

Section 4 Trends in Broadcasting Policy

1. Summary

(1) Initiatives so far

Broadcasting is a basis of democracy. It has fulfilled the role of social capital to share disaster information, community information and other basic information of society.

Television broadcasting, which had been based on an analog method, was fully digitalized at the end of March 2012. Since then, broadcasting services have been upgraded with hi-vision images and data broadcasting. In order to promote 4K/8K broadcast services with higher-definition and picture quality even compared with high vision, MIC, in cooperation with broadcasters, home appliance manufacturers and others, implemented necessary projects for many people across the country to enjoy the 2021 Tokyo Olympic and Paralympic games through lively and powerful 4K/8K pictures.

Overseas deployment of broadcasting content promises great positive spill-over effects including expansion of export of agricultural, forestry, fisheries and other local products/services and increase in foreign tourists. MIC has promoted the overseas deployment of broadcasting contents in cooperation with relevant government agencies.

Furthermore, with focus on radio broadcasting, the usefulness of which was recognized when earthquakes occurred, MIC has promoted initiatives that contribute to the resilience of broadcasting networks, which includes countermeasures against poor reception of radio

broadcasting and protection of transmitting equipment from disasters so that broadcasting can continue to appropriately provide people with disaster information and other information. In order to equalize information access opportunities through broadcasting, MIC has promoted the spread of broadcasting for people who are visually challenged or have hearing impairments by formulating “guidelines for information accessibility in broadcasting” and other measures. The guidelines establish: subsidies for private broadcasters that have production costs for programs with subtitles, commentary programs and sign-language programs; subsidies for the equipment needed to add subtitles to live programs; and target values for broadcasters to increase programs with subtitles.

(2) Future challenges and directions

The environment surrounding broadcasting is rapidly changing, which includes spread of video streaming via the internet and a loss of interest in television. In response to these changes, it is necessary to tackle tasks including strengthening of the foundation of broadcasting businesses, promotion of the distribution of broadcast content, strengthening of the resilience of broadcasting networks and their disaster resistance, while at the same time studying a future vision for broadcasting and a desirable state for the broadcasting system from a medium- to long-term perspective.

2. Desirable state of public broadcasting

Amid changes in the environment surrounding public broadcasting, MIC set up the “Subcommittee to Study the Public Broadcasting System” in April 2020 and studied: (1) follow-up of the three-part reform of NHK operation, fee for receiving NHK broadcasting and its governance; and (2) the desirable state of the system of the fee for receiving broadcasts, from various viewpoints.

Regarding follow up of the three-part reform, the subcommittee compiled “Efforts expected from NHK for promotion of the three-part reform” in June 2020. Since its 4th meeting on June 26 of the same year, the subcommittee discussed the desirable state of the broadcast receiving fee system considering the requests regarding the system reform, which were presented through hearing of NHK and other concerned bodies. The result was compiled in the “Report on the desirable state of public broadcasting and broadcast receiving fee system” in

January 2021. The report recommends future directions including: (1) “reserved fund” to return the receiving fee to viewers; (2) extra charge to ensure fair burden; (3) obligation of NHK and commercial broadcasters to make efforts for cooperation; and (4) introduction of an intermediate holding company system.

Based on the recommendations, a bill for partial amendment of the Radio Act and the Broadcasting Act was submitted to the Diet in February 2022 and enacted in June of the same year. The bill includes establishment of a system regarding reserve funds to return profits for proper and fair burden of the fee for receiving NHK broadcasting, and establishment of a provision of obligation to make effort pertaining NHK’s cooperation with other broadcasters in performing their responsibilities. MIC plans to make preparations for its smooth enforcement.



Related data

Summary of the report on the desirable state of public broadcasting and broadcast receiving fee system

URL https://www.soumu.go.jp/main_content/000728676.pdf

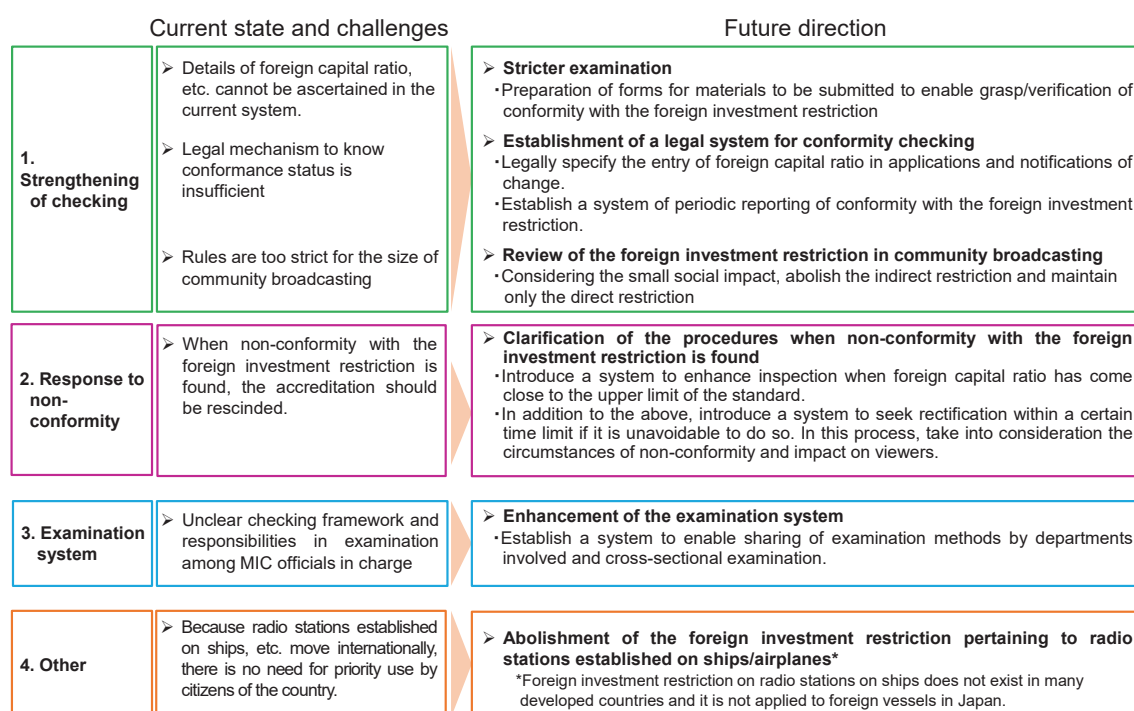
3. Desirable state of restrictions on foreign investment

MIC set up a “Study Group on Foreign Investment Restrictions in the Information and Communications Field” in June 2021 to study the ideal state of foreign investment restrictions in the information and communications field. The group compiled the “Report on the Ideal State of Foreign Investment Restrictions in the Information and Communications Field” (January 2022) recommending the following future direction: (1) strengthening of the checking function of foreign investment restriction; (2) clarification of the procedures for cases not conforming to the foreign investment restriction; (3)

strengthening of the examination system at MIC; and (4) abolishment of foreign investment restriction pertaining to radio stations established on ships/airplanes and other matters (**Figure 4-4-3-1**).

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Figure 4-4-3-1 Summary of the Report on the Ideal State of Foreign Investment Restrictions in the Information and Communications Field



4. Strengthening the Foundation of Broadcasting Businesses

(1) Study on desirable state of the broadcasting system from a medium- to long-term perspective

Today, with the progress of broadband infrastructure development, spread of smartphones and diversification of terminals including devices enabling use of video streaming services through the internet without using a television tuner, people can access a variety of information without limitation in a place or time. As a result, the environment surrounding broadcasting is rapidly changing, which includes the spread of video viewing via the internet and decline in television viewing. When the sales of broadcasters are decreasing, local stations that have contributed to maintaining and developing the communities' culture by broadcasting information rooted in the communities face a big challenge to strengthen the foundation of their broadcasting business so that they can continue stable broadcasting. The measures may include adaptation to the new competitive environ-

ment and securing of new revenue sources through overseas deployment of broadcasting content. It has become necessary to study the future of broadcasting and desirable state of broadcasting system by adapting to changes in the times, without being constrained by the existing frameworks and to increase management options from medium- and long-term perspectives. In this context, MIC has held a “Study Group on the Ideal Broadcasting System in the Digital Age” since November 2021. The study group discusses: significance and role of broadcasting in the digital age; future visions of broadcasting network infrastructure; the ideal Internet distribution of broadcasting content; and the ideal broadcasting system in the digital age.

(2) Initiatives regarding AM radio broadcasting

The “Subcommittee to Study Strengthening of the Foundation of Broadcasting Businesses” that was set up

under the “Study Group on Issues Surrounding Broadcasting” compiled a “Report on Strengthening the Foundation of Broadcasting Businesses” in July 2020. The report makes recommendations with focus on: (1) the current state and future outlook of business conditions of broadcasters; (2) business governance of broadcasters; (3) state of AM radio, and; (4) promotion of business expansion and diversification of local stations.

(3) above was recommended in response to the request made by the Japan Commercial Broadcasters Association to MIC in March 2019. The request includes: considering the decrease in operating income of AM radio broadcasting and aging of transmitting antennas, review the existing supplementary FM relay station system to enable change from AM to FM broadcasting or operation of both AM and FM based on the business judgment of the commercial AM radio broadcasters by the time of the license renewal in 2028 at latest, and take institutional measures to allow prior end of AM broadcasting around the time of the license renewal in 2023. Specifically, the report recommends MIC, the Japan Commercial Broadcasters Association and individual commercial radio broadcasters to address the future challenges (coverage area, adaptable receivers, public relations, efficient use of frequencies, etc.) by the time of the demonstration experiment in 2023 (by the time of the license renewal in 2028 at latest).

Based on the recommendation, MIC compiled “Approach to ‘demonstration experiment’ regarding switching from AM to FM broadcasting by commercial radio broadcasters” and released the approach in December 2020. MIC will revise the system to allow changing from AM to FM broadcasting or operation of both AM and FM by the commercial AM radio broadcasters within

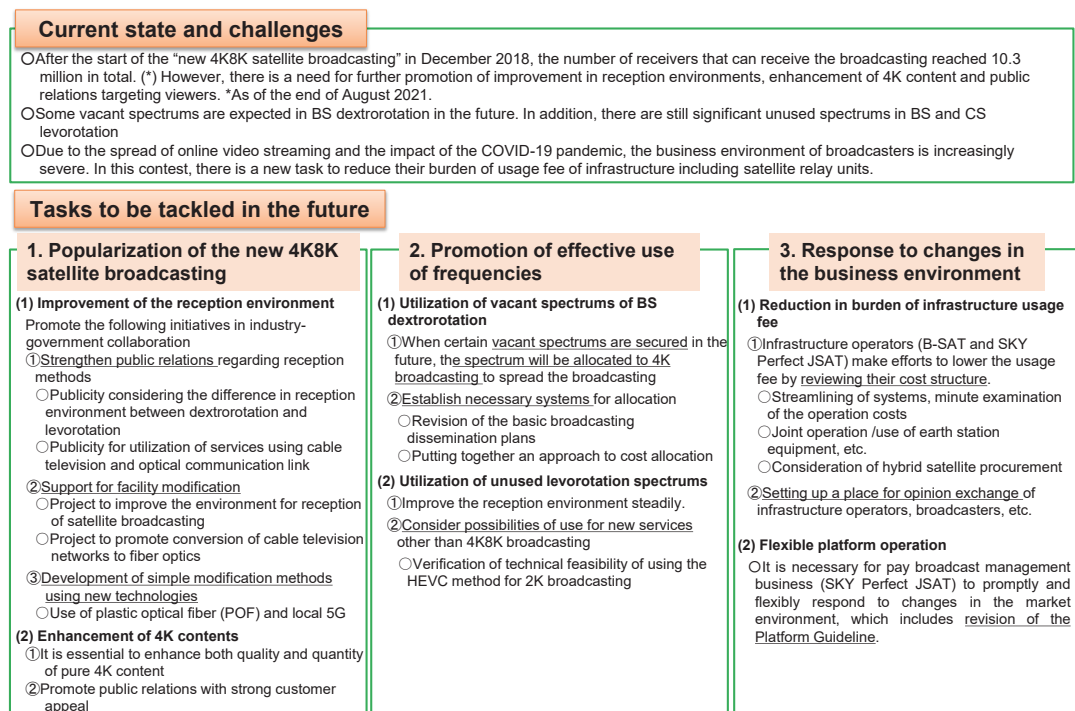
2022, invite public participation in the 1st demonstration experiment around January 2023 and start the 2nd demonstration experiment in November of the same year.

(3) Strengthening the efforts to spread the new 4K8K satellite broadcasting

The “Working Group on the Future Image of Satellite Broadcasting” set up under the “Study Group on Issues Surrounding Broadcasting” conducted studies considering the big changes in the situation surrounding the satellite broadcasting, which include the start of the new 4K8K satellite broadcasting in December 2018, further growth in online video streaming services and the impact of the COVID-19 pandemic. The results were released as a report in October 2021 (Figure 4-4-4-1). As issues to tackle in the future, the report proposes: (1) improvement of the reception environment to spread the new 4K8K satellite broadcasting and enhancement of 4K content; (2) utilization of vacant spectrums of BS dextrorotation and unused spectrums of BS levorotation; and (3) reduction in the infrastructure usage fee and flexible platform operation in response to changes in the business environment.

Based on the recommendation, MIC in collaboration with broadcasters and manufacturers is advancing strengthened initiatives including public relations regarding the receiving method and a wide array of 4K8K content toward spread of the new 4K8K satellite broadcasting. Because it was decided to allocate the vacant spectrums of BS dextrorotation to 4K broadcasting when such spectrums are secured in the future, MIC plans to develop necessary systems for the allocation, which include revision of the basic broadcasting dissemination plan.

Figure 4-4-4-1 Summary of the report by the Working Group on the Future Image of Satellite Broadcasting



5. Promoting Broadcast Content Circulation

(1) Promoting production and circulation of broadcast content

i Initiatives for effective webcast of broadcast content, etc.

In recent years, the environment of information dissemination has been greatly changing with the spread of video streaming services through the internet, and acceleration of loss of interest in television especially among young people, for example. When video-sharing sites and video streaming platforms are filled with content, we are facing the social problems of “filter bubble” and “echo chamber.” In particular, community information that was naturally distributed and shared through local broadcasting, etc. increasingly fails to attract sufficient attention (view counts) in the Internet world, and lies buried and overwhelmed.

In this context, the necessity increases to build a framework to prevent highly reliable information including basic information of society from being buried in a mass of content and to effectively deliver it to viewers in public-private cooperation. To this end, MIC is promoting public-private collaboration initiatives including: demonstration projects regarding effective webcast of broadcast content using TVer in fiscal 2021 to facilitate access for the local viewers to the broadcast content of the community on nationwide video streaming platforms; and securing of highly skilled personnel with technical/legal knowhow for effective webcast of such content in the communities. By deepening and expanding these projects, MIC aims to further promote webcast of highly reliable content on safe and secure nationwide video streaming platforms.

ii Utilization of viewing data in the broadcasting field and the ideal state of privacy protection

By collecting and analyzing viewing history, etc. of broadcast programs from television receivers connected to the internet, we can use the results for production of programs and provision of disaster information tailored to the detailed needs of each region. However, there is a problem in that it is technically possible to derive sensitive personal information including political beliefs and medical history of individual viewers.

Considering the public nature of broadcasting, MIC has established rules specific to the broadcasting sector, which should be observed by every person handling personal information of broadcast recipients, etc. in the “Guidelines on Personal Information Protection of Broadcast Recipients etc.” in addition to the minimum rules under the Act on the Protection of Personal Information. Furthermore, MIC has held a “Study Group on the Utilization of Viewing Data in the Broadcasting Field and the Ideal State of Privacy Protection” since April 2021. For the development of rule balancing data utilization and privacy protection, the study group has been discussing the ideal state of rules for handling of webcast history of broadcast content, in addition to the ideal state of rules on handling of viewing data collected in the process of broadcasting.

iii Smoother rights processing pertaining to simultaneous distribution of live broadcast programs

In response to changes in the viewer environment due to the spread of smart devices, broadcasters are advancing online simultaneous distribution of broadcast programs (refers to simultaneous distribution, repeat broadcasts and time-limited repeat broadcasts. The same applies hereinafter.) and similar initiatives. These initiatives expand opportunities to view high-quality contents and are important for improvement of viewers’ convenience, promotion of the contents industry and securing of their international competitiveness. However, there is a challenge of rights processing because a mass of diverse works is used in broadcast programs and failure in processing copyrights and other rights in simultaneous distribution, etc. may cause “masking” of the programs. For this reason, it was necessary to create an environment for more speedy and smoother use of works, etc. when promoting simultaneous broadcasting, etc.

MIC worked out broadcasters’ requests regarding smoother processing of rights pertaining to simultaneous broadcasting, etc. and submitted the result to the Agency for Cultural Affairs (ACA) holding jurisdiction over the Copyright Act (Act No. 48 of 1970). Later, MIC together with ACA heard the opinions of concerned parties and studied the direction of the system amendment. As a result, the Act Partially Amending the Copyright Act (Act No. 52 of 2021) was enacted at the 2021 ordinary session of the diet and measures were taken for smoother rights processing pertaining to simultaneous distribution. These measures were enforced on January 1, 2022. MIC prepared the system for the enforcement, which includes formulation of the “Guidelines for Interpretation and Operation of Presumption Rules of Permission for Simultaneous Broadcasting on Transmission of the Internet.”

iv Promoting regulation on production and trade of broadcast content

In order to improve the production environment and enhance motivation of producers in the broadcast content sector, MIC held the “Study Group on Verification and Review on Promotion of Production and Trade of Broadcast Content” consisting of experts and other members. Based on the discussions of the group, MIC formulated the “Guidelines for Regulation on Production and Trade of Broadcast Content Developed” (seventh edition) (Hereinafter the “Guidelines”) and is urging broadcasters and program production companies to regulate production and trade of broadcast content.

Specific measures include: regular follow-up survey regarding the Guidelines to assess the state of production and trade of broadcast content; assessment of the actual situation of compliance with the Guidelines through hearing of broadcasters and program production companies; regarding discovered problems, giving guidance based on the Article 4 of the Act on the Promotion of Subcontracting Small and Medium-sized Enter-

prises (Act No.145 of 1970); holding online courses for dissemination of the Guidelines; and setting up a “legal consultation hotline for produced broadcast content” to provide free consultation by a lawyer on specific individual issues.

(2) Overseas deployment of broadcast content

Overseas deployment of broadcast contents increases interest in agricultural, forestry, fishery and other local products and culture of each region of Japan and is expected to produce economic effects including sales expansion. It is extremely important also from a diplomatic point of view because it contributes to a better image of Japan and strengthening of its soft power.

MIC, in cooperation with the Broadcast Program Export Association of Japan (BEAJ), which is promoting

overseas deployment of broadcast content and relevant government agencies, is continuously supporting initiatives of Japanese broadcasters and others to produce broadcast contents conveying the appeal of various regions in Japan jointly with overseas businesses and disseminate the contents to the world. In addition, MIC conducted PR activities in public-private cooperation for overseas deployment of Japanese content by taking the opportunity of the international content fair at TIFF-COM (Tokyo) in November 2021 and ATF (Singapore) in December of the same year.

MIC will continue to promote overseas deployment of broadcast content toward the goal of 1.5-fold increase of overseas sales (compared with fiscal 2020) by fiscal 2025.

6. Promoting the spread of broadcasting for the visually challenged and those with hearing impairments

In the broadcasting sector, MIC formulated the “Guidelines on Information Accessibility in the Broadcasting Sector” in February 2018 and is encouraging voluntary efforts by broadcasters so that the visually challenged and those with hearing impairments can smoothly obtain information through television broadcasting.

In addition, based on the Act on Advancement of Facilitation Program for Disabled Persons' Use of Telecommunications and Broadcasting Services, with a View to Enhance Convenience of Disabled Persons (Act No. 54 of 1993), MIC provides subsidy for production costs of subtitled broadcasts, explanatory broadcasts, and sign language broadcasts. Since fiscal 2020, the sub-

sidy is provided also for the equipment needed to add subtitles to live programs.

These measures increased subtitled broadcasts nationwide, but adding subtitles to live programs involves many hands and costs, and requires human resources with special skill. To address this issue, since fiscal 2018 MIC has been implementing a demonstration project to develop a series of systems to automatically generate subtitles from speech of broadcast programs with little manual intervention and to display subtitles on televisions and smartphones via a communication network by using ICT including speech recognition and machine learning.

7. Improving the Resilience of Broadcast Networks and Enhancing Their Disaster Resistance

(1) Conversion of cable networks to fiber optics

In order to enhance the disaster resistance of cable networks, which are the information and communication infrastructure of communities, through their conversion to fiber optics, MIC implements the “Project to enhance the disaster resistance through conversion of

cable televisions to fiber optics toward establishment of ‘New Normal’,” which provides subsidy for a part of the costs necessary for conversion of cable networks to fiber optics in communities by using the fiscal 2021 supplementary budget and the fiscal 2022 initial budget (Figure 4-4-7-1).

Figure 4-4-7-1 Project to enhance the disaster resistance through conversion of cable televisions to fiber optics toward establishment of 'New Normal'

Project illustration

Project operator

Municipalities, municipality collaboration entities or a third sector (including entities that continue to fulfill the role pertaining to the provision of cable television services through transfer of the relevant facilities from these entities (Succeeding business operators))

Target regions

Regions satisfying all of (1) to (3) below:

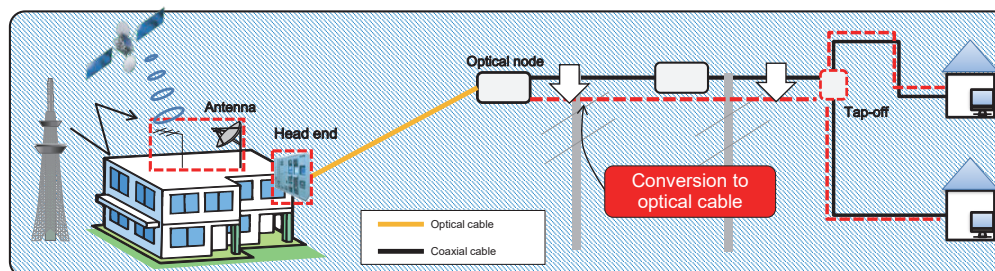
- (1) Municipalities where cable television is positioned in their regional disaster prevention plan
- (2) Regions with unfavorable conditions
- (3) Municipalities with financial index 0.5 or lower and other regions where the subsidy is found particularly necessary

Subsidy rate

- (1) Municipalities or municipality collaboration entities (Succeeding business operators): 1/2
- (2) Third sector (Succeeding business operators): 1/3

Subsidized costs (shown in red in the figure below)

Optical fiber cable, transmitting/receiving facilities, antennas, etc.



(2) Supporting initiatives by broadcasters

In order to support initiatives by broadcasters, local governments and others to improve resilience of broadcast networks, MIC implements “projects to support broadcast network development (the project to develop basic terrestrial broadcasting networks, the project to develop regional cable television networks and the project to support improvement of resilience of communal reception facilities networks)” (Figure 4-4-7-2), “project to support resolution of poor reception of commercial radio broadcasting” and “project to support improvement of disaster resistance of basic terrestrial broadcasting, etc.” using the fiscal 2022 initial budget.

ect to support improvement of resilience of communal reception facility networks)” (Figure 4-4-7-2), “project to support resolution of poor reception of commercial radio broadcasting” and “project to support improvement of disaster resistance of basic terrestrial broadcasting, etc.” using the fiscal 2022 initial budget.

Figure 4-4-7-2 Projects to support broadcast network development

- Projects to support broadcast network development improve the resilience of the broadcast networks, which are important information transmission means in communities in the event of a disaster, by subsidizing a part of the following development costs in order to securely provide disaster information, evacuation information and other information essential for protecting people's lives and properties.

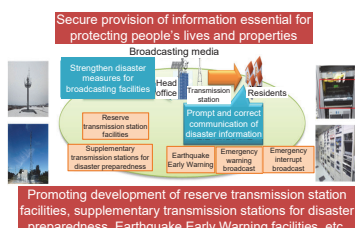
- ① Reserve transmission station facilities pertaining to new radio/television development, supplementary transmission station facilities, Earthquake Early Warning facilities, etc.
- ② Double routing, etc. of cable television trunk lines
- ③ Improvement of disaster resistance of communal reception facilities

Subsidy rate

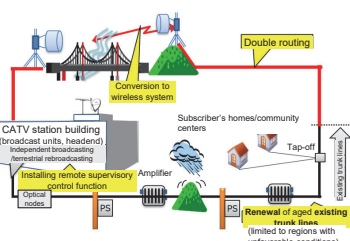
- Local governments: 1/2
- Third sector, commercial broadcasters, etc.: 1/3

Project name/image

① Project to develop basic terrestrial broadcasting networks



② Project to develop regional cable television networks



③ Project to support improvement of resilience of communal reception facilities networks

