

**Radio Regulatory Council—934th Meeting**  
**Summary of Minutes**

1. Date and Time

Wednesday, September 3, 2008; 10:00–

2. Location

Conference Room 1002, 10th Floor, Ministry of Internal Affairs and Communications

3. Attendees (honorifics omitted)

(1) Council Members

Mitsutoshi Hatori (Chair), Takeo Inokuchi (Vice Chair), Junichi Hamada

(2) Hearing Examiner of the Radio Regulatory Council

Hiroyuki Morishita

(3) Secretary

Shuji Ishida (Deputy Director, General Affairs Division, Telecommunications Bureau)

(4) MIC Representatives

Sakurai (Director-General, Telecommunications Bureau), Yoshida (Director-General, Radio Department), Yamakawa (Director-General, Information Dissemination Management Bureau), Kubota (Deputy Director-General, Information Dissemination Management Bureau) and others

4. Minutes of the Meeting

(1) Draft MIC Ordinances to Partially Amend the Regulations for Enforcement of the Radio Law, the Regulations for Procedure for Obtaining a Radio Station License, the Rules for Regulating Radio Equipment, and the Ordinance concerning Technical Regulations Conformity Certification, Etc. of Specified Radio Equipment

(Consultation No. 29 of July 3, 2008)

The Council deliberated on the draft MIC ordinances, which pertain to the amendment of provisions related to the introduction of femtocell base stations, with reference to the written statements and written opinions (see the Written Opinions from the 449th Radio Regulatory Council Hearing) submitted by the hearing examiner who presided over the opinion hearing

procedure. Subsequently, the Council submitted a report stating that these draft MIC ordinances are acceptable.

(2) Draft MIC Ordinances to Partially Amend the Rules for Regulating Radio Equipment and the Ordinance concerning Technical Regulations Conformity Certification, Etc. of Specified Radio Equipment, and Draft Partial Amendment to the Frequency Assignment Plan

(Consultations No. 30 and 31 of July 3, 2008)

The Council deliberated on the draft MIC ordinances and such, which pertain to the amendment of provisions related to the introduction of data transmission equipment for use with radio stations for maritime mobile service, with reference to the written statements and written opinions (see the Written Opinions from the 450th Radio Regulatory Council Hearing) submitted by the hearing examiner who presided over the opinion hearing procedure. Subsequently, the Council submitted a report stating that these draft amendments are acceptable.

(3) Draft MIC Ordinances to Partially Amend the Regulations for Enforcement of the Radio Law and the Regulations for Operating Radio Stations

(Consultations No. 32)

MIC explained the amendment of provisions related to the introduction of LRIT (Long Range Identification and Tracking of Ships) devices, the procedures for canceling an alarm transmitted by mistake, and so on, as outlined below.

Since a hearing on this matter is obligatory under Article 99-12, paragraph (1) of the Radio Law, the Council named Hiroyuki Morishita as the hearing examiner presiding over the hearing procedure.

a. MIC's Explanation

In response to the two major revisions made to international regulations, MIC intends to amend provisions related to ship radio communications.

One is the amendment of provisions in conjunction with the introduction of LRIT equipment. At the Maritime Safety Committee session in 2006, the International Maritime Organization

(IMO) adopted an amendment to Chapter V of the International Convention for the Safety of Life at Sea (SOLAS) to require certain types of ships to mount LRIT devices to ensure navigation safety as well as a counter-terrorism measure.

The obligation to mount LRIT equipment will become applicable to the target ships, namely all passenger ships engaged in an international voyage and non-passenger ships of 300 gross tonnage and upwards, starting December 31 of this year.

The LRIT system works as follows: An LRIT equipment mounted on a ship automatically transmits information on ship identification and position, as well as the date and time of the position making, to an earth station on a regular basis. By using the ship ID as a key, the earth station stores various data on the ship at data centers, so that port authorities can use the data for a wide variety of services for ship safety. The system is scheduled to automatically transmit the data every six hours, in principle. An earth station can send a polling command to change the data transmission schedule or to force a particular ship to transmit the data.

Although the SOLAS Convention does not specify communications systems to be used, Inmarsat C is deemed the most appropriate system and therefore highly likely to be used mainly.

Another is the amendment to the Radio Regulations (RR) made at the World Radiocommunication Conference in 2007 (WRC-07).

In general, international distress signals consist of nine numeric characters. Traditionally, only coast stations and ship stations have been allowed to use such signals. However, the use of such signals have been diversified, including use by helicopters in their seas rescue effort in the event of marine accidents, or use for radio equipment installed on navigation buoys that is necessary to ensure navigation safety for vessels. Under these circumstances, MIC intends to expand the target of identification signals by integrating the existing identification for ship stations and identification for coast stations into identification for marine mobile service, in order to grant identification signals to other types of stations.

MIC also intends to specify the communications procedure for canceling an alarm transmitted

by mistake as RR was amended to specify such procedure. Although countries have seen alarms transmitted by mistake as a serious problem and the number of such alarms has been increasing, procedure for canceling such alarms had not been established. RR was therefore amended to specify the procedure for canceling such alarms.

In light of the matters mentioned above, MIC will amend the Regulations for Enforcement of the Radio Law and the Regulations for Operating Radio Stations.

#### (4) Draft Partial Amendment to the Frequency Assignment Plan

(Consultation No. 33)

MIC explained the draft partial amendment to the Frequency Assignment Plan, which is intended for effective use of frequencies for 1.5 GHz band digital MCA land mobile communications as follows. Having deliberated the matter, the Sub-Council submitted a report stating that the draft amendment is acceptable.

##### - MIC's explanation

Digital MCA land mobile communications systems using 1.5 GHz band were introduced in 1994 as business radio systems that enable many users to share multiple radio channels for effective use of frequencies and improved convenience. For such communications systems, frequency bands of 1,453–1,465 MHz and 1,501–1,513 MHz are currently used.

MCA providers (the Mobile Radio Center and seven other organizations, as well as the Japan Mobile Telecommunication-systems Association) have recently offered to improve the operation of their systems and thereby to end the use of 1,453–1,455.35 MHz and 1,501–1,503.35 MHz on March 31, 2010.

Under these circumstances, MIC intends to amend the Frequency Assignment Plan by setting the expiration date of the frequencies as per the offer, with the goal of promoting effective use of frequencies for 1.5 GHz band digital MCA land mobile communications.

With regard to the frequency bands of 1,465–1,468 MHz and 1,513–1,516 MHz, which are adjacent to the frequency bands used for the system, the expiration date of these bands for radio equipment used for services other than IMT-2000 has been specified as April 30, 2008.

As it has been expired, related provisions must be amended.

(5) Blanket License for Specified Radio Stations of Reinan Cable Network Co., Ltd.

(Consultation No. 34)

MIC explained the blanket license for regional WiMAX land mobile stations of Reinan Cable Network Co., Ltd. as follows. Having deliberated the matter, the Sub-Council submitted a report stating that granting the license is acceptable.

- MIC's explanation

Regional WiMAX refers to services provided by using WiMAX technology and a 10 MHz frequency band assigned to each region to enhance public welfare in the region, including bridging the digital divide and improving local public service. Regional WiMAX is expected to be used for relay communications or as a solution for "last one mile." Such service can be provided in part of municipality or in the entire municipality.

MIC has granted licenses for regional WiMAX base stations or preliminary permits in June of this year, and intends to grant a license for land mobile stations of Reinan Cable Network as per its application.

According to its application, Reinan has been making efforts to promote ICT use, bridge the digital divide, and improve the convenience of the residents in the region, and desires to establish the WiMAX land mobile stations for telecommunications business to provide services that further promote ICT use in the region. It will establish up to 3,393 new land mobile stations to communicate with base stations of the licensee, and start the operation from a date within six month from the date when the license is granted.

As MIC examined the license application based on the respective items of Article 27-4 of the Radio Law and found that the application complies with all matters for examination, it is consulting the sub-council on granting the blanket license.

(6) Draft Partial Amendment to the Basic Broadcasting Plan and Plan for the Available Frequency Allocated to Broadcasting

MIC explained the development of provisions related to the use of BS digital broadcasting for terrestrial digital broadcasting in poor reception areas. Having deliberated the matter, the Sub-Council submitted a report stating that the draft amendment is acceptable.

- MIC's explanation

MIC intends to develop provisions to temporarily use satellite to provide terrestrial digital broadcasting in poor reception areas.

To complete the transition from analog to digital in terrestrial broadcasting in 2011, broadcasters have been developing relay stations for digital broadcasting.

Meanwhile, in its fifth interim report of June 27, 2008, the Telecommunications Council states that, in areas where terrestrial digital broadcasting will not be available when analog broadcasting is terminated in 2011, programs of two NHK channels and five broadcasters in Kanto region should be retransmitted on a real time basis by using broadcasting satellite (BS). Despite the ongoing effort to complete the shift to digital broadcasting, allocation of frequencies for analog broadcasting and those for digital broadcasting is complicated, so that some households cannot receive digital broadcast signals when analog broadcasting terminates in 2011. In light of this, the report advises that BS should be used for simultaneous retransmission of terrestrial digital broadcast programs as a temporary measure.

In order to provide such simultaneous retransmission in 2010 and onward, MIC intends to amend the Basic Broadcasting Plan as to two points: changing the number of BS frequencies from five to six in 2010 and onward; and, by using these frequencies, providing a total of seven programs, two NHK programs and five programs of private broadcasters in Kanto region, for standard TV broadcasting.

The target number of private broadcasters' programs for program-supplying broadcasting service will also be changed from at least one to at least seven, including two NHK programs and five programs of private broadcasters in Kanto region.

Meanwhile, the Plan for the Available Frequency Allocated to Broadcasting will be amended to specify Channel 17 as a frequency to be used for retransmitting these programs of NHK and private broadcasters in Kanto region, starting 2010.

(7) Authorization of Changes to the Tariffs for Paid Broadcasting Contracts of Mobile Broadcasting Corporation

(Consultation No. 36)

MIC explained the authorization of changes to the tariffs for paid broadcasting of Mobile Broadcasting Corporation as it has applied for in order to specify the termination of accepting applications for new subscription. Following the Q&A session and deliberations, the Sub-Council submitted a report stating that the changes to the tariffs are acceptable.

a. MIC's explanation

Mobile Broadcasting Corporation, which was established in 1998, has provided paid music and other program broadcasting service by using a satellite since October 2004. Subscribers receive broadcast signals with dedicated receivers in their vehicles or houses directly from the satellite or via gap fillers on land. Due to the difficult business environment, the company has not been able to win sufficient number of subscribers, and determined that it cannot continue its business on July 29, 2008. It decided to end its business by the end of March 2009.

Under these circumstances, MIC requested the company to dispose of its business while gaining the understanding of its subscribers to ensure subscriber protection. In response, Mobile Broadcasting decided not to accept new applications for subscription in order to facilitate the termination of its business, and applied for authorization of the changes to the tariffs for paid broadcasting in order to develop necessary provisions.

The key changes to the tariffs are to enable the company to refuse to conclude contracts for new subscription applications and not to allow future changes to the contracts.

MIC examined the application for the changes, particularly as to whether responsibilities of the business operator and subscribers are appropriately and clearly specified and whether the provisions after change will treat certain persons in an unreasonably discriminatory manner,

pursuant to relevant regulations, and found that the application complies with the regulations. MIC is therefore consulting the sub-council on authorization of the change.

b. Key Questions and Answers

In response to a question asking what measures Mobile Broadcasting Corporation are taking to protect subscribers, the company answered that it is announcing the termination of its business to individual contractors and enhancing the workforce at its call center.

(8) Approval of A Certified Broadcast Holdings Company

(Consultation No. 37)

MIC explained the approval of a certified broadcast holdings company as per application from Fuji Television Network, Inc. Having deliberated the matter, the Sub-Council submitted a report stating that the approval is acceptable.

- MIC's explanation

The revised Broadcast Law, which came into force in April of this year, introduced the certified broadcast holdings company system. Fuji Television Network, Inc. submitted the first application to use the system.

The certified broadcast holdings company system was institutionalized to allow broadcasters to establish a new certified broadcast holdings company having multiple broadcasters under it. The system provides broadcasters an option of group management under a holdings company, which excels in management efficiency and facilitates funding.

In order to be certified, an applicant must satisfy the same requirements as those for broadcasters in general: The applicant has no grounds for disqualification, such as being foreign entity, or has never violated the Radio Law, Broadcast Law or other relevant laws and regulations. In addition, a new certified broadcast holdings company and its subsidiaries as a group must perform broadcasting business as the group's core business. Capitals for broadcasting-related business must be over 50% of the total capital, and the forecast income and expenditures of the applicant company and its subsidiaries must be well-balanced.

The certified broadcast holdings company system has three legal effects. The first effect is that relaxing the principle of excluding multiple ownership of the media allows making multiple terrestrial broadcasters subsidiaries.

The second effect is that, although a certified broadcast holding company is not a broadcaster, the regulation on foreign capital directly applies to the holdings company like it does to broadcasters.

The third is that, as an approved holdings company has multiple broadcasters under it, one investor's contribution in the holdings company is limited up to 33%, in order to prevent monopoly of the holding company by one party.

The application consulted has been submitted by an existing licensed broadcaster, Fuji Television Network, Inc., which is planning to split on October 1, 2008. A surviving company, called "Fuji Media Holdings, Inc.," will become a certified holdings company and have a newly established subsidiary, called "Fuji Television Network, Inc.," which will succeed to the broadcaster license of the existing Fuji Television. As a result, Fuji Media Holdings, Inc. will have Fuji Television Network Inc. and Nippon Broadcasting System, Inc. as its major subsidiaries, and Satellite Service Co., Ltd. and BS Fuji (Fuji Satellite Broadcasting, Inc.) as its group companies.

MIC examined the application based on the Broadcast Law and the Examination Standards Relating to the Broadcast Law and found that the applicant complies with the Law and the Standards, particularly as to the capital requirements for its subsidiaries, namely always maintaining broadcasting-related capital at 50% or more of the total, the forecast of income and expenditures, and the control, including foreign capital, at the applicant company. MIC therefore intends to granting approval and consulted the sub-council on approval of the application.

#### (9) Others

MIC reported on fiscal 2007 revenues and expenditures of private broadcasters and the cancellation of tabling of formal objections filed by Oita Cable Telecom Co., Ltd. and RKB Mainichi Broadcasting Corporation to arbitration pertaining to agreement on retransmission.

(Office responsible for the above wording: The Secretariat of the Radio Regulatory Council.)