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COMMUNICATIONS OUTLOOK 1999

BROADCASTING: Regulatory Issues

Country: Japan

Date completed: 29 May 1998

The attached questionnaire was undertaken in preparation for the biennial OECD Communications Outlook. The responses provided by Member countries on broadcasting regulation were used to provide information supporting the analytical sections published in association with data. A similar questionnaire with responses on telecommunication regulation is also available. In some cases, data for individual firms, used to compile OECD totals, have not been published at the request of the respondent. For further information, including data, see **OECD Communications Outlook 1999** and <http://www.oecd.org/dsti/sti/it/index.htm>

Broadcasting market status (Questions 1- 3)

1. Please provide details of the broadcasting and cable television infrastructure provision in your country.

Infrastructure provision for following service	Number of licensed operators (1998)	Number of privately owned companies¹	Number of public service organisations²
Terrestrial TV (National coverage³)	6	5 *	1
Terrestrial TV (Local coverage⁴ only)	131	130**	1
Terrestrial radio (National coverage)	7	6*	1
Terrestrial radio (Local coverage only)	185	184**/***	1
Cable television service⁵	1819****	1611	208
Analogue direct broadcast satellite (DBS) service	13	12	1
Digital DBS service	120	119	1

* : Number of broadcasters in Tokyo. They provide programs, through a program agreement, to their regional affiliates.

** : Number of broadcasters of local stations (excluding the stations mentioned above).

*** : Excluding FM teletext multiplex broadcasters.

**** : As of 31 March 1997.

¹ Defined as private sector companies holding one or more licences for service provision.

² Including state-owned corporations or institutions holding one or more licences for service provision.

³ A service with national coverage is defined as a service by a group of television or radio stations distributing a majority of the same programming, that are licensed on a national or regional basis but collectively provide nation-wide coverage. Affiliated companies of the nation-wide broadcast network are included in this category. If new operators have been licensed to provide national coverage in the last three years but are at the stage of rolling out networks please include these operators in the total.

⁴ A service with local coverage is defined as a service by a group of television or radio stations that are licensed on a national or regional basis but distribute the programming in the local area only. If new operators have been licensed to provide local coverage in the last three years but are at the stage of rolling out networks please include these operators in the total.

⁵ Please indicate if more than one organisation is permitted to own and operate cable television infrastructure in the same area.

2. Please provide details for the major public / private terrestrial TV broadcasting companies in your country. They include state and privately owned organisations providing broadcasting services with national coverage.

Name of public / private terrestrial TV broadcasting companies	Ownership Status (1998) (e.g. state-run / state owned / privately owned)	Do they own transmissions infrastructures? If not, please indicate the name of company which provides transmission infrastructures.
The Japan Broadcasting Corporation (NHK)	Special Corporation	Yes
The University of the Air Foundation	Special Corporation	Yes
Tokyo Broadcasting System, Inc. (TBS)	Privately owned	Yes
Nippon Television Network Corporation (NTV)	Privately owned	Yes
Fuji Television Network, Inc. (CX)	Privately owned	Yes
TV Asahi	Privately owned	Yes
Television Tokyo channel 12 Ltd. (TX)	Privately owned	Yes

3. What was the price of cable television service for a subscriber in the largest city of your country on 1st January 1998? Basic service corresponds to the least expensive option to a customer and premium service the most expensive option. (Local currency, current prices)

Cable Television services	Basic service			Premium service	
	Connection	Monthly subscription fees	Number of cable channels included in the basic option (excluding free services)	Monthly subscription fees	Number of cable channels included in the premium option (excluding free services)
(Please indicate the name of operator) Tokyu Cable Television Co. Ltd.	30 000 Yen	3 800 Yen	36	8 300 Yen* (2 500 Yen) (2 000 Yen) (2 000 Yen) (1 800 Yen)	4
(National average, if available)		2 715 Yen**	26**		Not available

* Each of the 4 channels is priced at the amount shown in brackets and the 8 300 Yen is the aggregate price.

** As of August 1997.

Broadcasting Regulatory Framework (Questions 4 - 9)

4. Which organisation(s) administer the following services (carriage and content) in your country and what are their main responsibilities? Please mention agencies dealing with spectrum allocation and management, and providing licences.

Please provide details:

- a. **Terrestrial broadcasting service** (see below)
- b. **Cable Television service** (see below)
- c. **Direct broadcast satellite (DBS) service** (see below)

As for services a, b and c, the regulatory body for broadcasting administration in Japan is the Ministry of Posts and Telecommunications (MPT). The main laws which regulate the broadcasting business in Japan are the Broadcasting Law, Radio Law, and the Cable Television Broadcast Law. MPT regulates broadcasters, based on its authority as stipulated in the Broadcast Law, while licenses, equipment, operations, inspection and other matters concerning radio stations are regulated under the Radio Law. MPT also regulates the establishment of facilities and the management of services of cable television broadcasting under the Cable Television Broadcast Law. MPT is in charge of implementing these laws and regulates broadcasting business under their terms.

5. Please provide a description of significant recent policy changes affecting the provision of broadcasting services, as well as any draft laws, or regulatory proposals to be implemented in 1998.

Please provide details:

(1) In May 1997 the basic policies on the Second Launched BS-4 (Broadcasting satellite) scheduled to be launched in 2000 were decided:

- i) Broadcasting by digital format;
- ii) Separation of hardware (satellite operator) from software (program supplier);
- iii) Simulcasting: the programs of the First Launched BS-4 are supposed to be broadcast via 1 transponder of the Second Launched BS-4 for a certain period in order to transfer smoothly satellite broadcasting from an analogue format to a digital format.

(2) Relaxing of regulation of multiple ownership of CS (Communications Satellite) broadcasting (3 March 1998):

- i) Number of channels allowed:

Before :

TV: Up to 12 channels (within 2 transponders)

Audio: Up to 100 channels (within 1 transponder)

Total: 2 transponders

After change in regulations:

TV: Up to 4 transponders

Audio: Up to 1 transponder

Total: 4 transponders

- ii) Relaxing the ownership of voting rights from 10 per cent to one-third (Law scheduled to be promulgated in 1998).

(3) Amending Broadcast Law:

- i) Enabling NHK to broadcast via the Second Launched BS-4

- ii) Abolishing the full cost principle applied to the transponder fee of a broadcasting satellite.

6. How is broadcasting defined in your country's regulatory framework? In addition, please specify public service obligations stipulated in broadcasting regulations.

Definition of broadcasting: It is stipulated under Section 1 of Article 2 of the Broadcast Law that broadcasting means transmission of radio communication intended to be received directly by the general public.

Public service obligations: According to Article 7 of the law above, the purpose of public service (NHK) is "to conduct its domestic broadcasting with abundant and high quality broadcast programmes for the public welfare and in such a manner that these broadcasts may be received all over Japan, also to conduct business necessary for the development of broadcasts and reception and at the same time conduct international broadcasting and NHK's international broadcast programming operations."

7. **Are there ‘must-carry’ rules? For example, are cable television or satellite operators required by regulation to provide capacity for certain services? If yes, please elaborate on the reasons.**

In cases where MPT designates a geographic area as a zone where interference of a terrestrial television broadcasting occurs to a great extent, cable TV operators with permission for establishment of cable TV facilities in the area must carry all of the terrestrial broadcasting of the area intact and simultaneously. (MPT has not yet designated such a geographic area).

8. **Are there any local content requirements for broadcasters and cable television operators in your country in terms of the level of domestically produced content which must be broadcast, the amount of turn-over which must be allocated to domestic production or other criteria? No**

	If Yes, please provide local content specification and where applies.
Terrestrial Television service	
Cable Television service	
DBS service	

9. **Are there any limitations on share ratio, number of stations, or other ownership restrictions on entities investing in service providers of terrestrial broadcasting, cable television and satellite broadcasting in your country? Please refer to each service individually, if they have separate restrictions.**

If yes, please provide details: As for terrestrial broadcasting and satellite broadcasting, as a rule, one person is allowed to own or control only one broadcasting station. The meaning of control is as follows:

- 1) to own one fifth or more of voting rights (when transmitting areas are not duplicated)
to own one tenth or more of voting rights (when transmitting areas are duplicated)
to own one third or more of voting rights (as for digital satellite broadcasting)
- 2) to share one fifth or more of officers (excluding auditors or equivalent members)
- 3) to share any representative officers or full-time officers (excluding auditors or equivalent members)

These rules are not applied to the broadcasters such as radio stations of relay broadcasting for the purpose of eliminating or receiving interference. As for any digital television broadcasting via communication satellite, it is allowed to provide any number of programmes within the capacity of four transponders.

As regards cable TV, there is no regulation.

Cross-ownership and cross sector provision (Questions 10 - 14)

- 10. Are there any restrictions on terrestrial broadcasting companies from directly providing the cable television infrastructures and services in your country? On the other hand, are there any restrictions on cable television operators from directly providing the terrestrial broadcasting companies in your country?**

If yes, please provide details:

- a. Restrictions on terrestrial broadcasting companies providing the cable television infrastructures
Yes. Terrestrial broadcasting companies might be permitted to establish cable TV facilities in special cases, like if there is a strong demand for cable TV from local inhabitants..
- b. Restrictions on terrestrial broadcasting companies providing cable television services
No.
- c. Restrictions on cable television operators providing terrestrial broadcasting
No.

- 11. Please specify any restrictions on cable television operators and terrestrial broadcasting companies investing (including merging and acquiring shares) in companies that provide other infrastructures or services.**

Please provide details:

- a. Restrictions on cable television operators investing in telecommunication operators
No but they need to obtain a Type I licence. As of 1 January 1998, 34 cable TV operators have been given permission to engage in Type 1 telecommunication business.
- b. Restrictions on cable television companies operators investing in terrestrial broadcasting companies
No.
- c. Restrictions on terrestrial broadcasting companies investing in telecommunication operators
No.
- d. Restrictions on terrestrial broadcasting companies investing in cable television operators
No.

- 12. Are there any restrictions or limitations on foreign investment regarding services of terrestrial broadcasting , cable television and satellite broadcasting in your country? Please refer to each service individually, if they have separate restrictions. Yes/No**

If yes, please provide details:

I. Broadcasting station licenses and approval for programme supplying broadcast business shall not be granted to the following:

- a) A person who does not have Japanese nationality, a foreign government or its representative, or a foreign juridical person or association;
- b) A juridical person or association whose activities are executed by an officer who is a person or body referred to in section a).
- c) A juridical person or association, one fifth or more of whose voting rights is occupied by the aggregate of voting rights held by a person or body referred to in Section a).

II. Broadcasting station licences have Japanese for facilities supplying broadcast business or permission to install cable television facilities shall not be granted to the following (except those which are Type I telecommunication carriers):

- a) A person who does not have Japanese nationality, a foreign government or its representative, or a foreign juridical person or association;
- b) A juridical person or association, who is represented by a person referred to in a), or one third or more of whose officers are such persons;
- c) A juridical person or association, one third or more of whose voting rights is occupied by the aggregate of voting rights held by a person or body referred to in Section a).

- 13. Are there any regulations restricting cross media ownership (e.g. broadcast television, radio, newspapers) for infrastructure and services in the same geographical market. Yes/No**

If yes please provide details:

It is prohibited to own simultaneously three activities among the following media: television service, radio service and newspapers. The exception of this rule is that it is possible to own three media in the areas of television service, AM broadcasting service and newspapers if there is no possibility of monopolisation in the same geographic market.

14. What kind of methods are adopted by regulatory authorities in order to measure market shares in broadcasting market? If the measure used is “audience rates”, please describe the methodology used.

Description of market share measurement:

There is no obligation for broadcasters to present any material to the Ministry of Posts and Telecommunication for the purpose of market share research.

Please provide methodology for measuring audience rates:

Convergence (Questions 15 - 18)

15. Under the communication regulation existing in your country how would services provided over the Internet, which some have likened to broadcasting services (e.g. audio and video services transmitted over the Internet) be defined and treated?

Please provide details:

16. Would a video on demand service be treated differently in terms of regulations, by the transmission methods (for example, PSTN, cable or satellite)?

Please provide details:

There are different regulations on communication and broadcasting services, which are classified depending on the schemes used to provide video on demand services, instead of the transmission methods.

17. Under the communication regulation existing in your country how would conditional access services, such as in digital DBS services, be treated?

Please provide details:

Digital DBS services such as Sky PerfecTV! and DIRECTV are treated as broadcasting services.

18. Please detail plans for digital broadcasting and cable television services.

	Number of Licences to be granted	Expected Number of New Channel Capacity	Expected Date of Service Commencement
Terrestrial TV service	Undecided	Undecided	Undecided
Terrestrial Radio service	Undecided	Undecided	Undecided
Direct Broadcast Satellite service	Not available (MPT will allow according to the applications)	4 frequencies	As for broadcasting services using BSS band: 2000
Cable Television service	Not available (MPT will allow according to the applications)	Not available (different from operators)	1 July 1998.
Additional information and comments			
As for broadcasting services using FSS band : 30 June 1996.			