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## COMMUNICATIONS NEWS

Biweekly Newsletter of the Ministry of Public Management, Home Affairs, Posts and Telecommunications, Japan

# Vice-Minister HAMADA Holds Press Conference on "ITU and Global Standardization of Info-communications"

On April 13, 2001, Vice-Minister for International Affairs Kouji HAMADA made a presentation under the theme entitled "ITU and Global Standardization of Info-communications" at a press conference. At the conference, he focused on **the fourth-generation mobile communications system (4G)**, which is being studied for introduction by 2010, and explained Japan's activities for establishing global standards thereof and **standardization activities in the International Telecommunication Union (ITU)**.

An outline of the press conference is as follows:

## 1. Examples of establishing global standards

As regards examples of global standards at ITU, the adoption of Recommendations on IMT-2000 (International Mobile Telecommunications-2000: or the third-generation mobile communications systems) radio specification is one of the remarkable results. At the Radiocommunication Assembly 2000 (RA-2000) held in May 2000, five Recommendations were adopted, including the W-CDMA proposed by Japan and European countries as well as the cdma2000 by the U.S.

**Regarding 4G, Japan had been deliberating on 4G at the Telecommunications Technology Council (the Telecommunications Council since January 2001) since October 2000. Findings of the council will be compiled as a report in June 2001, on i) basic system concepts (service features, transmission speeds, etc.), ii) issues concerning technological development and standardization, and iii) promotion measures for introducing practical systems, among others.**

As for the study on 4G at the ITU, the ITU-R from March 2000 commenced standardization activities on radio communications technology; the ITU-T from December 2000 on networking technology, respectively. The standardization

activities on radio communications technology are carried out by the WP8F (Working Party 8F under the Study Group 8: IMT-2000 and systems beyond IMT-2000) under the ITU-R. The WP8F will propose draft Recommendations concerning system requirements for 4G in June 2002.

## 2. The sixth meeting of WP8F

**The sixth meeting of WP8F will be held at the Keio Plaza Hotel, Shinjuku, Tokyo, from October 10 through 16, 2001** (for five days excluding Saturday and Sunday).

MPHPT will contribute to the promotion of 4G global standardization activities by presenting the final report of the Telecommunications Council on the deliberations at the Tokyo meeting of WP8F.

Since the Tokyo meeting of WP8F will provide ideal opportunities for demonstrating Japan's world-first 3G services to engineers in charge of standardization from overseas, the worldwide deployment of Japan's 3G and 4G technologies would be accelerated through technical presentations from Japanese telecommunications carriers and manufacturers.

## 3. Examples of allocation of global common frequencies

As regards 3G, in addition to global common frequencies allocated in 1992, additional frequencies were allocated at

the World Radiocommunication Conference 2000 (WRC-2000) in June 2000. Furthermore, ensured new additional frequency allocations proposed by Japan, the newly allocated frequencies will further contribute to expansion of the future mobile communications mar-

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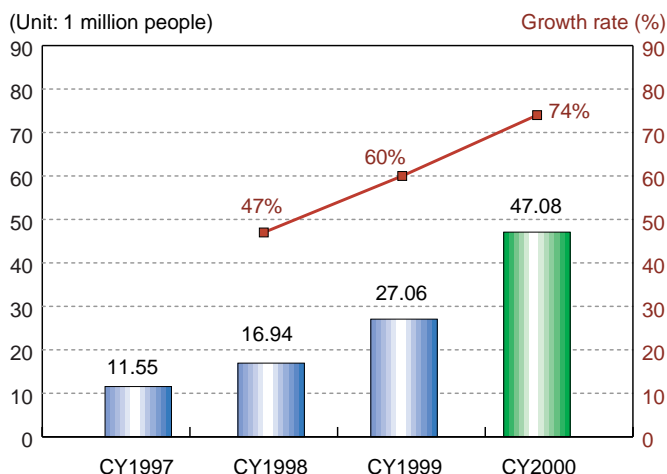
**Frequency allocations for 4G** | **will be deliberated at the WRC (2005/2006).** MPHPT will strive to ensure frequency allocations for 4G in line with Japan's proposal.

# Number of Internet Users in CY2000 Reaches 47,080,000

-- Increase by 74% over Previous Year --

MPHPT compiled results of the estimate survey on the number of Internet users (individual users) at the end of CY2000. MPHPT has been conducting the annual survey since CY1997 on a consignment basis.

The results of this survey have been made public on the "White Paper: Communications in Japan" annually; the detailed data and analysis of the CY2000 survey will appear in the 2001 White Paper.



Note: Due to the differences of samples covered between CYs 1999 and 2000, as explained in the [Individuals surveyed] item 1., strict comparison may not be possible.

## [Individuals surveyed]

- The number of individual Internet users in Japan aged 15 to 79 as of the end of December 2000 (as for surveys conducted in CYs 1997 through 1999, individual Internet users aged 15 to 69 were sampled for estimates; in order to obtain more detailed survey results, this time, the target age group was expanded to "individuals aged 15 to 79.")
- The term "individual Internet users" is defined as "individuals having access to the Internet (for browsing websites and/or sending/receiving e-mail), through use of such terminals as PCs, cellular telephones, at and/or outside home."

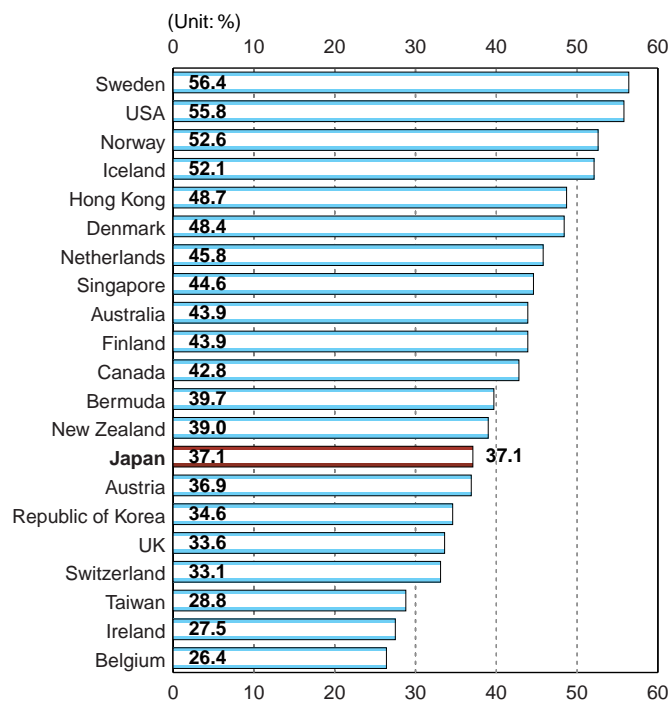
## [Reference]

### 1. Number of individual Internet users by terminal

(Unit: 1 million people)	
PCs:	37.23
Cellular telephones*, PDAs:	24.40
Of the above, cellular telephones:	23.64
Game consoles, TV:	1.38

- Notes: 1. Includes Personal Handyphone System (PHS) terminals.  
 2. Because there are users utilizing two or more terminals, the total number of users in this table does not tally to the total number of Internet users.

## 2. Countries and economies with Internet penetration rate of 25% or higher



Sources: Data for other than Japan (as of March 2001), Nua Ltd. (<http://www.nua.com>)

- Notes: 1. The Internet penetration rate of 37.1% was obtained by the following formula: 37.1% = 47,080,000 [the number of Internet users in Japan] / 126,890,000 [the estimated total population of Japan as of the end of CY2000 (Intercensal Adjustment of Current Population Estimates)]  
 2. Nua Ltd. posts data publicized by surveillance institutes in many countries on its website. Because these data are not consistent in terms of surveyed periods, methods, etc., this table is only for your reference.

## [Methods of the survey]

### 1. Questionnaire

- Target: Males/females aged 15 to 79 nationwide
- Period: Late December 2000 (Target individuals replied on data as of the end of December 2000.)
- Methodology: Mailing (real postal service) questionnaires to samples selected through the RDD (random digit dialing) sampling methodology, and receiving replies  
 - Number of questionnaires sent: 7,001

- Number of effective replies: 4,038 (reply rate: 57.7%)

**2. Estimates for number of individual Internet users**

Based on the survey, the number of individual Internet users in Japan (47,080,000) was obtained by the following formula: 47,080,000 = [ratio of individual Internet users using terminals as listed below to the total number of individuals sampled] x [the number of

Japanese people aged 15 to 79 as of the end of CY2000]

- PCs
- Cellular telephones, PHS terminals, PDAs
- Game consoles, TV receivers equipped with TAs

Notes: 1. Survey results are adjusted to the proportion of Japanese population by age group.

2. Use of the Internet includes usage for web browsing and/or e-mail.
3. "Internet access" includes access from home or other places (offices, schools, etc.)
4. Individuals accessing the Internet with two or more terminals are counted as one user to prevent overlapping.

(This survey was consigned to Nomura Research Institute, Inc.)

# Results of "CY 2000 Communications Usage Trend Survey" Compiled

MPHPT conducted the "CY2000 Communications Usage Trend Survey," in order to track usage trends of households, offices and companies for telecommunications and broadcasting services.

Now, MPHPT has compiled results of the survey as follows:

The use of the Internet has increased in households, offices and companies. Along with this, households' PC ownership ratio has grown. As regards companies, installation of LANS and intranets has been developed.

**1. Usage trends for info-communications services (households)**

- 1) Rate of households having access to the Internet became 34.0% (increase by 14.9 percentage points), i.e., one household in every three is accessing the Internet.
  - Along with this, the ownership of PCs and use of ISDN lines have drastically increased.
  - In reflection of expectation for broadband networks, the expectation for video-on-demand increased widely over the previous year.
- 2) As for info-communications equipment, penetration rates for mobile telephones and PCs have increased to about 80% and about 50% of all households, respectively.
  - Although the number of PC users in the elderly has slightly improved, the figure is still about half that of wordprocessors.
- 3) About 50% of all households are subscribing to either of satellite broadcasting or

cable TV. - Especially, the penetration rate for cable TV has increased by 6.7 percentage points to more than 20%.

**2. Usage trends for info-communications services (offices)**

- 1) The rate of offices having access to the Internet was 44.8%, or, increased by 13 percentage points over the previous year. - In offices with equal to or more than 100 employees, more than 80% are having access to the Internet.
- 2) The penetration rate of PCs also has reached 82.4%, or, increased by 8.4 percentage points from the last year.
  - Ownership rates of mobile telephones and facsimiles level off, and that of wordprocessors decreased.

**3. Current status of corporate networks (companies)**

- 1) The rate of companies having access to the Internet was 89.3%, or, in-

creased by 11 percentage points over the previous year.

- One in three companies are conducting sales activities via the Internet.
- 2) Installation of corporate LANS and intranets has developed widely.
    - Penetration rates of LANS and intranets was 86.4% (increased by 8.5 percentage points) and 44.2% (increased by 11 percentage points), respectively.
    - 88.2% of companies are using e-mail (increased by 13.7 percentage points).

**[Survey outline]**

This survey, as an approved statistical survey based on the Statistical Reports Coordination Law, has been annually conducted since CY1990. (Survey on corporate networks was added in CY1993.)

Survey type	Usage trends of info-communications services		Current status of corporate networks
	Households	Offices (establishments)	Companies (enterprises)
Objects surveyed	Households	Offices (establishments)	Companies (enterprises)
Survey area	Nationwide		
Subjects of survey	Households with heads 20 years of age or older (as of April 1, 2000) (including one-person households)	Offices with five employees or more (excluding postal services or telecommunications businesses in the Standard Industrial Classification for Japan)	Companies with 100 employees or more (excluding agriculture, forest, fishery or mining industries in Standard Industrial Classification for Japan)
Number of samples	6,400 households	5,600 offices	3,000 companies
Effective replies (ratio)	4,278 households (66.8%)	3,070 offices (54.8%)	1,838 companies (61.3%)
Survey period	As of November 1, 2000		

# Report Compiled by the Research Meeting for Next-Generation Broadcasting

MPHPT (formerly MPT) has been holding the “Research Meeting for Next-Generation Broadcasting” (Chair: Dr. Mitsutoshi HATORI, Professor, Multimedia Information Research Division, the National Institute of Informatics: NII) for studying i) a future image of the next-generation broadcasting system in 10 to 15 years ahead, ii) necessary R&D elements to realize the next-generation broadcasting system and iii) technical standards thereof. On April 12, 2001, the meeting compiled their findings as a report.

## 1. Research background

In recent years, the info-communications field that includes broadcasting has been changing drastically, referred to as the IT revolution, as exemplified by the rapid spread of access to the Internet, the sharp increase in the number of subscriptions to mobile communications services and large-capacity, high-speed lines.

Under these circumstances, as BS (broadcasting satellite) digital broadcasting started in December 2000, Japan has fully embarked on the digital broadcasting age. Conspicuously different from other communications media, broadcasting services provide a large amount of information simultaneously to a large number of people. Along with the digitalization of broadcasting, it is now expected to see novel broadcasting services. Through the convergence of broadcasting, computer and telecommunications technologies, as well as innovations in key technologies such as displays, broadcasting services combined with consumer electronics, the Internet and mobile telephones, will be realized such as high-quality presence broadcasting.

To this end, it has become vital to offer a long-term program for realizing the next-generation broadcasting system, taking technological trends into consideration.

## 2. Outlines of the report

The next-generation broadcasting system will feature i) large-capacity storage functions enabling record of broadcast programming more than 4,000 hours, and ii) agent functions enabling viewers to automatically retrieve, view and store favorite content. With the system, viewers can enjoy their favorite content from multichannel broadcast programming without restrictions by program schedules.

Collaborating with mobile communications system, consumers can receive broadcast programming outdoors while moving with small/lightweight receivers with recording functions and can view content outside home through transfer/storage of the content from indoor receivers with large-capacity storage functions.

### 1) The next-generation broadcasting system

With a hybrid system utilizing the following two types of receivers with storage functions and different purposes, diversified broadcasting services will be realized.

- “Hyper-vision” (stationary receiver installed at home):  
Carrying automatic program selection/large-capacity storage functions, platforms of home networks, multimodal interface, agent functions, etc.
- “Hyper-agent” (mobile receiver carried by users):  
Small/portable, storage functions and interconnection functions with mobile communications system

### 2) Services to be realized

With the “hyper-vision” and “hyper-agent,” diversified broadcasting services with the following six features will be realized:

- Viewing/listening anytime: By utilizing storing functions, etc., viewing/listening is enabled without restrictions of program schedules.

- Viewing/listening anywhere: By utilizing mobile receivers, etc., viewing/listening outdoors is enabled.
- Easy handling by anybody: By utilizing multimodal interface, etc., viewing/listening without complicated operation is enabled.
- Viewing/listening favorite programming: By utilizing agent functions, etc., desired content can be selected easily from diversified broadcast programming.
- Realistic video/sound: By utilizing storing functions, etc., viewing/listening 3D-images using additional information is enabled.
- Multifunctional receiver: uses other than viewing/listening broadcasting content, such as controlling consumer electronics by interconnecting to a home network, are enabled.

### 3) Priority R&D projects

In order to realize the next-generation broadcasting system, it is required to study 61 R&D themes and 17 issues for standardization. As the tasks to be engaged from the perspective for advancing receivers, transmission methods and broadcasting services, the following three projects are proposed:

- Project for hyper-intelligent broadcasting:  
Development of i) multimodal interface, ii) large-capacity storage technology and iii) agent technology. Standardization of content management protection systems
- Project for seamless network:  
Development of i) technology for seamless networking between communications and broadcasting networks, and ii) optimal layout technology. Standardization of common interface
- Project for 3D broadcasting:  
Development of technologies for i) 3D imaging/reproducing and ii) stereophonic recording/replaying, etc.

# Survey on “Overall Results on Japan’s Communications Industry”

## (Third Quarter of FY2000)

-- Communications industry revenues increased by 5.1% in second quarter (Q-III) of FY2000; revenues forecast to “rise” from now on --

MPHPT released the survey on “overall results on Japan’s communications industry (telecommunications carriers and broadcasters)” for the third quarter (October - December 2000) of FY2000 on 128 companies.

The outline of the survey is as follows:

- **Actual revenues in the third quarter of FY2000 grew by 5.1% over the same period in the previous fiscal year.**

Actual revenues in the third quarter of FY2000 by the communications industry, including telecommunications carriers and broadcasters, increased by 5.1% over the same period in the previous fiscal year. Revenues of all industries during the third quarter increased by 4.2% over the same period in the previous fiscal year.

- **At the end of the third quarter of**

**FY2000, revenues of the communications industry are forecast to “grow.”**

Revenues forecast indices of the communications industry at the end of the third quarter of FY 2000 are 16.7 in the fourth quarter of FY2000 (January-March 2001) and 12.3 in the first quarter of FY2001 (April - June 2001), meaning that the revenues are forecast to go up.

### 1. Revenues

- Communications industry revenues during FY 2000 third quarter grew by 5.1% over the same period in the previous fiscal year. As for the revenues of each type of business, Type I telecommunications carriers increased by 5.0% (mobile: +7.0%, other than mobile: +3.4%), Type II

telecommunications carriers: +1.6%, and, broadcasters: +6.7% (commercial broadcasters: +6.1%, cable TV operators: +31.9%), respectively.

### Reference: Growth rates of other industries

(The third quarter in comparison with the same period in the previous fiscal year)

Food: +4.9%, Chemical: +6.3%, Petroleum/Coal products: +23.4%, Iron and steel: -3.3%, General machinery: +19.7%, Electrical machinery/Consumer electronics: +10.1%, Transportation equipment: +1.1%, Construction: -3.0%, Wholesale/Retail: +6.8%, Real estate: +22.3%, Power: -0.1%, Services: +2.2%.

Source: Financial Statements Statistics of Corporations by Industry (October-December 2000), the Ministry of Finance

**Table 1 Growth rates in the 3rd quarter in comparison with the same period in the previous fiscal year**

(Unit: %)

Type of business	Q-III			Q-I	Q-II	Q-III	Q-IV	FY total	
	Oct.	Nov.	Dec.						
FY1999	Communications Industry	7.7	15.1	16.2	5.0	14.9	13.1	19.2	13.2
	Type I carriers	8.7	17.7	18.4	5.9	17.6	15.1	22.0	15.4
	Mobile carriers	15.6	20.5	20.1	15.4	22.2	19.0	30.1	22.1
	Other than mobile carriers	4.5	15.4	17.1	-0.6	13.8	12.3	15.6	10.4
	Type II carriers	3.3	7.7	9.2	7.5	7.5	6.8	6.1	7.0
	Broadcasters	2.9	2.1	4.3	-1.5	-0.6	3.1	4.8	1.4
	Commercial broadcasters	2.7	2.0	4.6	-1.6	-0.7	3.1	4.7	1.3
	Cable TV operators	16.0	8.9	-11.0	5.8	14.1	2.2	12.8	9.3
	All industries	-	-	-	-0.2	-0.4	2.2	2.6	-
	FY2000	Communications Industry	4.0	6.0	5.1	11.4	4.0	5.1	
Type I carriers		3.3	6.4	5.1	12.6	4.0	5.0		
Mobile carriers		-1.3	8.7	11.6	13.0	10.8	7.0		
Other than mobile carriers		6.3	4.5	-0.1	12.3	-1.9	3.4		
Type II carriers		8.6	0.4	-3.1	1.5	0.5	1.6		
Broadcasters		7.1	5.1	7.9	7.9	5.1	6.7		
Commercial broadcasters		7.1	4.9	6.4	7.4	4.5	6.1		
Cable TV operators		7.9	16.2	79.5	35.2	29.7	31.9		
All industries		-	-	-	3.1	3.2	4.2		

Note: The data on the all industries are based on Financial Statistics of Corporations by Industry (October-December 2000), the Ministry of Finance

Table 2 Revenues

(Unit: 1 billion)

Type of business	Q-III			Q-I	Q-II	Q-III	Q-IV	FY total	
	Oct.	Nov.	Dec.						
FY1999	Communications Industry	1,278.2	1,470.8	1,530.5	3,904.9	4,561.9	4,279.6	4,869.9	17,616.2
	Type I carriers	1,050.4	1,231.2	1,288.5	3,213.9	3,875.6	3,570.1	4,156.7	14,816.4
	Mobile carriers	426.0	557.2	573.4	1,417.0	1,798.2	1,556.7	1,945.8	6,717.6
	Other than mobile carriers	624.4	674.0	715.1	1,796.9	2,077.4	2,013.5	2,210.9	8,098.8
	Type II carriers	54.6	62.5	64.7	181.3	198.3	181.9	206.1	767.6
	Broadcasters	173.1	177.1	177.2	509.7	488.0	527.6	507.0	2,032.2
	Commercial broadcasters	169.3	173.4	173.3	499.6	476.9	516	490.8	1,983.3
	Cable TV operators	3.8	3.7	3.9	10.1	11.0	11.6	16.2	48.9
	All industries (1 trillion yen)	-	-	-	305	325	329	348	-
	FY2000	Communications Industry	1,329.3	1,558.7	1,608.4	4,351.9	4,742.8	4,496.4	
Type I carriers		1,084.6	1,309.8	1,354.3	3,617.9	4,030.6	3,748.7		
Mobile carriers		420.6	605.6	640.1	1,600.6	1,993.2	1,666.3		
Other than mobile carriers		664.0	704.3	714.1	2,017.3	2,037.4	2,082.5		
Type II carriers		59.3	62.8	62.8	183.9	199.3	184.9		
Broadcasters		185.4	186.1	191.3	550.0	512.8	562.8		
Commercial broadcasters		181.3	181.8	184.4	536.4	498.5	547.5		
Cable TV operators		4.1	4.3	7.0	13.6	14.3	15.3		
All industries (1 trillion yen)		-	-	-	314	336	342		

Notes: 1. Due to the rounding of fractional figures, the total revenues of each business and the revenues of communications carriers, and/or the total revenues of each month and the revenues of relevant quarter may not agree.  
 2. Figures on all industries are based on the Financial Statements Statistics of Corporations by Industry (Quarterly), the Ministry of Finance

2. Revenues forecast

- Revenues forecast indices of the communications industry at the end of the third quarter of FY2000 are 16.7 in the fourth quarter of FY2000 (January-March 2001) and 12.3 in the first quarter of FY2001 (April-June 2001), meaning that the revenues are forecast to go up.
- As for the revenues of each type of business, Type I telecommunications business: 16.2, 10.8, Type II telecommunications carriers: 44.5, 11.1, commercial broadcasters: -16.7, -7.1, cable TV operators: 70.6, 64.7, respectively.

Reference: In all industries, it is forecast that FY2000 4th quarter: -2, FY2001 1st quarter: -3.

Note: Based on the Business and Investment Survey of Incorporated Enterprises (Conducted in December 2000), the Economic and Social Research Institute

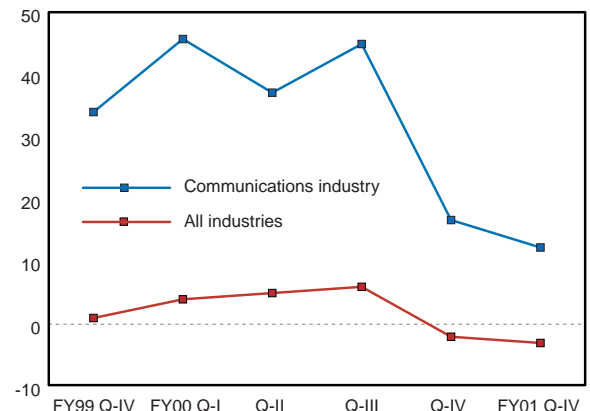
Revenues forecast index = “the ratio (%) of businesses forecasting to increase” – “the ratio (%) of businesses forecasting to decrease”

Notes: 1. Indices of FY2000 Q-IV and FY2001 Q-I are forecast at the end of FY2000 Q-II, the rest are forecast at the end of the previous quarter.

2. Indices of all industries are based on the Business and Investment Survey of Incorporated Enterprises (Conducted in December 2000), the Economic and Social Research Institute

Table 3. Revenues forecast indices

(Unit: %)



(Unit: point)

Type of carrier	FY1999	FY2000				FY2001
	Q-IV	Q-I	Q-II	Q-III	Q-IV	Q-I
Communications industry	34.0	45.7	37.1	44.9	16.7	12.3
Type I telecommunications carriers	35.8	42.1	41.5	38.8	16.2	10.8
Type II telecommunications carriers	44.4	16.7	50.0	42.9	44.5	11.1
Commercial broadcasters	13.3	53.3	14.0	32.4	-16.7	-7.1
Cable TV operators	65.0	66.7	66.7	88.9	70.6	64.7
All industries	1	4	5	6	-2	-3

On the “Survey on Overall Results on Japan’s Communications Industry”

The “Survey on Overall Results on Japan’s Communications Industry” is conducted monthly on revenues, etc., of the communications industry (telecommunications carriers and broadcasters) in order to timely grasp the business trends thereof. Since April 1995, the survey

has been conducted as a statistical survey authorized by the Director-General, the Management and Coordination Agency (currently MPHPT).

[Businesses surveyed]

The number of surveyed businesses of each type of business is calculated pro-

portionally with the type’s share in revenues as of April 2000. The businesses surveyed are sampled from ones in the descending order of revenues size up to the calculated numbers.

In FY2000 3rd quarter, the number of Type I telecommunications carriers decreased by 14 companies (13 companies through mergers and 1 company through

transfer of business operations). However, since the merger partners and the carrier transferred the business operations are also surveyed, the effects on survey results are limited to a negligible scale. Therefore, there was no review/addition upon sampling of businesses.

**[Survey method]**

Conducted by questionnaire (mailing survey cards, entered by businesses via the Internet)

**[Survey period]**

Each month

	Businesses surveyed	(Ref.) Q-I
Type I telecommunications carriers	43 companies	57 companies
Type II telecommunications carriers	20	20
Commercial broadcasters	45	45
Cable TV operators	20	20
Total	128 companies	142 companies

**[Survey items]**

Revenues and business forecast (conducted only in June, September, December and March), etc.

**[Ohters]**

Due to rounding figures, total figures may not agree with breakdown figures. As revenues amounts that partially include tentative figures, those figures may be corrected later.

# ITU Reform for Meeting Market Demands

## -- Results of the Working Group on ITU Reform --

In telecommunications markets worldwide, privatization of telecommunications businesses is ongoing. As regards telecommunications technology, technological development is proceeding as the IP networks are diffused in addition to existing circuit switching networks, or as voice telephony technology is shifted to multimedia technology. Furthermore, the importance of coping with new challenges such as IMT-2000, the Internet, international proliferation of electronic commerce and closing of the digital divide, is becoming evident. Under such rapidly changing circumstances surrounding global info-communications, it has become necessary for the International Telecommunication Union (ITU) to deal with new market demands with speed and accuracy.

For that purpose, ITU has been studying reform of its activities and working methods in the "Working Group on ITU Reform (WGR on ITU Reform)," established in December 1999. From April 2 through 6, 2001, the fourth meeting of the WGR was held in Salvador, Brazil. Ninety-six people from 35 countries (including eight private companies) and seven international organizations participated in the meeting, including Japan, four from MPHPT. The final report of the meeting will be submitted to the 2001 Session of Council (ITU Council 2001) to be held in June 2001. Then, the final report will be reflected in the deliberation for reforming the ITU Constitution and Convention at the 2002 ITU Plenipotentiary Conference (PP-02).

Main results of the meeting are as follows:

**1. Reform of the Telecommunication Standardization Sector (ITU-T)**

Along with vigorous activities of private-sector standardization fora, related industries are raising opinions that ITU standardization activities be accelerated through expansion of the role of the private sector.

Against such a backdrop, European nations proposed establishing a standardization entity (a Forum) inside the ITU-T, which is similar to private-sector standardization fora.

Toward this proposal, a recommendation was made to divide ITU-T works clearly into the technical area and the area includes policy and regulatory implications, and to empower Sector Members in a group studying the technical area. Several Member States presented a proposal that ITU reform is possible by improving existing processes of ITU-T.

It was decided upon that each proposal be discussed further at the ITU Council 2001.

**2. Expansion of the rights and obligations of Sector Members**

In the context of expanding private sector's participation in ITU, the meeting discussed the Sector Members' participation in the Council.

At the fourth meeting, it was agreed that Sector Members should be allowed to join the Standing Committee on Finance of the Council as "observers" and that the observers should be given the right "to make written and oral contributions to the Committee, but that they have no right to vote, which in practice

may mean that they have no decision-making power."

**3. Reform of the ITU Secretariat**

At this meeting, it was agreed that i) the Secretary-General has the highest responsibility in the ITU management and ii) it should be provided for in the ITU Constitution and Convention, and iii) the Council should be empowered with functions to supervise the Secretary-General, along with the enhancement of the Secretary-General's authority.

On the other hand, concerning the review of the current electoral systems and the number of five elected posts (the Secretary-General, Deputy Secretary-General, and Directors of three Bureaux), opinions of Member States were classified into the following three groups:

- i) Elections for all five posts should be held during the Plenipotentiary Conferences.
- ii) Three Bureau Directors should be appointed by Sector Assemblies/Conferences of the sectors.
- iii) From viewpoints of improving the ITU management efficiency and of clarifying that the Secretary-General has the responsibility in the ITU management, only the Secretary-General and the Deputy Secretary-General should be elected, and other posts should be appointed. (Japan supported view iii.)

As a result of a study at the meeting, those opinions are to be discussed further at the Council 2001.