

**“Study Group for the Development of Digitization and Broadcasting Policy”
(3rd Meeting) Summary of Minutes**

1 Date and Time:

(Mon.) October 4, 2004, 18:00-20:00

2 Location:

Meeting Room 1101, MIC (11th 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 Shionohara, Atsuko Nomura, Mitsutoshi Hatori, Junichi Hamada, Masayuki Funada, Jun Murai, Haruko Yamashita (11 members)

(2) Invited guests:

- Matsushita Electric Industrial Co., Ltd.
Mr. Aoki, Director, Network System Development Center, and others
- Server P (Project to create operational rules for server-based broadcasting)
Mr. Seki, Chair (The Association for Promotion of Digital Broadcasting, Fuji Television Network, Inc.)
- Japan Broadcasting Corporation (NHK)
Mr. Nojima, Executive Director-General
- The National Association of Commercial Broadcasters in Japan
Mr. Mori, Senior Director

(3) MIC members: Horie, Director-General of the Information and Communications Policy Bureau; Fukuoka, Director, General Affairs Division; Ando, Director, Broadcasting Policy Division; Asami, Director, Broadcasting Technology Division; Minami, Director, Terrestrial Broadcasting 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) Technology Trends
 - 2) Initiatives and Issues for Digitization
- (3) Closing

5 Outline of Proceedings:

(Text symbols represent the following:

● - Remarks of study group members; ○ - remarks of invited guests)

(1) Technology Trends

Mr. Aoi, Director, Network System Development Center, Matsushita Electric Industrial Co., Ltd. made a presentation on “Initiatives for Secure Content Services that Integrate Broadcasting and Telecommunications,” describing initiatives for Internet information services using digital TV, initiatives that connect broadcasting and digital home appliances, and future issues.

Mr. Seki, Chair of Server P, gave a presentation titled “Broadcasting for Mobile Reception and Server-based Broadcasting,” explaining technologies and services for mobile reception and mechanisms of server-based broadcasting.

(2) Q&A session:

Key questions and answers were as follows:

- Server-based broadcasting may be different from conventional broadcasting in that it takes into account how the received content

will be used.

- If content is sent via a complicated system that allows the provider to charge only small amounts, do transactions of small amounts pay? Moreover, as viewers cannot return programs like goods once they are viewed, even if the system is made available, viewers may feel uncomfortable utilizing it.
- Charging only small amounts is definitely an issue. As for the relationship between viewing and purchasing of programs, the current pay per view service enables users to choose whether or not to purchase the program after watching the first five minutes.

- T-navi was mentioned as an example of broadcasting that is integrated into telecommunications while 1-segment broadcasting was cited as an example of telecommunications integrated into broadcasting. How will telecommunications and broadcasting work for each case?
- In the former, a receiver that receives broadcasting content expressed in the BML format can also show Internet sites that are expressed in different formats. As for 1-segment broadcasting, one terminal can receive terrestrial digital broadcasting content as well as charge for the content by using a telecommunications function.

- How does the connection of digital home appliances with secure media, which was explained by Matsushita Electric Industrial Co., Ltd., differ from server-based broadcasting?
- Secure media was explained as an example of the current copyright protection scheme. In the case of server-based broadcasting, various systems that are not assumed for the present secure media, such as authentication of each user, charging for the authentication, and network authentication must be incorporated.

- It was explained that a system for total management of digital copyright is critical for end-to-end and peer-to-peer protection. In cases where a new service such as server-based broadcasting is suddenly introduced, will it be possible to handle the service within the copyright management framework?

- Currently, technologies such as B-CAS are available for copyright management for broadcasting. Meanwhile, device manufacturers have a system to trade content and protect intellectual property rights. Is it appropriate to understand that, in order to create greater markets, preparation has been made to create a new system by combining already-developed technological components so that copyright rules in the broadcasting field are secured once they are decided?
- We have been committed to that direction in principle. However, as the rules for copyright protection are complicated and the services to provide content have been rapidly changing, it is difficult to always protect copyright to completely comply with the regulations. But we do hope to consistently work on technology development in order to respond to these rules and changes.

- As technologies advance, copyright issues are not expected to be solved simply with laws and will test to what extent rightful owners can endure.

- Server-based broadcasting is divided into the Type I and the Type II. Does transmission for each type require frequencies other than the currently designated 6MHz?
- Basically, broadcasting would be possible only within the currently designated 6MHz bandwidth.

(3) Initiatives and Issues for Digitization

Mr. Nojima, Executive Director-General of Japan Broadcasting Corporation (NHK), made a presentation titled “Initiatives for Digitization and Future Issues,” describing initiatives for digitization of broadcasting and for providing content in the digital era and issues on the advancement of digitization.

Subsequently, Mr. Mori, Senior Director of the National Association of Commercial Broadcasters in Japan, gave a presentation on the advancement of digitization, development of new services, public broadcasting in the digital broadcasting era, and broadcast content in the

digital era.

(4) Q&A session:

Key questions and answers were as follows:

- When NHK launches a new business, fees will become an issue.
- If all who receive broadcasting use the service, it may be possible to include related charges within the scope of the receiving/user fee. If not, it may be necessary to consider a framework for imposing the fees separately.
- What would such a system look like?
- Building the system itself will require enormous outlays by NHK. Therefore, all broadcasters should consider this issue together.
- In addition to technological aspects, the issue should also be considered within the framework of the receiving/user fee system.

- I have three questions. Firstly, it was explained that there is a bandwidth limit for data broadcasting and broadcasting for mobile reception. Is that a technical or systemic limitation? Secondly, can NHK provide two-way communication services? Finally, because the NHK Archives are currently available only for viewing within the building and not via the Internet, NHK is providing the content to broadband providers. What is the difference?
- The bandwidth for data broadcasting basically has a technological limit, so does 1-segment broadcasting for mobile reception. However, there is another 50% limit for high-vision digital broadcasting due to the MIC's licensing policy. As for the two-way communication services, one example is the voting service via the Internet for Kohaku Utagassen, the year-end grand song festival. How users could directly connect to utilize the archives remains to be solved.

- The opinion that there should be a system to regulate proper content trading on a safe infrastructure, which would prevent content from being copied without consent, is important. On that point, I would like to hear the opinion of a broadcaster with strong influence over the content field. Protection of content-related rights is definitely

important. On the other hand, there are other viewpoints that it is not desirable to impair user convenience more than necessary, or that it is needed to further strengthen the global competitiveness of Japan's content industry in the digital broadcasting era. By taking into account such viewpoints, please describe your thoughts on infrastructure for content trading.

- We understand that digitization makes it easier to copy content and the current situation where content could be traded around the world over the Internet is threatening for business operators who rely on secondary use of content. Countermeasures against these are technologies and systems intended to protect content. Such measures have yet to be sufficiently developed, but once they are completed, they will enable us to provide content aggressively for secondary use other than broadcasting.
- Are NHK programs provided to broadcasters on a free contract basis or on a bid basis?
- We provide our programs widely if certain conditions are met. We do not envisage a competitive bidding framework.
- The revenue generated by providing NHK programs via Internet services would become public funds under the management of an external institution. Does that mean the current guidelines for subsidiaries are insufficient?
- It is just a suggestion from a point of view that it would be advantageous to use the funds more freely rather than including the revenues earned by supplying programs in the framework of the receiving/user fee.
- The National Association of Commercial Broadcasters in Japan explained that because new services are difficult to operate in the digital era, NHK should not launch them. That seems to imply that Japan should do nothing. The speaker may have voiced such a careful opinion as a representative of the National Association of Commercial Broadcasters in Japan, but I wonder if anyone in the association is thinking about this more aggressively?

○ Both NHK and commercial broadcasters should be aggressive. The opinion was intended to emphasize that, if NHK does provide such new services, a system should be developed after discussions.

The next meeting will be held Thursday, October 20, 2004, from 18:00.