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COMMUNICATIONS NEWS

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Japan-Finland Joint Announcement on Mobile Internet Released

Mr. Toranosuke KATAYAMA, Minister of Public Management, Home Affairs, Posts and Telecommunications, and Mr. Olli-Pekka Heinonen, Finnish Minister of Transport and Communications, made the "Japan-Finland Joint Announcement on Mobile Internet" on November 15, 2001, at the Imperial Hotel, in Tokyo. The two ministers confirmed that they will promote collaboration such as creation of an open standard for accelerating Internet use through mobile communications.

The Announcement is based on the Japan-Finland agreement for cooperation regarding acceleration of mobile Internet reached at the meeting of Ministers KATAYAMA and Heinonen when Minister Katayama visited Finland in September 2000. After that, governments of the two countries have been working on the agreement, which has been reached this time, upon Minister Heinonen's visit to Japan.

Based on the Statement, the two nations will tackle shared tasks and at the same time strengthen collaboration among industry, government and academia.

Japan-Finland Joint Announcement on Mobile Internet

1. Purpose

The Government of Japan and the Government of Finland will work together in order to create a favorable environment for mobile Internet.

With mobile Internet the Governments of Japan and Finland understand technology and services that allow the full use of Internet in mobile devices. Mobile Internet should be more advanced than the current applications and it should be characterized by open operating systems, moving images, sound, color, easy-to-use browsers and broadband access, for example.

The Governments underline that it is the responsibility of the private sector to lead the development of mobile Internet. The Governments will focus on creating effective and simple regulation that en-



Ministers Heinonen (left) and KATAYAMA

sure that consumers have globally available a broad selection of high quality goods and services available at reasonable prices and that their rights are protected. At the same time they emphasize that regulation must create a favorable business environment, provide a level playing field for fair competition and minimize the administrative burden on companies.

2. Areas of Cooperation

Co-operation between the Governments of Japan and Finland for the development on mobile Internet will focus on the following areas:

Establishing the third-generation mobile communication networks and services that form the basis of mobile Internet. Transparent, clear and consistent legal framework, fair competition and open standards of IMT-2000 are crucial factors in the development of networks and services for mobile Internet.

Developing the post 3G mobile communication networks and services for the needs of a future information society. The systems beyond IMT-2000 should be made fluent and the possible

bottlenecks caused by increasing demand for bandwidth and radio frequencies should be solved rapidly.

Ensuring that the whole potential of mobile platforms will be used in every aspect of information society. All the benefits of new and innovative ways of work, education, administration and business that will become possible by the mobile Internet should be utilized.

Building confidence and trust of citizens, consumers and businesses on

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mobile Internet. Trust is based on appropriate implementation of data security and privacy legislation and support of business behavior through codes of conduct, certification and trust marks.

3. Means of Co-operation

The Governments of Japan and Finland will elaborate on the developments in the field of mobile Internet in their regular bilateral discussions which will be held periodically. Furthermore, the Governments will co-operate in the framework of international organizations, like ITU, OECD, WTO, WIPO, and UN, when appropriate.

The Governments undertake to inform each other about their policies affecting the mobile Internet, including the allocation of future generation mobile communication frequencies.

The Governments will encourage, inter alia, exchange of information, and joint-projects including technical co-operation of research institutions and companies from Japan and Finland, for the development of the infrastructure and services of mobile Internet.

The Governments will bring the civil society, businesses, research institutions and administrations from both countries together for a broad discussion on the

potential and hindrances of mobile internet and for the development of concrete projects mentioned above.

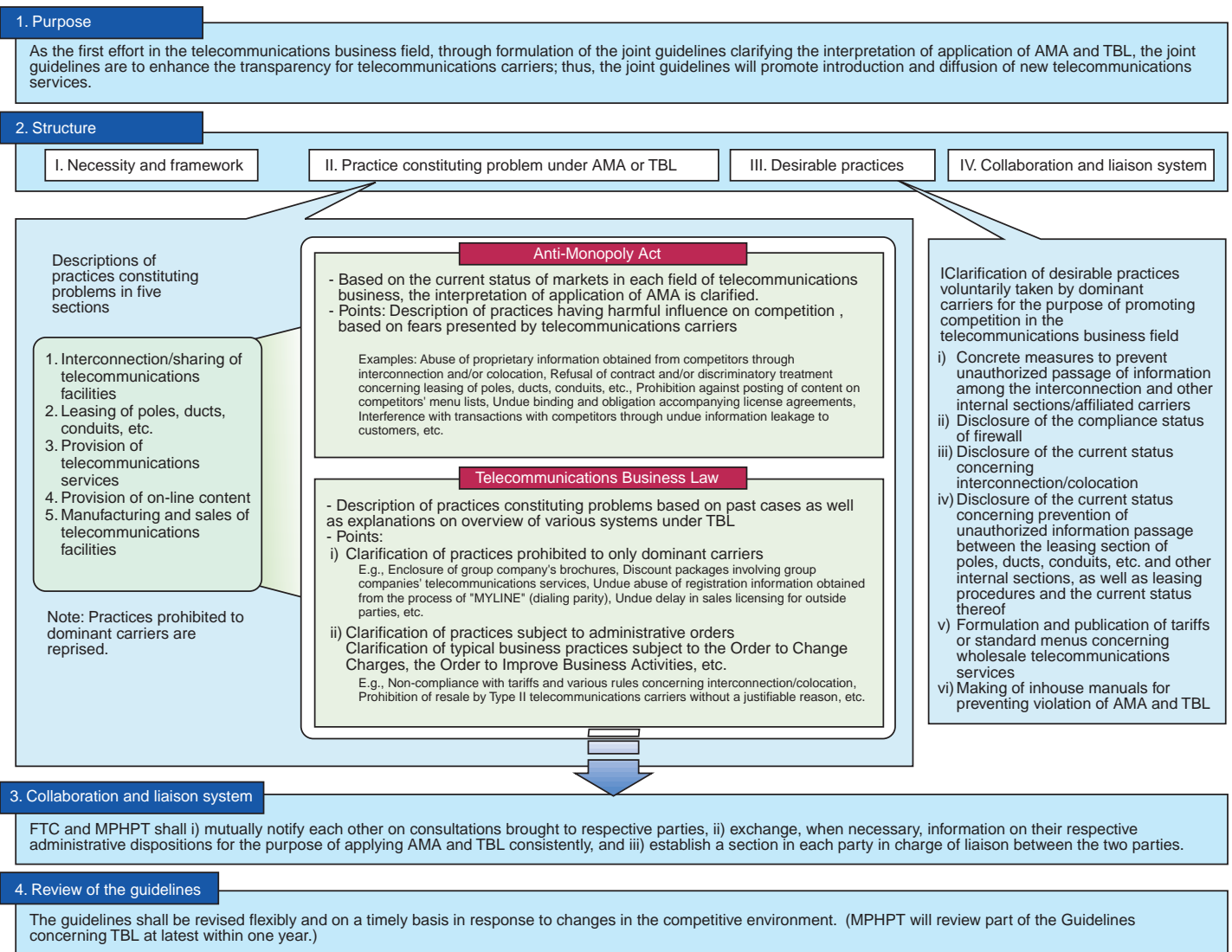
Therefore, means of co-operation mentioned above will be promoted through frameworks to be organized jointly by the relevant organizations, such as the Finnish Mobile Committee (*) and the Mobile IT Forum of Japan.

*Note: The Finnish Mobile Committee: A new consultation body between the Ministry of Transport and Communications and other Finnish ICT field players.

Publication of “Guidelines for Promotion of Competition in the Telecommunications Business Field”

On November 30, 2001, MPHPT and the Fair Trade Commission (FTC) have jointly finalized and published draft guidelines entitled the “Guidelines for Promotion of Competition in the Telecommunications Business Field,” the

Fig. Outline of “Guidelines for Promotion of Competition in the Telecommunications Business Field” (Joint guidelines for the Antimonopoly Act (AMA) and the Telecommunications Business Law (TBL))



first draft of which was made public on September 14, 2001, based on public comments and opinions received.

MPHPT and FTC originally formulated and published the draft of the guidelines on September 14, 2001, with the purpose of enhancing the transparency for telecommunications carriers, by clarifying i) specific business practices prohibited to telecommunications carriers that are assumed to have market power (dominant carriers) with the introduction of asymmetrical regula-

tions under the "Law to Amend the Telecommunications Business Law and Related Legislation (New Amended Law: No. 62 of 2001)," and ii) typical business practices based on past cases, which shall be subject to various administrative orders to correct said practices, including the "order to change charges," the "order to improve business activities," etc. under the Telecommunications Business Law (TBL: Law No. 86 of 1984).

Then, MPHPT and FTC invited public comments and opinions until Octo-

ber 15, 2001. After considering the comments and opinions received, the draft Guidelines were finalized on November 30, 2001.

In line with the enforcement of the New Amended Law on November 30, 2001, MPHPT started to apply the Guidelines on the same day. With intentions to further improve a fair competitive environment, MPHPT will flexibly and on a timely basis review the Guidelines, at latest within one year.

The "Study Group on Future Prospects of Ubiquitous Network Technology" Held

Toward realization of a "ubiquitous network society" in which diversified access to networks and high-capacity applications are enabled, MPHPT held a study group for studying comprehensive R&D promotion measures concerning the ubiquitous network technology on November 27, 2001.

As networks develop toward higher speed and diversified access methods to networks are enabled, the advent of the "ubiquitous network society," in which high-capacity applications are used, is expected. In order to ensure Japan's international competitiveness and to promote strategic R&D under such circumstances, it has become necessary to study

comprehensive R&D promotion measures with prospects on ubiquitous network age at the earliest date.

For the purpose of clarifying a future image of the ubiquitous network technology as well as studying the technology's socioeconomic impacts, R&D themes to be tackled and promotion measures for the realization, MPHPT held the study group on November 27, 2001.

The study group consists of scholars, people from telecommunications carriers, broadcasters, telecommunications equipment manufacturers, content creators, distributors, etc. The chair is Dr. Tadao Saito, Professor, Faculty of Sci-

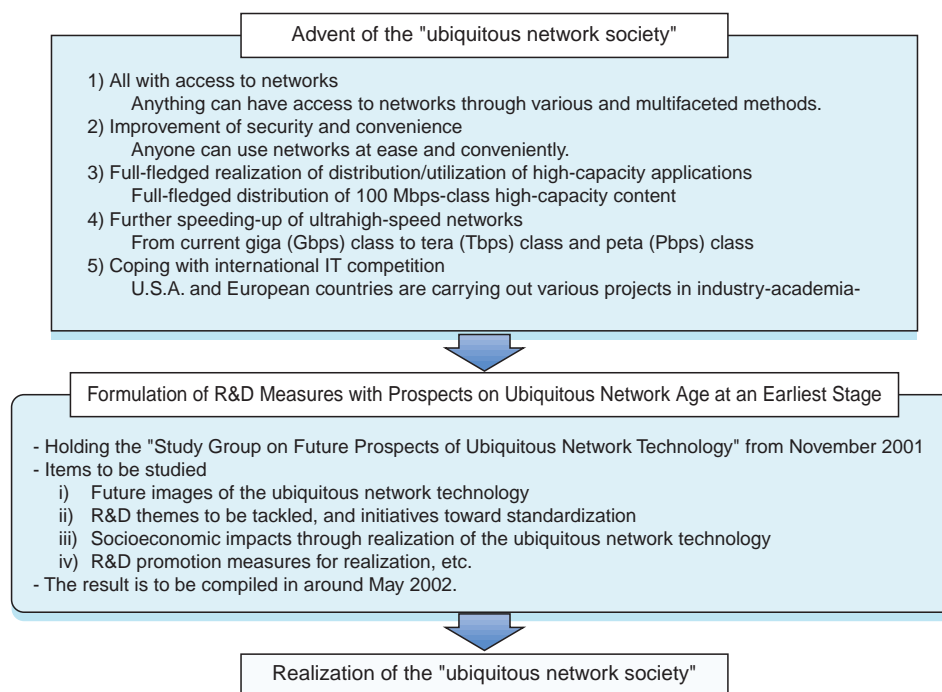
ence and Engineering, Chuo University.

The items to be deliberated are as follows, and the outcomes are scheduled to be compiled in May 2002.

[Items]

- 1) R&D trends in network technology at home and abroad
- 2) Future images of the ubiquitous network technology
- 3) R&D themes to be tackled, and initiatives toward standardization
- 4) Socioeconomic impacts through realization of the ubiquitous network technology
- 5) R&D promotion measures for realization

Fig. Study for Future Prospects of Ubiquitous Network Technology



Results of the First Survey of FY2001 Telecommunications Service Monitors

In August 2001, MPHPT conducted a questionnaire survey to 1,000 telecommunications service monitors on telecommunications services, whose result is compiled as the “Report on Results of the First Survey of FY2001 Telecommunications Service Monitors.” The survey results will be further analyzed and utilized for information provision to consumers through various public relations activities, etc., and for preparation of an environment friendly to consumers through requests to telecommunications carriers when necessary, so that consumers can utilize telecommunications service with ease.

Ref. Questionnaires sent: 1,000 Response: 954 Return rate: 95.4%

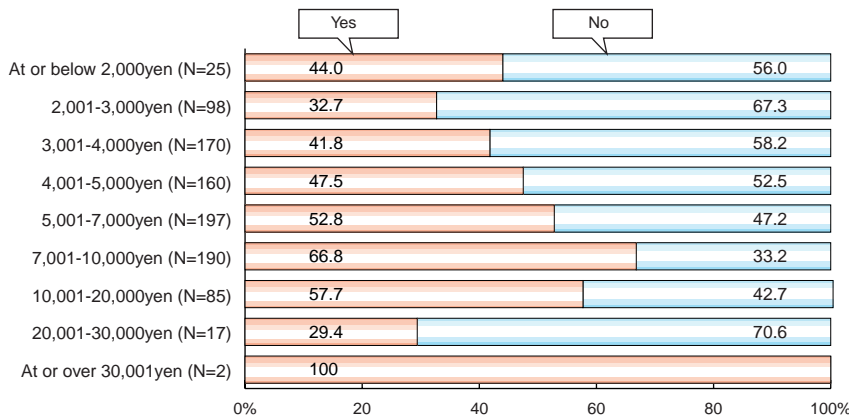
1. Counseling sections concerning telecommunications services (Outline)

50.4% of respondents have consulted on telecommunications services with telecommunications carriers and/or public bodies.

Of the organizations that were consulted, the largest category was “telecommunications carriers including telephone companies and Internet service providers (ISPs),” with a 96.5% share.

- Have you ever consulted with telecommunications carriers or public bodies on telecommunications services? (N=954)
Yes: 50.4% No: 49.6%

- Have you ever consulted with telecommunications carriers and/or public bodies on telecommunications services? (By average monthly telephone charge)



- Organization for consultation (for only those who answered “yes” to the above question; multiple choices are possible.) (Respondents: 481)
 - Telecommunications carriers including telephone companies and ISPs: 96.5%
 - Industrial associations (e.g., Telecommunications Carriers Association, Telecom Services Association): 10.0%
 - National Consumer Affairs Center of Japan (NCAC) or consumer centers: 4.4%

Among consultation methods, the largest is “telephone” (95.6%), followed by “e-mail” (16.6%). In their 20s, 26.5% replied as “e-mail,” which is higher than other age groups.

- Consultation methods (for only those who have consulted; multiple choices are possible.) (N=481)
 - Telephone: 95.6% - E-mail: 16.6% - Interview: 10.6% - Fax: 7.5% - Letter: 1.9%

- Consultation methods (By age groups)

	Telephone	E-mail	Interview	Fax	Letter
20s	68.4	26.5	9.2	5.0	1.0
30s	72.2	14.6	8.3	3.9	1.0
40s	72.6	12.8	7.9	6.1	0
50s	81.7	6.1	2.3	7.3	2.4
60s or older	67.1	9.4	11.8	8.2	3.5

By service, “domestic telephone service” is 61.1% and “the Internet” is 55.7%.

By type of complaints, “tariffs and/or service content” is 57.4% and “amount of charges and/or billing method” is 48.9%.

By gender, the rate of females was high on “amount of charges and/or billing method.”

- Service consulted (only those who have consulted; multiple answers are possible.) (Respondents: 481)
 - Domestic telephone service: 61.1% - Internet: 55.7% - Mobile phone, PHS: 28.7% - Directory assistance service: 11.2%
 - International telephone service: 8.7% - Telephone directory: 7.7%

- Content consulted (only those who have consulted; multiple answers are possible.) (Respondents: 481)

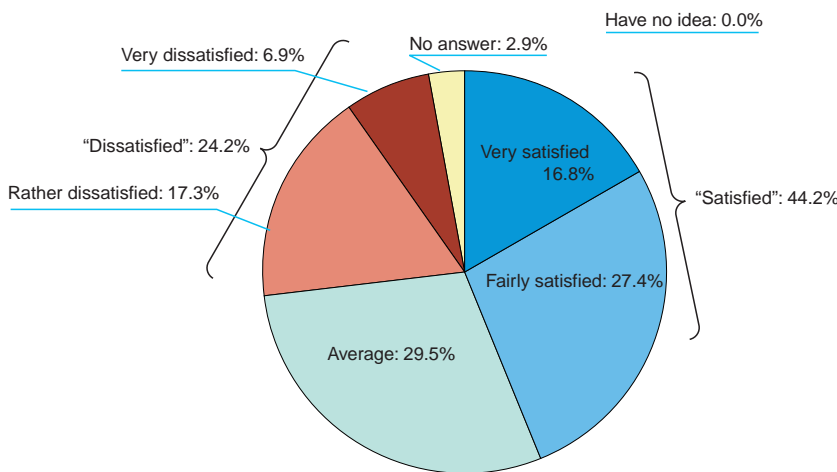
	Total	Male	Female
- Concerning terms of contract and/or service content	57.4%	23.6%	24.5%
- Concerning charges and/or billing method	48.9%	18.8%	21.7%
- Concerning suspension of service or rescission of contract	27.2%	10.2%	12.5%
- Concerning how to use terminal equipment such as telephones	23.1%	10.2%	8.0%
- Concerning malfunction of terminals such as telephones	20.6%	12.5%	7.7%
- Concerning speech quality such as crosstalk/interference or noise	19.8%	9.1%	7.7%
- Concerning nuisance/malicious calls/communications	15.4%	6.1%	6.7%

As a result of consultation, 65.4% answered that problems and questions were “solved.” On the impression of consultation, those who answered “satisfied” including “very satisfied” and “fairly satisfied” are 44.2%, which greatly surpassed those who answered “dissatisfied” including “rather dissatisfied” and “very dissatisfied” (24.2%).

- Solution of problems, etc. after consultation (only those who have consulted; multiple answers are possible.) (Respondents: 481)

- Solved: 65.4%
- Some problems were solved, some remained unsolved.: 28.1%
- Not solved: 5.4%

- Impression of consultation (only for those who have consulted; multiple answers are possible.) (Respondents: 481)



2. On Carrier Preselection Service (“MYLINE”) (Outline)

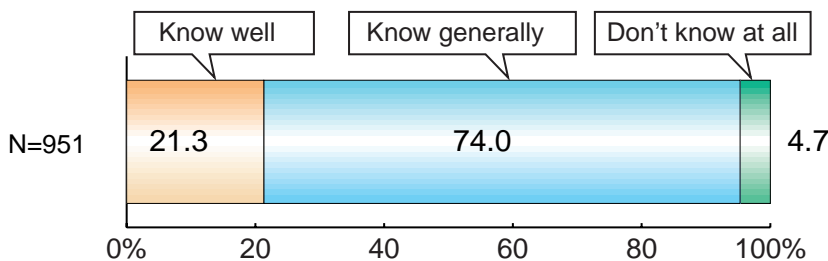
98.6% of respondents answered that they “have seen or heard” the term Carrier Preselection Service (“MYLINE”), which shows most people recognizes the term “MYLINE.”

Regarding the content of the service, the sum of “know well” and “know generally” is 95.3%, which shows high recognition on the service content.

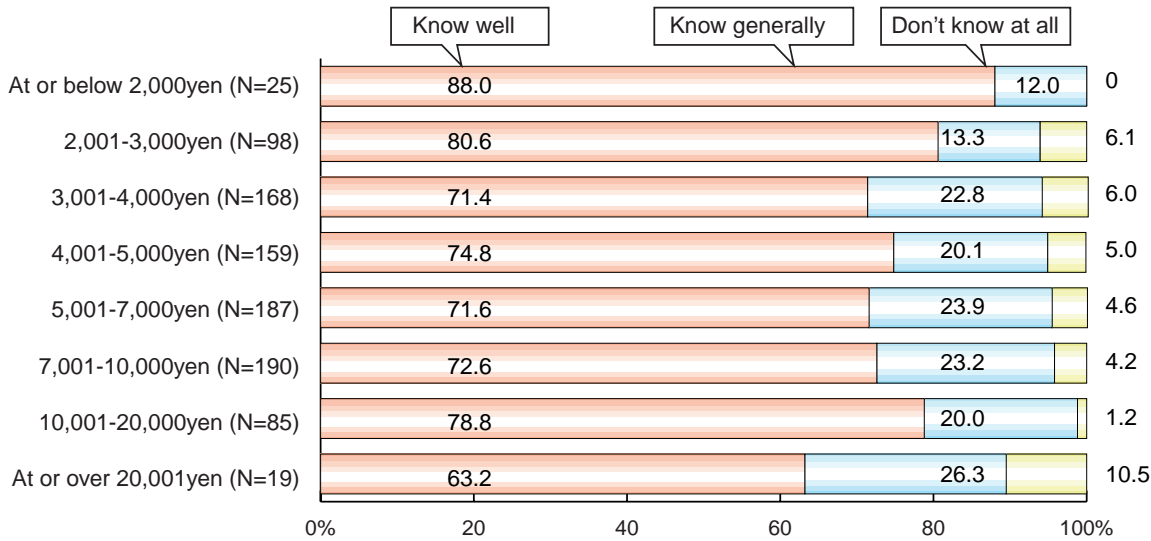
- Have you ever seen or heard the term “MYLINE”? (N=953)

- Yes: 98.6%
- No: 1.4%

- Recognition of the content of “MYLINE” (N=951)

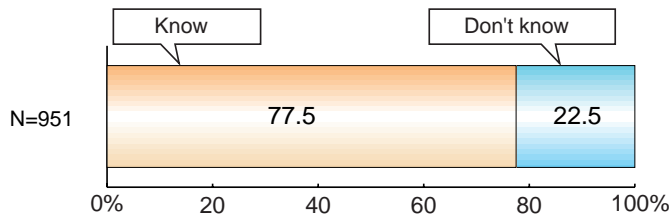


- Recognition rate of the content of "MYLINE" (By average monthly telephone charge)



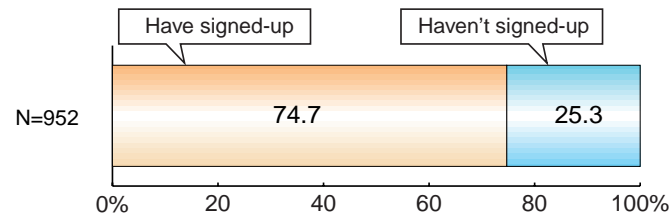
77.5% of respondents answered that they know that there will be charges (800yen) for registration/change of "MYLINE" after November 1, 2001.

- Recognition rate of registration/change charges



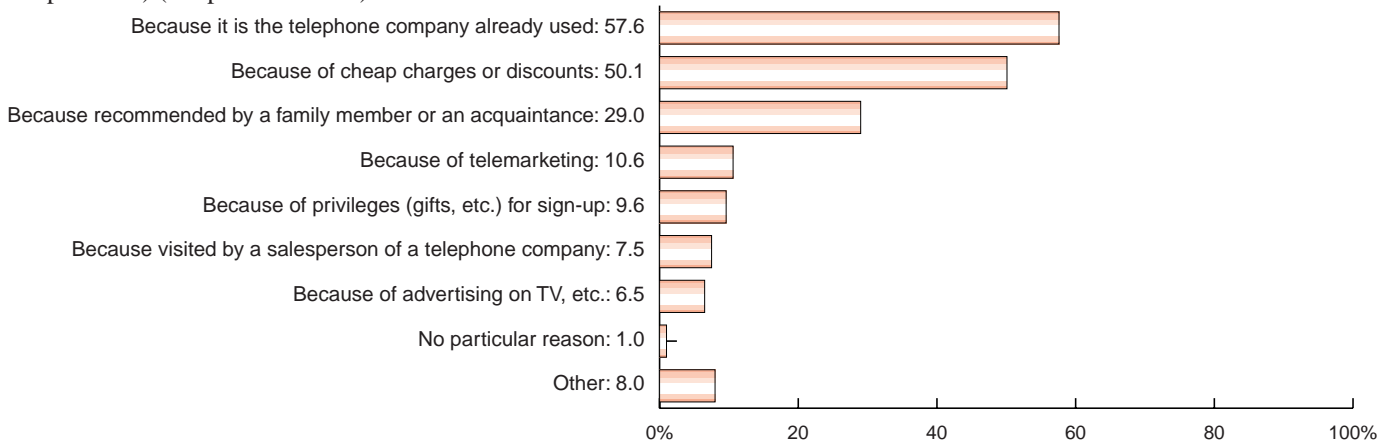
74.7% of respondents have signed up for the "MYLINE" service. As the end of free registration period (October 31) was approaching, the ratio of those who have signed up was high.

- "MYLINE" sign-up ratio



Among reasons for selecting telecommunications carriers, "Because it is the telecommunications carrier I have been using" (57.6%) and "Because of cheap charges or discounts" (50.1%) were more than half, and the ratio of those who have chosen a telecommunications carrier for telemarketing or salesperson's visit is small.

- Reasons for selecting telecommunications carriers (only those who have signed up for "MYLINE"; multiple answers were possible.) (Respondents: 711)



CDMA High-Speed Mobile Communications System to Be Introduced

-- Reports on technical regulations for radio facilities from the Telecommunications Council --

On November 26, 2001, MPHPT received reports from the Telecommunications Council (Chair: Mr. Yoshihisa Akiyama) on “technical regulations for CDMA2000 1xEV-DO System” and “technical regulations for the next-generation mobile communications system (CDMA/FDD) radio facilities.”

The outline is as follows:

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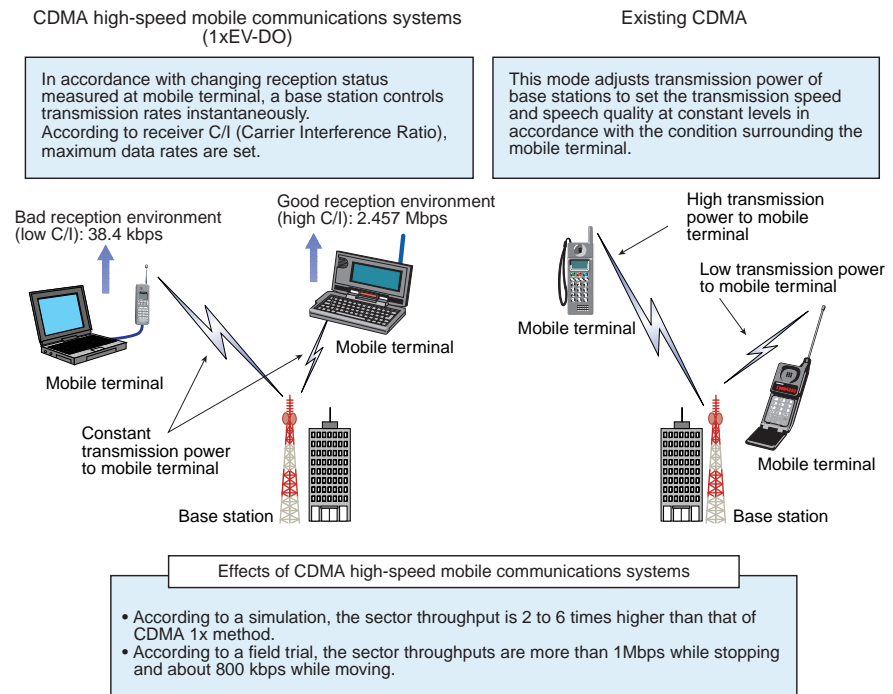
In Japan, mobile communications systems (cellular telephones) based on the code division multiple access (CDMA) method were launched in 1998, and the total number of subscriptions for such systems has surpassed the 10 million figure. Along with the start-up of the Internet access service, etc., data communications via cellular telephones is gaining users rapidly, and communications traffic per capita is increasing. The number of subscriptions and communications traffic are trending upward. With the newly-developed technology, mobile communications systems can meet various consumer demands such as realization of a high-speed mobile Internet environment.

In response to demands for high-speed communications, the development of a high-speed mobile communications system (CDMA2000 1xEV-DO, or Code Division Multiple Access 1x Evolution-Data Only) compatible with CDMA mobile communications systems is being carried out. In the International Telecommunication Union (ITU), procedures for formal approval of a draft Recommendation on CDMA2000 1xEV-DO, recognized at the ITU-R Study Group 8, are being carried out.

[Outline]

The “Technical Regulations for CDMA2000 1xEV-DO System” enable high-speed data transmission at maximum 2.4 Mbps, have affinities with the existing CDMA cellular telephone systems (800 MHz band, data transmission

Fig. CDMA high-speed mobile communications systems



Technical regulations for CDMA high-speed mobile communications systems

		CDMA high-speed mobile communications systems (1xEV-DO)	CDMA (1x)	Current CDMA
Multiple address method		CDMA	CDMA	CDMA
Duplex		FDD	FDD	FDD
Frequency band		800MHz, 2GHz bands	800MHz, 2GHz bands	800MHz band
Communications method	Forward link	CDM/TDM	CDM	CDM
	Reverse link	CDMA	CDMA	CDMA
Secondary modulation method	Forward link	QPSK	QPSK	QPSK
	Reverse link	HPSK	OQPSK, HPSK	OQPSK
Primary modulation method	Forward link	BPSK*, QPSK, 8PSK, 16QPSK	BPSK, QPSK	BPSK
	Reverse link	BPSK	64QAM, BPSK	64QAM
Frame length	Forward link	1.67 ms (slot length)	5, 10, 20, 40, 80 ms	20 ms
	Reverse link	26.67 ms		
Transmission power control (control frequency)	Forward link	Non	50 - 800 Hz	50 Hz
	Reverse link	600 Hz	800 Hz	800 Hz

CDMA: code division multiple access, Duplex: a method to realize forward links and reverse links, FDD: frequency division duplex

speed at 144 kbps) and CDMA2000-based IMT-2000 (2 GHz band, data transmission speed at 144 kbps), and accordingly enable coexistence of such services with the conventional systems.

In response to revision and adoption

of Recommendations on IMT-2000 at ITU, the technical regulations will include changes on allowance level of spurious emission, etc. MPHPT will, based on the reports, make necessary amendments to relevant ministerial ordinances.