



## Section 1

### Section 1 Promotion of Comprehensive Strategy

#### 1. Promotion of national strategy

Japan has developed “ubiquitous network society” with due consideration to security and privacy protection, etc. The IT Strategy Headquarters announced the IT New Reform Strategy in January 2006 as Japan’s new national strategy to keep the position as the most advanced ICT nation with the world’s highest infrastructure, ability to use ICT, and technical environment. Under this strategy, Japan aims to “realize vitality for its aging society with fewer children”, “suggest a solution to environmental/energy issues”, “realize safe and peaceful society”, “create a new concept for the government, businesses and individuals”, “eliminate the digital divide” and “become a proud nation that sends information across the world”.

Basic Policy – 2006 was formulated (July 2006) as the first basic policy of this IT New Reform Strategy. Now, various plans established under this policy are being promoted.

#### 2. u-Japan Policy

The Ministry of Internal Affairs and Communications formulated the systematic ICT policy called “u-Japan Policy” in December 2004 in order to achieve “the world’s leading nation for ubiquitous network society” by 2010, with the understanding that a ubiquitous network society will be essential to resolve a wide range of social issues in the coming years for the aging society with few children. Also, while comprehensively promoting the u-Japan Policy, the Ministry integrated the ICT Policy into the respective plans and established an ICT Policy Outline, including the u-Japan Promotion Plan which specifies fields to be focused on according to the situation, and annual priority plans (budget, tax system, and system reform, etc) in the information and communication field. Based on this ICT Policy Outline, various plans are now being promoted.

#### 3. Promotion of reform in communication and broadcasting fields

To promote reform in the telecommunication and broadcasting fields, the government and the ruling parties formulated an “Agreement between the government and the ruling parties on regulatory frameworks for communications and broadcasting” (June 20, 2006). The Ministry of Internal Affairs and Communications is promoting a reform in telecommunication and broadcasting fields based on this agreement. For example, in

September 2006, the “Process Program for the Reform of the Communications and Broadcasting Field”, which includes concrete plans to be executed within the next 5 years (by 2010), was established to ensure the reform in the said fields. This program covers: 1. NHK, 2. Broadcasting, 3. Integration, and 4. Telecommunication, and reviews the contents depending on the progress status of each.

#### 4. Enhancement of International Competitiveness

Under the “e-Japan Strategy”, Japan has established the fastest and most reasonable broadband environment, offers highly advanced and diversified cell phones, and makes further effort on setting up digital broadcasting and the next generation network. However, as for network related products, Japan still does not occupy a high share in the global market. Hence, expanding global presence, obtaining standardization and intelligence property rights, and developing human resources should be challenges to be tackled in the future.

The Ministry of Internal Affairs and Communications held ICT International Competitiveness Meetings from October 2006 to April 2007, establishing a basic policy for enhancing international competitiveness in the ICT industry. Based on this policy, the Ministry formulated the “ICT International Competitiveness Enhancement Program” in May 2007 in order to achieve the expected international competitiveness in the ICT industry by 2011, Japan’s first digital year.

Also, in January 2007, the “ICT Office for International Promotion” was established within the Ministry of Internal Affairs and Communications to develop a system to support and execute various international activities conducted by our ICT companies in the following three fields: digital broadcasting, the next generation IP network and mobile communications.

#### 5. ICT Reform Promotion Program

The Ministry of Internal Affairs and Communication established the “ICT Reform Promotion Program” in April 2007 to accelerate the structural reform of the ICT field to improve convenience for users and enhance the international competitiveness in the ICT industry, which contributes greatly to economic growth in Japan, where population decrease is a serious social problem.

This program focuses on 1. enhancement of international competitiveness, 2. promotion of telecommunication

tion and broadcasting reform, and 3. fundamental enhancement of international strategic systems relating to information communication.



## Section 2

### Development of Information and Communications Policies

#### 1. Development of telecommunications

##### (1) Establishment of fair competition rules

###### A. New competition promotion program 2010

The Ministry of Internal Affairs and Communications has hosted meetings of the Study Group on a Framework for Competition Rules to Address Progress in the Move to IP since its onset in October 2005 in order to discuss the basic concepts for key elements of competition rules in preparation for the coming era of full-scale IP services at the beginning of 2010 and to clarify the direction of discussions on policies for connections and tariffs. This Study Group summarized the details into a report in September 2006.

Based on this report, the Ministry of Internal Affairs and Communications formulated the “New Competition Promotion Program 2010” in the same month, documenting the plan to establish fair competition rules by the beginning of 2010. This program includes a wide range of actions to be conducted: promotion of facility competition, review on assigned telecommunication systems (Dominant restriction), promotion of competitiveness in the mobile communications market, review on the universal service system, and evaluation on network neutrality.

###### B. Evaluation of competition in the telecommunications field

The Ministry of Internal Affairs and Communications has made efforts to evaluate the state of competition in the telecommunications field (hereinafter called “competition evaluation”) since fiscal 2003 so that the current state of competition between telecommunications operators, which has become increasingly complicated along with the advancement in IP and broadband services, can be understood and then reflected in policymaking. In October 2006, the Guidelines Concerning Competition Review in the Telecommunications Business Field 2006 ~ 2008 was formulated as a mid-term policy for competition evaluation and “Detailed Items for Implementation of Competition Review in the Telecommunications Business Field 2006” was announced in November as a year plan.

Basically, a strategic evaluation focusing on specific themes as well as periodical evaluation is supposed to be executed.

Based on the Basic Policy and Detailed Items, The Ministry of Internal Affairs and Communications collected information from the supply-side and demand-side and announced “FY2006 Market Definition in the Telecommunications Business Field”, describing detailed evaluation items. Evaluation results are to be announced by July 2007.

###### C. Promotion of competitiveness in mobile communications market

Mobile Number Portability (MNP) is the ability to take an existing mobile phone number assigned by a mobile phone carrier and reassign it to another mobile phone carrier, allowing the subscriber to retain the same number. The Ministry of Internal Affairs and Communications conducted deliberations at the Study Group on Mobile Number Portability since November 2003. As a result, a report was finalized in April 2004 which recommended the items to be considered at the time of introduction, and commented that MNP should be introduced at the earliest possible time in fiscal 2006.

In response to the report, the Ministry of Internal Affairs and Communications compiled and issued Guidelines on Number Portability for Mobile Phones in May 2003 which stipulated specific items to be considered for introduction by mobile phone service providers and other telecommunications service providers, including the forms of introduction, timing of introduction, methods of introduction, cost sharing system, and usage procedures, and so forth. Furthermore, partial amendment of regulations was made in February 2006 to stipulate that telecommunications service providers (mobile phone service providers) should take necessary measures to enable the portability of numbers from November 2006. Based on this, telecommunications service providers just started the number portability service of cell phones on October 24, 2006.

###### D. Ensuring Universal Services

The universal service system is a system wherein the involved telecommunication service providers share the fee required to ensure provision of the “Basic