4. Proceedings:

(1) Opening

(2) Agenda

- 1) Future Direction (Draft)
- 2) Recent Movements on the Principle of Excluding Multiple Ownership of the Media

(3) Closing

5. Proceedings Outline:

(The symbols in the text represent the following:

- ...Remarks by the study group members, ○.....Remarks by MIC)

(1) Future Direction (Draft)

The secretariat explained the future direction of the study group based on the reference. After the Q&A session, the study group members approved the following, as shown in the reference:

- Discussions should be conducted mainly in the parent meeting from this day onward.
- How to respond to the convergence of telecommunications and broadcasting and to changes in the broadcasting business environment should be discussed as the agenda of immediate priority.
- A new member who is specialized in the Commercial Code related to the holding company system should be added.
- The study group should make recommendations on some issues at the end of December 2005, and proceed with discussions to compile the final report in June 2006.

Key questions and answers were as follows:

- We should conduct discussions aiming at the development of business operators and the benefits of viewers, based on the demands from the business operators.
- We should discuss systems based on the assumption that there are changes in technologies as well as very active global movements.

- It is preferable for this study group to actively exchange information with the Telecommunications Council.
- The issue of the system of paid broadcasting was raised when we discussed the convergence of broadcasting and telecommunications. Since it is reasonably assumed that the basis is a one-to-one relationship in which each consumer obtains content, the so-called paid broadcasting system seems to be the fundamental system from the theoretical perspective.
- The expert members of the working groups may be asked for their opinions as needed in order to make the best of their knowledge and experiences, but meetings of the working groups will be suspended for the time being.

(2) Recent Movements on the Principle of Excluding Multiple Ownership of the Media

The secretariat explained the recent movements in terrestrial broadcasting/satellite broadcasting concerning the principle of excluding multiple ownership of the media, as well as such movements in other countries, based on the reference.

In the subsequent Q&A session, the following key questions and answers were presented:

- In the history of the 2003 deregulation by the FCC in the United States, the enforcement of the 45% criteria decided by the FCC was suspended. Subsequently, however, the US Congress made another law and the President signed it. Therefore, the 39% regulation has already been placed in force.  
A final court decision has been rendered on dual operation of newspaper publishing and broadcasting. It is more precise to say that the FCC is required to rewrite the regulation, rather than to say that the regulation is not in force.
- Regarding the principle of excluding multiple ownership of

the media, the broad principle of retaining diversity should be observed, but it may need to be changed according to the demands of the times and the changes in the environment. It also seems important to have two perspectives; strengthening the power to disseminate information and departing from dependency on the central government on the part of local communities; and how to develop a market that makes the best of new technologies and ideas.

- We may need to reconsider how the legislative facts of such principle actually fit the current situation. Meanwhile, it will serve as a useful reference for this study group if the business operators show their aggressive stance in hearings or on other occasions; e.g., if they claim that they can provide better broadcasting when the business infrastructure is strengthened by deregulation, rather than just taking corrective actions upon infringement.
- As one of the changes in the views of a company, there has been a heated debate over the difference between taking control and binding with contracts. If you see the issue of broadcasting from such perspective, you will find that there have been very strict views on investment, and even much stricter views on dual operation of newspaper publishing and broadcasting, while network contracts have been basically left to independent efforts by the operators. We may need to deliberate and reconsider whether there is any rationality or theoretical basis for differentiating the two.
- Japan's broadcasting administration seems to have focused mainly on the autonomy of broadcasters and the formality upon intervention, as it has tried not to deal with the content of freedom of expression.
- Reportedly, the restrictions on media ownership tend to be deregulated. Is the trend toward deregulation only due to the

increase in the number of media for mass media?

Additionally, is broadcasting experiencing an era when deregulation should be continued through groping efforts? I also heard that the two-tiered system is advancing in the UK. Which part do they deregulate when they deregulate media ownership?

- At this moment, we are thinking that the ideal shape is that hardware and software match each other and serve as a source of power in developing terrestrial digital networks. The UK seems to have such a situation due to the historical backgrounds. At any rate, I would like to investigate systems in other countries from a more purpose-oriented approach to provide a reference for our discussion.
- Policy evaluation would be a lot of work if we get into too much detail, but simple evaluation would facilitate our discussion.
- Systemic revision seems to have contributed to increase freedom or options in management. Additionally, it is likely that some systems can be used in the short term immediately after revision, while some systems will take time before being used.
- For our future discussions, we would like business operators to provide information, especially on specific changes, so that we can deliver the information to this study group.
- Discussions seem to exist concerning how much we can do with deregulation of ownership when we want the best performance to achieve diversity and local characteristics. Therefore, depending on the situation, we may need to discuss whether all alternative means should be used. On the other hand, it may be possible to take the stance that restriction of media ownership is for securing diversity, for securing the minimum to prevent diversity from being undermined, or for looking for means to secure it. Which will this study group

pursue?

- Since there are many approaches, we would like to talk about which direction we should take in our discussion, or whether we should advance the discussion from both approaches. We also want to advance the discussion by taking care of the use of the word “diversity.”
  
- If there is no description in relation to BS in terms of restriction of ownership in other countries, we may need to investigate the reason and the real situation regarding such cases.

(3) Future Schedule

The secretariat explained that they would make preparations and conduct coordination for the hearing, and that they would like to ask some members for cooperation in overseas research.