



## Section 2 Development of Information and Communications Policies

### 1. Development of telecommunications

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

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

In response to the change in the market environment along with the advancement of broadband and IP networks, in September 2006, the Ministry of Internal Affairs and Communications (MIC) formulated a “New competition promotion program 2010 (Program 2010)”, which is a roadmap for the development of rules for fair competition to be implemented by the beginning of the 2010’s in the telecommunication field and also a concrete implementation plan for the Process Program for the Reform of the Communications and Broadcasting Field (September 2006) in the ICT sector. The purposes of the Program 2010 include promotion of further competition in the telecommunication market and protection of user benefits. The MIC is presently committed to steady promotion of the Program 2010.

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

The recent rapid advancement of technological innovation, broadband and IP in the mobile communications market brings about business opportunities that go well beyond a conventional market framework, such as integration of fixed and mobile communications markets and penetration of vertically-integrated business models. In response, the MIC established the Mobile Business Study Group in January 2007, aiming for economic vitalization and for the improvement of user benefits through the growth of new mobile business and the final report was released in September 2007. Based on the final report, the MIC announced the Mobile Business Revitalization Plan in September 2007, which was formulated as a roadmap for programs to be implemented by the target year of 2011, in order (1) to review sales models for the mobile business, (2) to promote new market entry by MVNOs, and (3) to promote development of market environment aimed at revitalizing the mobile business.

##### C. Review of universal service system

The New Competition Promotion Program 2010 points out that the universal service system should be reviewed in a step-wise manner amidst drastic changes

in market conditions, such as the progress of the transition from PSTN to IP networks and further penetration of broadband services. In response, the MIC has convened meetings of the Study Group for the Future Visions on the Universal Service System since January 2007 and the final report was submitted in December 2007.

Based on the final report, the MIC has just consulted the Information and Communications Council concerning a review of the universal service system to respond to the progress in IP, and a conclusion will be reached within 2008 after deliberations by the Council.

##### D. Development of environment towards ensuring neutrality of networks

The Ministry of Internal Affairs and Communications (MIC) established the Working Group on Network Neutrality in December 2006 in order to deliberate on the so-called “neutrality” of networks as IP networks proliferate, such as fairness of network use (neutrality of communication layer to other layers) and fairness of the cost burden of networks (neutrality of cost sharing model for enhancement of communication networks), and the final report was released in September 2007.

Furthermore, the MIC has convened meetings of the Panel on Internet Policy since February 2008, in order to extract and summarize policy issues and to organize the directions of future policy for securing network neutrality and sound development of the Internet from the various viewpoints of the stakeholders, and the report is expected to be compiled in December 2008.

#### (2) Advancement of network

##### A. Promotion of network advancement

In response to recent dramatic changes, such as the advancement of IP networks, home-networks and ubiquitous networks, the Ministry of Internal Affairs and Communications (MIC) had held meetings of the Study Group on Network Architecture since January 2007 with the aim of discussing new networks in view of the “next generation” of the next-generation network and released its report in August 2007.

In response, the MIC has been promoting research and development activities concerning the technology for new generation network infrastructure as a priority

theme from a mid- to long-term perspective. The MIC is also making efforts towards the realization of a new-generation network in a strategic and comprehensive fashion by gathering together the wisdom of Japan, through the New-Generation Network Promotion Forum (established in November 2007), etc.

#### B. Evaluation on telecommunication numbers

The FMC service is identified as a new service based on the convergence of networks, such as fixed and mobile networks, and various system modes and service forms are envisioned. In response to the report on the Regulatory Frameworks Pertaining to Telecommunications Numbers for Introducing Fixed-Mobile Convergence (FMC) Services submitted by the Information and Telecommunication Committee on March 30, 2007, the Ministry of Internal Affairs and Communications (MIC) consulted the Information and Communications Council about a draft ministerial ordinance for partially revising the Regulations Governing Telecommunications Numbers on June 21, 2007. On receiving the report from the Council, the MIC issued the “Ministerial Ordinance for the Partial Amendment to the Regulations Governing Telecommunications Numbers” (Enforcement, November 21, 2007).

### (3) Dispute settlement between telecommunications business operators

The Telecommunication Business Dispute Settlement Commission is endowed with the following three functions: (1) to implement mediation and arbitration procedures, (2) to conduct investigation and submit reports on orders and awards made by the Prime Minister when consulted, and (3) to make the necessary recommendations to the Ministry of Internal Affairs and Communications (MIC) on the development of rules, etc. concerning the items within its vested powers. Besides these functions, the Commission has set up a consultation desk for “telecommunication business operators” to offer advice and answer questions on connections and issues among telecommunication business operators.

## 2. Development of broadcast policy

### (1) Broadcast policy summary

#### A. Revision of Broadcast Law

Based on the “Agreement between the government and the ruling parties on regulatory frameworks for communications and broadcasting” etc. of December 2007, the Law Partially Amending the Broadcasting Law was established and then enacted on April 1, 2008. It stipulates the reform of the governance of the NHK and implementation of the estab-

lishment of the authorized broadcasting holding company system, with the aim of promoting reforms in the telecommunication and broadcasting field.

Amendments to the Broadcast Law established in this law include the following:

- (a) NHK ... 1. Enhancement of governance, 2. Provision of program archives using broadband services, 3. Building a system for new international broadcasting, and 4. Review on enforced broadcasting system
- (b) Commercial broadcasters ... 1. Introduction of authorized broadcasting holding company system, 2. Independent use of one-segment broadcasting, etc.

#### B. Study on a fair and transparent reception fee structure

The NHK’s reception fee structure has contributed to securing stable financial sources through which the NHK is able to fulfill its mission as a public broadcaster. However, recent scandals committed by the NHK employees has undermined people’s trust in the NHK and the number of nonpayments of reception fees has increased, which greatly impairs the fairness among viewers, imposing serious consequences on fee receipts, which is the NHK’s financial foundation.

Under these circumstances, the Ministry of Internal Affairs and Communications (MIC) has held meetings of the Study Group on Current Status and Issues on a Fair Reception Fee Structure since June 2007, in order to address urgent issues concerning sharing the reception fee structure fairly, and the first report and the second report were released in November 2007 and July 2008, respectively.

### (2) Promoting the advancement of broadcast

#### A. Promoting the transfer of terrestrial broadcasting from analog to digital format

Terrestrial digital TV broadcasting was launched in the three largest metropolitan areas, Tokyo, Osaka and Nagoya, in December 2003, and gradually expanded its coverage area. By December 2006, service was started in all prefecture capitals. The current analog broadcast television will be fully converted to digital format by July 24, 2011. In January 2004, the Ministry of Internal Affairs and Communications (MIC) consulted with the Information and Communications Council for “appropriate usage of terrestrial digital broadcasting and the role of the administration in its penetration” to examine issues and solutions regarding future usage of terrestrial digital TV in various fields and a complete conversion to digital broadcasting by 2011. The Council issued the fourth report in August 2007.

Moreover, the Office of Terrestrial Digital

Broadcasting was set up in September 2007 with the aim of promoting the comprehensive and well-organized efforts of the MIC, and a liaison council of relevant ministries and agencies for the full transition to digital broadcasting was established under the Cabinet Secretariat in order to promote the smooth switchover to digital broadcasting.

Furthermore, in November 2007, the “National Council for Promotion of Terrestrial Digital Broadcasting” consisting of top leaders from a wide range of fields such as broadcasters, manufacturers, dealers, consumer groups, mass media and business groups, and concerned government ministries including the Ministry of Internal Affairs and Communications issued the “Action Plan for the Promotion of Digital Broadcasting (No. 8)”, to clarify the issues to be addressed by concerned parties. The MIC is determined to implement specific plans and to make efforts for a full transition to digital broadcasting following the termination of analog broadcasting in 2011, in cooperation with broadcasters, manufacturers and other related organizations.

#### B. Promotion of satellite broadcasting policy

Currently, a total of 12 frequencies are assigned to BS broadcasting in Japan through international coordination. Of these, 8 are already in use (5 for BS digital broadcasting and 3 for BS analog broadcasting), and, following a report from the Radio Regulatory Council in July 2007, it has been decided to use the remaining 4 for BS digital broadcasting from 2011. In accordance with the Basic Plan for Broadcast Dissemination, it has also been decided to reassign the 3 frequencies currently assigned to BS analog broadcasting to BS digital broadcasting with the complete termination of the former, scheduled for July 24, 2011.

Based on the recent progress of globalization and in response to an emerging need for an enhanced capacity of message transmission, the Ministry of Internal Affairs and Communications (MIC) consulted the Information and Communications Council regarding “International TV Broadcasting for Foreigners” and the method of its promotion in August 2006 and received a report in August 2007. The Council’s report made recommendations on (1) the specific direction to take in enhancing international TV broadcasting, and (2) ideal business entities and financial resources for international TV broadcasting. In response, the MIC has introduced a new system including commissioning program productions from new business entities, and has taken measures for a drastic expansion of national expenditures with the amendment to the Broadcast Law. After the enforcement of the amended law of April 2008, affiliated companies which receive business consignments from the NHK have been established, making efforts to

launch new TV programs for foreigners scheduled for early 2009.

#### C. Advancement of cable television

Due to recent changes in the environment surrounding cable broadcasting, represented by the progress of digital broadcasting and the wide coverage of large volume networks, etc., the future of re-transmission though cable broadcasting is re-emerging as an issue to be discussed. Thus, the MIC had held meetings of the Study Group on Broadcast Retransmission by Cable Broadcasters since September 2007 and the Study Group released the final report in March 2008. In response, the MIC formulated and released, in April 2008, the “Guidelines for Interpretation of Due Reasons in the Consultation Procedures and Arbitration Concerning the Agreement on Broadcast Retransmission by Cable Broadcasters”

## 3. Promotion of radio policy

### (1) Radio policy summary

#### A. Promotion of Strategy for Frequency Liberalization

Today, use of the radio spectrum is expanding remarkably in terms of both quality and quantity, and domestic needs for the radio spectrum are being increasingly widened and diversified, with technological innovation in the ICT field as a driver. Under these circumstances, the Ministry of Internal Affairs and Communications (MIC) has created a framework to open up the radio spectrum drastically toward delivery of radio broadband services, which is the key to the realization of a ubiquitous society in Japan. Based on the “Radio Policy Vision,” a report was submitted from the Information and Communications Council in July 2003. The MIC also promotes the Strategy for Frequency Liberalization as a policy measure to assign frequencies to new fields.

In order to establish the world’s leading radio broadband environment, it is necessary to secure the radio spectrum needed for mobile communications systems and wireless access systems promptly and smoothly, as they are the core of such the broadband environment. Thus, the MIC formulated its- Action Plan for Radio Spectrum Reallocation in August 2004 to follow-up the reallocation of the radio spectrum smoothly and steadily, which is to be reviewed, in a sequential manner, responding to the results of an assessment of the annual usage survey on the radio spectrum and changes in the radio usage environment.

#### B. Review of spectrum user fee systems

The MIC has hosted its Study Group on the Spectrum User Fee System since April 2007, to facilitate a review of the next Spectrum User Fee System

(from fiscal 2008 to fiscal 2010), and the Study Group compiled recommendations concerning a review of usage and the amount of spectrum user fees. Based on these recommendations and an additional resolution passed at the 163rd Diet concerning the previous session for the review of the spectrum user fee system, the MIC has submitted a Bill on this again below for the partial amendment of the Radio Law to the 169th Diet session.

#### C. Establishing a procedure to facilitate a quick and flexible radio usage

In response to the recommendations made in January 2007 to establish processes aiming to use the radio spectrum more promptly and smoothly, which is the common infrastructure for communications and broadcasting, in the deliberations at the “Study Group on Comprehensive Legal System Governing Communications and Broadcasting”, the Radio Law and the Telecommunications Business Law have been partially amended and the amendments contain the following four provisions: (1) expansion of a test radio station system, (2) introduction of mediation and arbitration concerning the establishment of radio stations, (3) introduction of a change system for radio station operators and (4) review of items to be consulted on by the Radio Regulatory Council. These amended laws entered into effect on April 1, 2008 (on December 28, 2007 for item (4)).

In order to eliminate areas with poor reception for mobile phones, such as high-rise buildings, condominiums, houses and underground malls into which licensees are not easy to enter, super small-sized femto cell base stations have been developed. The MIC has submitted a Bill for the partial amendment of the Radio Law to the 169th Diet session with the aim of establishing a system that allows building managers and users to operate recovery and facility transfers of such super-small sized base stations for mobile phones.

### **(2) Approach to advancement and diversification of radio usage**

#### A. Advancement of mobile communication system and wireless access system

The Ministry of Internal Affairs and Communications (MIC) has been making efforts toward the introduction of a wide-area mobile wireless access system, such as WiMAX and the next-generation PHS, and the advancement of a third-generation mobile communication system. With the aim of realizing the practical application of so-called fourth generation mobile telecommunications systems (IMT-Advanced), the one that follows the third generation mobile telecommunications systems (IMT-

2000:International Mobile Telecommunications-2000), in and around 2011, the Ministry of Internal Affairs and Communications is actively promoting efforts for research and development and international standardization with industry-academia-government cooperation.

Also, with respect to a high output wireless access system that uses 5GHz band, the MIC introduced a register system in December 2007 in a number of metropolitan areas (Tokyo, Nagoya and Osaka and surrounding areas) where high demand is expected, prior to nationwide installation. The period of use for the fixed station for telecommunications service expired at the end of November 2007, and then use of the wireless access system has become possible. Thus, the MIC has developed the relevant regulations and expanded the eligible areas for a nationwide registration system from December 1, 2007.

#### B. Promotion of ITS

At meetings of the ITS Promotion Council, which have been held since April 2006, the MCI, together with the Cabinet Secretariat, National Police Agency, Ministry of Economy, Trade and Industry, Ministry of Land, Infrastructure, Transport and Tourism, Nippon Keidanren and ITS Japan, has been conducting deliberations on the implementation of large-scale demonstration tests for a support system for safe driving in FY2008. Also, with the aim of realizing ubiquitous ICT under a three-year plan from FY2005, the MIC has been promoting the Research and Development of Ubiquitous ITS. Furthermore, the MIC has been conducting demonstration tests on technologies for supporting safe driving toward the realization of Road-to-Vehicle Communications/Vehicle-to-Vehicle Communications.

### **(3) Development of radio usage environment**

The Ministry of Internal Affairs and Communications (MIC) has conducted research on the effect of the radio spectrum on the human body to protect the human body from the effect of the radio spectrum. Using the research results and international guidelines as a reference, the MIC has established safety standards to be applied in Japan. Furthermore, the use of radio waves has rapidly expanded along with the penetration of mobile phone services and concerns about the effects of radio waves on implantable medical devices, such as cardiac pacemakers, have increased in recent years. In response, the MIC has conducted the Study on the Effect of Radio Waves on Medical Equipment since 2000.

Recently, with the expansion of radio usage, inappropriate use of radio frequencies by unlicensed radio stations has increased and a number of failures in radio usage have been reported. In response to these circum-

stances, the MIC has been undertaking measures against wireless communication interference and illicit/illegal radio stations and implementing dissemi-

nation campaigns and enlightenment activities for the protection of the radio environment.