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## COMMUNICATIONS NEWS

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

## 27th Meeting of APEC TEL WG Successfully Concluded

The 27th Meeting of Asia Pacific Economic Cooperation (APEC) Telecommunications and Information Working Group (APEC TEL WG) was held from March 24 through 28, 2003, in Kuala Lumpur, Malaysia. At the APEC TEL WG, discussions were made on e-governments, measures for deploying broadband platforms, cybersecurity, liberalization of telecommunications, etc. for formulating various proposals and reports to be sent to the sixth APEC Ministerial Meeting of Telecommunications and Information Industries (APEC TELMIN 6) to be held in 2004.

### 1. Agenda, etc.

At the 27th Meeting of APEC TEL WG, the Business Facilitation Steering Group (BFSG) deliberated upon promotion of e-governments/e-commerce, electronic authentication and security-related matters; the Liberalization Steering Group (LSG) deliberated upon liberalization policies for telecommunications, contribution to WTO, etc.; the Development Cooperation Steering Group (DCSG) deliberated upon preparation of ICT infrastructures, the bridging of the digital divide, promotion of various development cooperation projects, etc.; and the Human Resource Development Steering Group (HRDSG) deliberated upon promotion of human resource development programs in the ICT field, etc. From March 22 through 25, 2003, related Workshops, etc. were held. The 27th Meeting was attended by about 250 people, including government officials of telecommunications administrations and executives of the private sector from the APEC region. From Japan, government officials of MPHPT, etc. and executives of the private sector, etc., 28 people in total participated in the Meeting.

Major topics were as follows:

### 2. Major topics

#### (1) APEC's contribution to WSIS

WSIS is a UN forum to deliberate upon a picture of society beyond the IT revolution and to formulate efforts to

address challenges, such as the digital divide, network security, etc. At the APEC SOM I and Related Meetings (in February 2003, Thailand), it was decided that APEC should contribute its experience to WSIS in order to reflect the proposals in the draft "Declaration of principles" in Phase I to be compiled in December 2003. At TEL, in response to the decision, discussions were made that APEC activities on security, etc. shall be actively input to WSIS; it was decided that a group of few countries/economies (Canada, Japan, Singapore, the U.S., etc.) was set up for deliberating upon concrete contributions; and APEC is to submit opinions by the end of May 2003 to WSIS.

#### (2) e-governments (public-private dialogues, and case studies)

With respect to promotion measures for e-governments, public-private dialogues were made on secure IPv6-based networks, viewpoints of users, evaluations on e-government projects, etc.; new projects for deliberating upon e-government promotion measures emphasizing on viewpoints of users were adopted; and it was decided that henceforth case studies are to be carried out targeting at some countries/economies within the APEC region.

#### (3) Cases of broadband platform deployment (Broadband Workshop)

With regard to measures for broadband platform deployment, cases in some countries/economies were intro-

duced and discussed; and opinions were expressed that not only wired broadband but also wireless broadband shall be considered, and that upon deployment of broadband platforms, introduction of competition principles into areas with many islands shall be carefully considered.

As for measures for broadband platform deployment, at the next 28th Meeting of APEC TEL WG, policies/regulations for broadband platform deploy-

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ment are to be deliberated upon for developing proposals toward the sixth Ministerial Meeting on Telecommunications and Information Industry (APEC TELMIN 6) to be held in 2004 spring.

**(4) Opinion exchanges, etc. on the next-generation technologies (DCSG and IPv6 Digital Divide Workshop)**

Opinion exchanges and discussions were made on how to deploy the next-generation technologies, including IPv6, and to close the digital divide. The Japanese delegation introduced the "Asia

Broadband Program," and made the progress report on projects, including the Asia Pacific Information Infrastructure (APII) and IP-based wireless local loop (WLL) systems, etc. for deploying telecommunications infrastructures at an early stage.

**(5) Discussions on liberalization of telecommunications markets**

In response to presentations on IP-telephony deployment measures (Japan), challenges for introducing the third-generation mobile communications systems

(the Republic of Korea), etc., deliberations were made upon desirable policies, etc. Since common aspects among countries/economies were found in implementing interconnection and policies, continuous discussions are to be made at the next APEC TEL.

The next APEC TEL, namely the 28th meeting, is to be held in September 2003, in Chinese Taipei. MPHPT will actively contribute to discussions on ICT at TEL, APEC TELMIN 6 and other meetings from now on.

# Formulation of "Asia Broadband Program"

On March 28, 2003, in line with the "e-Japan Priority Policy Program - 2002 (June 18, 2002, Decision of IT Strategic Headquarters)" and the "Basic Policies for Economic and Fiscal Policy Management and Structural Reform 2002 (Cabinet Decision of June 25, 2002)," MPHPT in cooperation with the relevant office and ministries set forth the "Asia Broadband Program."

**1. Background**

Upon formulation of the "Asia Broadband Program," Mr. KATAYAMA Toranosuke, Minister for Public Management, Home Affairs, Posts and Telecommunications, convened the "International Conference for Asia Broadband Strategy (Chair: Mr. USHIO Jiro, Chairman and Chief Executive Officer, Ushio Inc.)." At the second meeting of the In-

ternational Conference on December 16, 2002, the Chair compiled the results of a series of deliberations as the "Summary by the Chair." MPHPT, paying due respect to the results, etc., in cooperation with the relevant office and ministries, set forth the "Asia Broadband Program."

**2. Schedule**

From now on, toward preparation of broadband environments in Asia, MPHPT and the relevant office and ministries will, in collaboration with governments, private-sector entities, NPOs, international organizations, etc. in Asia, actively make efforts to realize this "Asia Broadband Program."

## Asia Broadband Program

(Unofficial Translation)

March 28, 2003  
 Ministry of Public Management, Home Affairs, Posts and Telecommunications  
 Fair Trade Commission  
 Ministry of Justice  
 Ministry of Foreign Affairs  
 Ministry of Education, Culture, Sports, Science and Technology  
 Ministry of Health, Labor and Welfare  
 Ministry of Economy, Trade and Industry

Based upon the "e-Japan Priority Policy Program - 2002 (June 18, 2002, Decision of IT Strategic Headquarters)" and the "Basic Policies for Economic and Fiscal Policy Management and Structural Reform 2002 (Cabinet Decision of June 25, 2002)," the "Asia

Broadband Program" is hereby set forth as follows:

In order to realize a globally-balanced IT society, various IT-related policy measures for Asia, including measures contained in this Program, being implemented by the relevant ministries are expected to be carried out in unison, according to the "e-Japan Strategy."

**I. Basic concepts**

**(1) Strengthening of relationships among Asian countries/economies**

Asian countries/economies, including Japan, are rich in diversity, as exemplified by their geographical, social, economic, cultural and linguistic diversities, and are mutually and closely linked with each other. Especially in recent years,

as exemplified by positive business deployments in Asia, flows and exchanges of people, products, funds, information, etc. among Asian countries/economies are rapidly developing and trends toward conclusions of economic partnership agreements (EPAs) and other agreements are prevailing as well. The significance of Asia for Japan has been growing further.

**(2) Significance of broadband platforms in Asia**

On the other hand, the socioeconomic importance of ICT has been shared internationally by the G8 Leaders' "Okinawa Charter on Global Information Society (July 2000)," the United Nations "Millennium Declaration (September 8, 2000)" and other statements. In order to develop Asia and enhance mutual ties, ICT is an indispensable infrastructure and is anticipated to play a

vital role in the future.

The advantages of broadband platforms (Note 1) are i) high speed and large capacity, and ii) constant connection and flat rates. They provide people with a new environment, thus enabling the dramatic overcoming of time and space restraints in human communications. These features will enhance living standards and individual creativity; invigorate corporations, NPOs, administrations and other entities and improve efficiency thereof; help economies grow dynamically; promote trade, wide-ranging sharing of cultural diversities, science, transborder activities and other mutual benefits.

Note 1: The term "broadband," in general, means networks that enable high-speed access to the Internet, such as ADSL, cable television and fiber-optic networks. In this Program, "broadband" covers networks enabling access to the Internet at speeds of 1 Mbps or higher.

It can be said that Asia is already one of the most developed regions in terms of deployment of broadband platforms. But toward a ubiquitous network society in the future, all people in Asia will benefit from ICT through more widespread use and full utilization of broadband platforms. Moreover, broadband platforms will lead to further socioeconomic and cultural developments of Asia including Japan, and thus to peace and stability in the Asian region as well as the world.

### (3) Current status of Asia

When looking into the current status of Asia, the following problems exist:

- (i) While there are countries/economies with higher penetration rates of broadband platforms, at the same time there are countries/economies with penetration rates of 1% or less for telephone networks and the Internet. The significant digital divide exists between respective Asian countries/economies and between urban and rural areas, which looms as a potential danger that may increase economic and social disparities further.
- (ii) Even in some environments accessible to broadband platforms, there are situations under which broadband penetration is still stagnant due to inhibited use derived from lack of demand.
- (iii) The volume of information flows

between countries/economies within the Asian region, compared to those within North America and Europe, is not high. Furthermore, when comparing the tripolar hubs of Asia, North America and Europe, whereas trade volumes between each of any two of the those hubs are nearly balanced, information flows between Asia-North America and between Asia-Europe are significantly small compared to those between North America and Europe.

### (4) Need for efforts to address preparation of broadband environments

Taking into consideration the viewpoints above, efforts shall be made henceforth to bridge the digital divide in developing countries/economies, enable all people in Asia to benefit from ICT and encourage further socioeconomic and cultural developments of Asia including Japan. To this end, it is vital to encourage further deployment and widespread use of broadband platforms, with an eye toward cultural diversity in Asia.

For this, while the private sector takes initiatives and governments play complementary roles in efforts made by the private sector, it is essential that governments, business entities, NPOs, international organizations and such other entities collaborate on concerted efforts with ownerships. Japan, in this case, is expected to play a leading role, making the most of its technological competence and expertise.

Thus, the Japanese government will, in cooperation with other governments, business entities, NPOs, international organizations, etc. in Asia, strive to realize the following goals:

### II. Goals

In this Program, setting 2010 as the target year, a common goal in Asia is to invigorate information flows within the region to make Asia as a whole a global information hub, through the realization of the followings:

- (i) Enable all people in Asia to gain access to broadband platforms including access from various public facilities, and to use applications utilizing broadband advantages to the fullest.
- (ii) Construct international intra-regional broadband networks with sufficient bandwidths for linking directly countries/economies in Asia.

Increase amounts of information flows (network bandwidth) between "Asia and North America" and "Asia and Europe" to the same level as those between "North America and Europe."

- (iii) Facilitate transition of IPv4 networks to IPv6 (Note 2)-ready networks in Asia, and make Asia the leading region in ICTs such as the next-generation mobile communications technology.

Note 2: The term "IPv6" stands for Internet Protocol version 6. IPv6 is the next-generation standard of Internet Protocol necessary for enabling data communications over the Internet. Compared to IPv4 currently in use, IPv6 enables a significant increase in the number of addresses, strengthened security and other beneficial features.

- (iv) Prepare environments under which Asian people are able to use ICT in a safe and easy-to-use manner.
- (v) Digitize and archive major cultural assets in Asian countries/economies, to share them within the region and transmit them to the rest of the world via broadband.
- (vi) Develop machine-translation technologies between major languages in Asia, and put them into practical use.
- (vii) Dramatically increase the number of engineers and researchers in the ICT field in Asia.

### III. Measures to be taken

#### (I) Perspectives

Policies to be taken for realizing "II. Goals" above are of two categories as follows and appropriate measures have to be taken in both categories.

- (i) Policies for preparing network infrastructure pertaining to broadband platforms
- (ii) Relevant policies for introducing and diffusing broadband platforms

Thus, with an eye on the extension of benefits of Japan's domestic policies to Asian countries/economies through international conferences and other opportunities, the measures noted below shall, in collaboration with the relevant ministries, be taken.

In addition, taking into consideration the fact that on the occasion of the G8 Leaders' "Kyushu-Okinawa Summit Meeting" Japan announced a comprehensive cooperation package to help bridge the digital divide with official funds totaling about 15 billion dollars including OOF and ODA funds for five

years, Japan will implement these measures by FY2005 with priority.

Of the following measures, those applicable to Pacific island nations can be promoted in those nations.

## (II) Measures for preparing network infrastructure pertaining to broadband platforms

### (1) Basic concepts

It is vital to build network infrastructure so as to enable all peoples in Asia to access broadband platforms at an affordable price level in the future.

To this end, with regard to developing countries/economies and rural areas, in order to close the digital divide, network infrastructure making the most of technological innovations shall be prepared (for example, IP-based networks enabling low-priced IP-telephony services instead of telephone networks, and wireless networks including satellites).

Along with progress in domestic deployment of broadband platforms, it is anticipated that demand for circuits will grow in the future. Another important aspect is that it is difficult to ensure sufficient quality levels due to the fact that international information flows between Asian countries/economies via the Internet is dependent on other regions. Thus, international network infrastructure with sufficient bandwidths for meeting circuit demand within the Asian region shall be prepared to link directly Asian countries/economies.

With respect to new network infrastructure technologies beneficial to Asia, R&D activities including joint research with Asian researchers shall be carried out and benefits thereof shall be extended to Asian countries/economies. Such R&D activities shall be strategically carried out in a system open to researchers regardless of nationalities, with an eye to retaining leaderships, working toward establishment of technologies with higher transparency, and considering making outcomes international standards.

In addition, human capacity building and human resource exchanges including engineers and researchers with advanced knowledge and expertise regarding network infrastructure shall be promoted.

Relating to the Quasi-Zenith Satellite System to be developed toward realization, deliberations should be engaged on availability of the Satellite System as a

future network infrastructure in Asia, taking into account feasibility studies on commercialization undertaken by the private sector.

### (2) Specific measures

(i) Support for preparation of network infrastructure in developing countries/economies

In order to bridge the digital divide in developing countries/economies and rural areas with insufficient basic ICT network infrastructure, it is vital to construct network infrastructure, such as i) access circuits including utilization of wireless technologies, ii) IP-based networks, iii) Internet centers utilizing various public facilities such as post offices. Taking into account these points and the need of developing countries/economies, continue appropriate supports for constructing infrastructure.

(ii) International infrastructure preparation in the Asian region

a) Support efforts of private businesses in Asian countries/economies to i) facilitate interconnection through peering among Asian ISPs (Note 3), ii) enhance international Internet circuit capacities including reinforcement of backbones. For this, convene fora through private and public sector cooperation.

Note 3: The term "ISP" stands for Internet Service Provider and indicates businesses providing the service of access to the Internet.

b) Continue to promote surveillance on Internet traffic structures within Japan and between Japan and individual Asian countries/economies, in cooperation with ISPs, to track traffic structures within the Asian region.

c) Extend fruits of "joint experiments between Japan and Asian countries/economies for promoting information flows" to Asian countries/economies for further construction of international IXs (Note 4).

Note 4: "IX (Internet exchange)" means a point of interconnection over the Internet linking networks of domestic and foreign ISPs utilizing high-speed switches.

(iii) Development of new infrastructure technologies specially suited for use in Asia

a) Promote diffusion of fruits of R&D on key technologies including large-scale multicasting indispensable for broadband satel-

lite systems serving Asian countries/economies.

b) Launch the ultrahigh-speed Internet satellite (Note 5), carry out verification experiments thereon with wide-ranging participation of Asian countries/economies and promote commercialization thereof based on the achievement of the verification experiments, in order to contribute to the construction of network systems for the ultrahigh-speed Internet utilizing satellite communications.

Note 5: The name of the ultrahigh-speed Internet satellite to be launched by 2005 is the Wideband InterNetworking engineering test and Demonstration Satellite (WINDS).

c) Based upon the agreement of the First Japan-China-Korea ICT Ministerial Meeting (September 24, 2002), encourage i) further standardization, ii) harmonization of the system, and iii) exploration of service application, of the third-generation cellular telephone systems through concerted efforts between private and public sectors.

(iv) Promotion of R&D and standardization regarding network infrastructure

a) Because it is effective to carry out international joint R&D with industry-government-academic collaboration for strategically promoting international standardization, continue to promote international joint R&D with Asian research institutes and other organizations on the fourth-generation mobile communications systems and other technologies. Continue to promote international joint R&D activities, including those of the Asian Info-Communications Council (AIC), APII testbed projects, and other relevant organizations, and strengthen cooperative ties among relevant organizations.

b) Promotion of international standardization activities in Asia

i) With respect to technologies such as real-time transmission systems for broadband audio-visual content production systems, promote international joint projects for R&D and verification experiments between Japan and other Asian countries/economies. Encourage standardization activities within Asia for global standardization through fora, including the APT

Standardization Program (ASTAP).

- ii) Aimed at forming human networks among people involved in standardization activities in Asia, raising levels of human resources and making Asian-origin technologies international standards, encourage joint proposals of Asia to ITU and other standardization bodies via APT, ASTAP; and joint R&D, seminars and other forms of human resource development utilizing APEC, AIC, etc., with respect to the next-generation network technology, network security technology, etc. In particular, through regular meetings among our domestic standardization organizations and their counterparts, strengthen collaboration with China and the Republic of Korea, which have enhanced capacities on R&D and standardization.
- c) For the purpose of promoting R&D exchanges within Asia, and diffusing Asian-origin technologies regarding network infrastructure as international standards, prepare R&D bases for promoting exchanges of researchers and encouraging international joint R&D projects by industries, governments and academia.
- d) In order to encourage international R&D in Asia, prepare broadband international testbeds utilizing the ultrahigh-speed Internet satellite (WINDS) for joint technological development and verification experiments. These testbeds shall be open to Asian research institutes and other organizations as a forum for wide-ranging international joint R&D. For this, R&D themes are to be invited from the public.
- (v) Human capacity building and exchanges of human resources concerning network infrastructure
  - a) Promote i) acceptance of trainees from Asian countries/economies, ii) dispatch of experts to Asian countries/economies, and iii) e-learning, in order to promote human capacity building in each country/economy.
  - b) In order to encourage human capacity building and exchanges of human resources such as engineers, researchers and lecturers in Asia, provide financial assistance to

training institutes on a country basis or regional basis such as ASEAN and support effective activities of such institutes through dispatch of engineers and researchers from Japan.

- c) In order to encourage the exchange of engineers and researchers, promote both relaxation and simplification of conditions covering the issuance of entry visas and conditions pertaining to the granting of residence status (conditions for landing) to qualified persons among such ICT researchers.

## (II) Relevant measures for introducing and diffusing broadband platforms

### 1. Preparation of common key infrastructures

#### (1) Basic concepts

In order to deploy broadband platforms in Asia and actively transmit rich content to Asia, it is vital to prepare common infrastructure for broadband platforms such as i) assurance of network security, ii) preparation of rules on intellectual property rights and appropriate application thereof, iii) standardization of code systems. To this end, Japan will promote cooperation with Asian countries/economies.

Furthermore, it is anticipated that broadband platforms will be rapidly deployed in Asia with a huge population, resulting in serious problems with the shortage of addresses. Thus, Japan shall support efforts to diffuse IPv6.

#### (2) Specific measures

- (i) Assurance of network security
  - a) In order to promptly cope with emergency cases of large-scale Internet faults and prevent occurrence of violation of network security, strengthen the international collaboration among governments in Asia and organizations for network security such as the Telecommunications - Information Sharing and Analysis Center (Telecom- ISAC)

(Note 6)

Note 6: "ISAC (Information Sharing and Analysis Center)" is an information security support organization. An ISAC is established at each industrial sector that supports companies in dealing with information security through information sharing and analysis concerning system vulnerability and cyber-attacks.

- b) In order to provide highly reliable network services and realize highly secure communications, carry out verification experiments for constructing secure service platforms, which provide networks with personal identification functions, and promote to diffuse the results thereof to Asian countries/economies.

(ii) Preparation of rules on intellectual property rights and appropriate application thereof

- a) At the World Intellectual Property Organization (WIPO), new treaties and conventions on audio-visual performance and broadcasting organizations are being considered. Play an active role for adoption of those treaties and conventions and encourage Asian countries/economies to conclude the already-effective "WIPO Copyright Treaty" and "Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations."

- b) Support efforts to prepare copyright protection systems and raise awareness on copyright protection in Asian countries/economies through dispatch of experts, holding of seminars, support for human capacity building such as acceptance of trainees and so on, and cooperation on development of educational materials. At the same time, make efforts to monitor copyright systems and its administration through use of the review of provisions under the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS).

(iii) Harmonization of technical standards pertaining to telecommunications

Toward harmonization of technical standards pertaining to telecommunications and certification of conformity with technical standards, promote information exchanges with Asian countries/economies.

(iv) Support and cooperation for diffusion of IPv6

- a) Carry out model verification experiments for facilitating transition of Internet infrastructures from IPv4 to IPv6, to establish transition technologies and transition models. And share knowhow on transition to IPv6 with Asian countries/economies by publication of results of the

verification experiments, technology standardization at international organizations, etc.

- b) Establish IPv6-ready satellite technologies compatible with terrestrial systems through R&D on IPv6-ready satellite broadband technologies and encourage widespread use of those technologies in Asian countries/economies.
- c) With respect to joint experiments currently conducted between Japan and Asian countries/economies concerning key infrastructure for large-volume content distribution using IPv6, encourage widespread use of fruits of those experiments in Asian countries/economies.

## 2. Promotion of use of broadband platforms

### (1) Basic concepts

In order to promote widespread use of broadband platforms, it is vital that in addition to preparation of network infrastructure, broadband platforms are fully attractive to users. To this end, Japan will make efforts to enrich attractive applications, fully utilizing advantages of broadband.

Also, private sector efforts, such as international exchange activities, that concern applications utilizing broadband platforms must be given due consideration.

### (2) Specific measures

- (i) Promotion of applications utilizing advantages of broadband
  - a) Promotion of e-governments at central and local levels
    - i) In order to enhance transparency and efficiency of administrative procedures through introduction of electronic administrative procedures and electronic procurement, support countries/economies, in which e-governments at central and local levels are not sufficiently prepared, for developing relevant master plans and systems, etc.
    - ii) In order to encourage Asian countries/economies to introduce e-governments at central and local levels, promote information exchanges and studies on e-governments on a multilateral basis in Asia.
  - b) Toward introduction and diffusion of e-learning providing wide-rang-

ing people with opportunities for education and training, support efforts to introduce e-learning into Asian countries/economies, utilize the JICA-NET <sup>(Note 7)</sup> and enhance content for education and training, etc.

Note 7: JICA-NET: The JICA-NET aims to extend timely and flexible technical cooperation and policy advice by linking through communication network two Core Centers in Japan (Okinawa and Tokyo) to Satellite Centers that are set up in developing countries as human resource building basis. Satellite IT Centers are already in operation in Jakarta (Indonesia), Kuala Lumpur (Malaysia) and Manila (the Philippines) in FY2001, and will be established in Laos, Bangkok (Thailand), and Vietnam.

- c) In response to progress in preparation for medical care infrastructure and demand from people in charge of medical care in Asian countries/economies, support Asian countries/economies to utilize e-health and foster people in charge of e-health.
- d) Toward large-capacity video transmission experiments based upon the agreement of the First Japan-China-Korea ICT Ministerial Meeting, promote various opportunities for international cooperation through concerted efforts of the public and private sectors.

## 3. Promotion of digital content distribution

### (1) Basic concepts

There are many languages in Asia. This would cause obstacles in exchanging information within Asia on the Internet and providing and obtaining important information. In order to deploy broadband platforms and encourage distribution of digital content, it is vital to facilitate machine translation among many Asian languages. To this end, development of machine translation technologies and methods between Asian languages shall be continuously carried out.

In addition, it is thought to be important that i) Asia's diversified cultures are to be preserved, ii) cultural exchanges are to be promoted, iii) information from Asia is to be transmitted to the rest of the world, and iv) the tourism industry is to be promoted, etc. Thus, Japan will encourage efforts to construct digital archives of the diverse and unique cultural

assets and other attractions of Asia.

### (2) Specific measures

- (i) Development of multiple-language translation technologies
  - a) In the R&D for international IXs and joint experiments between Japan and Asian countries/economies for encouraging information distribution that are being carried out to establish international ICT hubs, a multilingual environment is to be established. Diffuse its results to Asian countries/economies.
  - b) Develop multilingual dictionaries and collect texts in multiple languages as linguistic data on Asian languages for R&D on networked multilingual translation systems and research. In cooperation with research institutes in Asian countries/economies, formulate formats of dictionaries and texts suitable for Asian languages to introduce such efforts to standardization activities already underway in North America and Europe.

### (ii) Promotion of digital archives

In order to promote digital archives that digitize and preserve diverse Asian cultural and other assets, support efforts to construct digital archives of cultural and other assets in developing countries/economies in cooperation with relevant organizations.

## 4. Support for developing national strategies, policies/schemes

### (1) Basic concepts

In order to encourage widespread use of broadband platforms in Asia, it is vital for Asian countries/economies to i) establish national strategies, ii) prepare related policies and schemes such as pro-competitive policies, and iii) apply those systems appropriately. To this end, upon developing and implementing appropriate ICT policies in Asian countries/economies, efforts shall be made to provide and share useful knowledge and knowhow, etc.

### (2) Specific measures

- (i) Support for formulating national strategies through policy dialogues, sharing of knowledge

In order to support policymakers in each country/economy and share knowledge and knowhow, strengthen the existing measures further through dispatch of missions for policy dialogues and experts, policy assistance using websites

like the Japanese government's "DO Site", etc. Promote cooperation for preparing policy and schemes by utilizing multilateral frameworks.

(ii) Tracking diffusion of broadband systems

Collect best practices concerning broadband deployment, and share this data among Asian countries/economies.

## 5. Support for developing countries/economies

### (1) Basic concepts

As mentioned in "I. Basic concepts," the significance of ICT in social development and economic growth is internationally recognized under the United Nations "Millennium Declaration" and other statements and bridging the digital divide has also become the world's urgent challenges. Furthermore, deploy-

ment of broadband platforms is becoming important issue. Taking these into account, supports for developing countries/economies by measures mentioned above shall be implemented.

### (2) Specific measures

(i) Promotion of projects utilizing ICT

Promote preparation of ICT network infrastructure and develop and implement projects utilizing ICT, such as e-governments, distance learning, telemedicine, etc.

(ii) Promotion of development of projects through policy dialogues and other opportunities with individual countries/economies

With regard to ODA, promote highly-rated projects in countries/economies that have already been implemented and found to have a high economic develop-

ment effects in another country/economy, through policy dialogues and other opportunities with relevant countries/economies.

(iii) Implementation of projects for multiple countries/economies

In order to promote preparation of international networks linking multiple countries/economies and IXs necessary for widespread use of broadband platforms, implement projects targeting multiple countries/economies.

## IV. Review of this Program

This Program is to be reviewed by the end of FY2005, considering progress in diffusion of broadband platforms in Asia and implementation status of measures proposed in this Program, etc.

# 29th AIC Conference to Be Held in Tokyo in May

The Asian Info-communications Council (AIC) was established in 1988 with the purpose of conducting joint studies for promoting the advancement of information and telecommunications infrastructures in the Far East Asian Countries and member countries of the Association of South East Asian Nations (ASEAN).

At present, AIC consists of telecommunications administrations, telecommunications carriers, manufacturers, research institutes, etc. totaling 102 entities from nine Asian countries, namely China, Indonesia, the Republic of Korea, Malaysia, the Philippine, Singapore, Thailand, Vietnam and Japan.

AIC sets a term of activities every five years. AIC, during the fourth term of AIC activities starting from April 2003, will carry out international collaborative studies in the ICT field, including broad-

band Internet, IPv6, the next-generation mobile communications, satellite communications, security and human resource development, etc.

The first Conference during the fourth term will be held in Tokyo from May 19 through 23, 2003.

At the Tokyo Conference, under the special theme, "e-Security - Issues and Challenges in KnowledgeBased Society," member countries will make presentations on hot issues. For example, presentations are scheduled on IPv6 strategy in China, the latest trends in IMT-2000, IPv6 and photonic networks in Japan. In addition, the "Asia Broadband Program," set forth in March 2003 by MPHPT and other ministries in order to encourage further deployment and widespread use of broadband platforms in Asia, will be introduced. Thus, it is anticipated that active discussions will

be carried out on how to introduce broadband platforms into Asian countries/economies.

MPHPT welcomes the attendance of AIC member countries at the 29th AIC Conference.

**Date:** May 19 (Mon.) – 23 (Fri.), 2003

**Venue:** Chuo University, Korakuen Campus (Tokyo), 1-13-27 Kasuga, Bunkyo-ku, Tokyo 112-8551, Japan

For details, please refer to URL at: <http://www.aic.or.jp>

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# MPHPT Partially Amends Regulations for Interconnection Charges

On March 28, 2003, MPHPT received a report from the Telecommunications Council (Chair: AKIYAMA Yoshihisa) with regard to the inquiry made on February 14, 2003, in relation to a draft ministerial ordinance for the partial amendment to the Regulations for Interconnection Charges. The report stated that it is appropriate to revise the draft inquiry with partial changes. This report included the results of the invitation of public comments that was implemented by the Council from February 14 through March 14, 2003. MPHPT will, paying due respect to this report, make partial amendments to the Regulations for Interconnection Charges.

For details refer to the Japanese website

[http://www.soumu.go.jp/s-news/2003/030328\\_11.html](http://www.soumu.go.jp/s-news/2003/030328_11.html)

## [Report]

This Council hereby issues this report on the case pertaining to Inquiry No. 1090 of February 14, 2003 after due deliberations upon said case.

## Comments

1. With respect to this case, the draft ministerial ordinance to amend the Regulations for Interconnection Charges is recognized as appropriate in cases where the following conditions are ensured:
  - (1) Upon adjustment charges pertaining to interconnected calls, MPHPT shall decide input data (unit prices

for equipment, useful lives, various ratio of general expenses, return on capital) other than traffic through methods, such as public invitation, etc.; then, MPHPT shall again inform NTT East and NTT West of said data under the provisions of Article 6 Paragraph (1) of the Regulations for Interconnection Charges; and MPHPT shall utilize the LRIC Model with consistency.

- (2) Upon adjustment charges pertaining to interconnected calls, the "amount of money to be obtained (amount of money to be shouldered)" pertaining to the adjustment between "NTT East and/or NTT West" and interconnecting carrier(s) shall be divided in proportion to the fluctuation of their traffic. Accordingly, the provision in the draft, "a portion exceeding 5% of the influenced amount shall be adjusted," shall not be applied to the adjustment.
- (3) Functions to adjusted shall be limited to local switching functions.
- (4) With regard to retroactive application of new interconnection charges calculated by utilizing the revised LRIC Model, the interconnection charges are to be applied on and from the effective day of the ministerial ordinance.

2. As regards opinions filed and opinions thereon of this Council, refer to the attached document. This Council hope that MPHPT will take the following measures and make progress reports on the implementation status

in an timely manner.

- (1) Provisional adjustment utilizing prospective values

In cases where it is anticipated that adjustment will be done, NTT East and NTT West shall stipulate provisions in their interconnection tariffs that provisional adjustments shall be made based on prospective values of traffic, etc. at the end of each fiscal year.

- (2) On calculation methods in and after FY2005

With respect to calculation methods in and after FY2005, calculation methods shall be deliberated upon taking into consideration presumption of environmental changes, such as decline in traffic, suppressed investment, etc.

- (3) On dealing of NTS (non-traffic sensitive) cost

Methods for NTS cost recovery, in addition to basic charges, shall be sweepingly and systematically reviewed. The results thereof shall be appropriately reflected in calculation methods to be adopted in and after FY2005.

- (4) On uniform interconnection charges of NTT East and NTT West

It is anticipated that social position of subscriber telephone services will change along with widespread use of IP telephony services, etc. With regard to the so-called "uniform interconnection charges" of NTT East and NTT West, considering such changes in circumstances, points shall be reorganized in conjunction with the universal service fund, etc. The results thereof shall be reflected in calculation methods to be adopted in and after FY2005.

# Outline of Bill to Amend the Telecommunications Business Law (TBL) and the NTT Law

## 1. Intention

In response to the rapid shift from the "age of telephony" to the "age of the Internet," from the viewpoint of encouraging telecommunications carriers to deploy diversified businesses, review overall regulatory frameworks of the Telecommunications Business Law (TBL).

From the viewpoints of manufacturers, etc. to swiftly put their terminal equipment into the market and contributing to invigorating economy and strengthening international competitiveness, introduce the supplier's declaration of conformity system under which manufacturers, etc. may declare by themselves that terminal equipment is in conformity with the technical conditions.

From the viewpoint of ensuring that specified interconnection charges of NTT East and NTT West shall be uniformly set forth, take necessary measures.

## 2. Outline of the Bill

### (1) Amendment to TBL

- i) Abolition of the business classification of Type I and Type II telecommunications businesses

Abolish the business classification of Type I and Type II telecommunications businesses in line with TBL under which telecommunications businesses are imposed disciplines according to whether in possession of circuit facilities or not. The permission system for business entries/withdrawals shall be abolished and registration/notification systems shall be introduced instead. Introduce an authorization system for the privilege of public utilities conducive to facilitation of circuit facilities deployment.

In principle, abolish regulations pertaining to service offerings, tariff setting, etc. (liberalization of service offerings). On the other hand, make rules for protecting consumers (announcement of withdrawal, explanation of important matters on services, swift process of complaints, etc.).

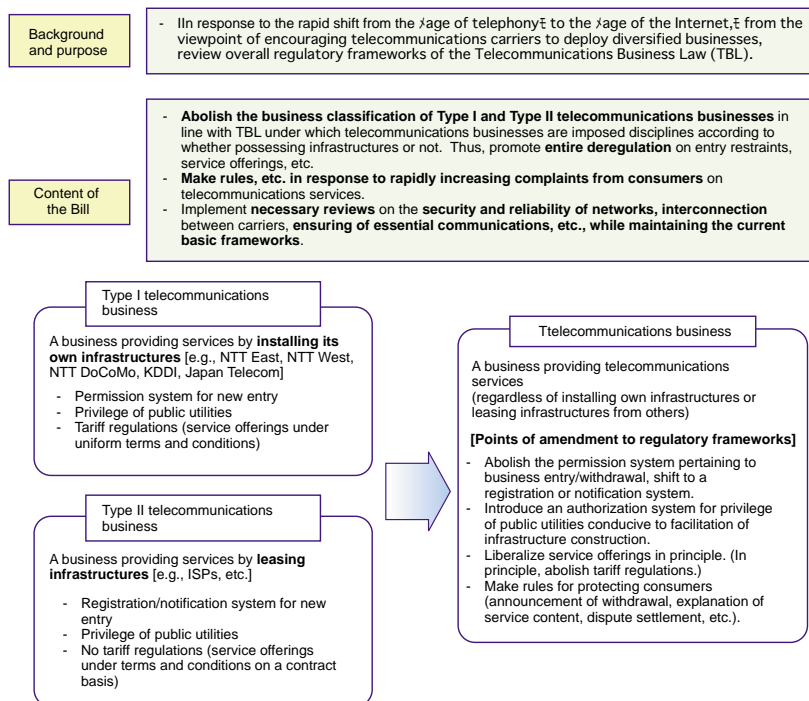
Make rules for ensuring essential com-

munications between carriers, etc.

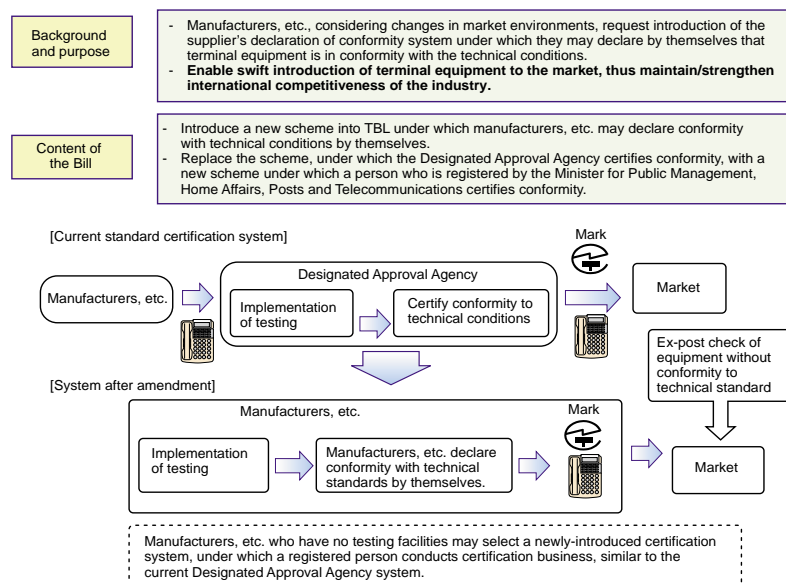
- ii) Introduction of a new scheme under which manufacturers, etc. may declare conformity with technical conditions by themselves

Introduce a new scheme into TBL under which manufacturers, etc. may declare conformity with technical conditions by themselves (supplier's declaration of conformity system), at the same

### Outline of Bill to Amend the Telecommunications Business Law and the NTT Law -- (1) - i)



### Outline of Bill to Amend the Telecommunications Business Law and the NTT Law -- (1) - ii)



time, make rules for overseeing manufacturers, etc. who have made self-declarations.

Replace the scheme, under which the Minister for Public Management, Home Affairs, Posts and Telecommunications or the Designated Approval Agency certifies conformity, with a new scheme under which a person who is registered by the Minister certifies conformity.

**(2) Amendment to the NTT Law**

From the viewpoints of ensuring the appropriate, impartial and stable provision of telephone service nationwide which is indispensable for people's daily lives, NTT East shall grant NTT West a fund.

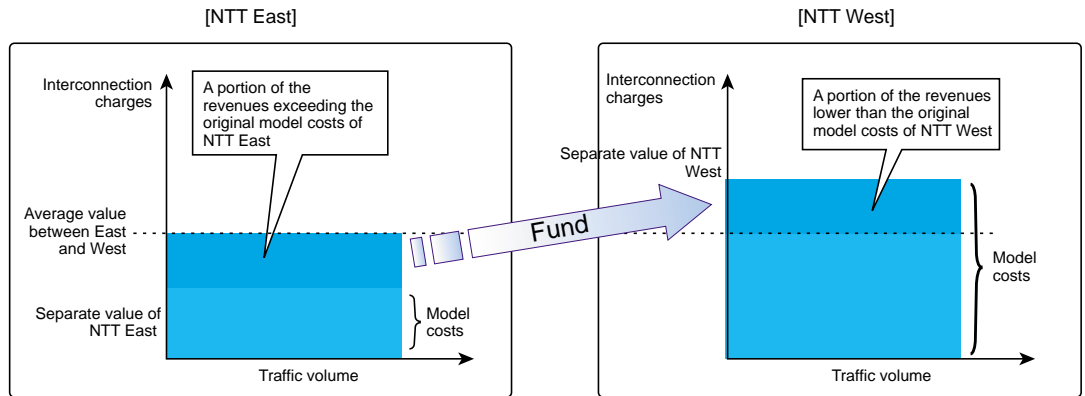
**3. Effective dates**

The effective date of each provision shall be the day as set forth under the

**Outline of Bill to Amend the Telecommunications Business Law and the NTT Law -- (2)**

- Background and purpose**
  - From the viewpoints of ensuring the appropriate, impartial and stable provision of telephone service nationwide which is indispensable for people's daily lives, specific interconnection charges of NTT East and NTT West shall be calculated based on the average value between East and West.
  - On November 28, 2002, the Standing Committees on General Affairs of both the House of Representatives and the House of Councilors adopted a resolution that, considering the intention of universal service, the average value of interconnection charges of NTT East and NTT West shall be retained after FY2003.
- Content of the Bill**

Through amendment of the NTT Law, as regards specific interconnection charges during the time period specified by the applicable MPHPT ordinance, NTT East shall grant NTT West a fund.



applicable cabinet order. The effective dates are as follows:

- (1) With regard to the abolition of the business classification of Types I and II, within one year calculating from the day of promulgation.
- (2) As for the system for self-declaration

of conformity with technical standards, within 2003.

- (3) With respect to the partial amendment to the NTT Law, within three months.