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COMMUNICATIONS NEWS

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

Bilateral Consultation between Japan and Finland

MPHPT convened the Japan-Finland Bilateral Consultation with the Finnish Ministry of Transport and Telecommunications on March 22 and 23, 2004, in Tokyo.

Both sides exchanged opinions on "Pro-competitive Policy," "ICT Policy," "Radio Policy (Radio Strategy and Mobile Communications)," "Reliability of Networks," "Digitalization of Broadcasting," etc.

As a result, both sides agreed to create collaborative projects between Japan and Finland in the area of ICT.

[Participants]

Japanese side: Mr. TAKAHARA Kouzou, Vice-Minister for Policy Coordination; ISHIDA Naohiro, Director-General of the International Affairs Department; et al.

Finnish side: Mr. PURSIAINEN Harri, Director-General of the Communications Department, Ministry of Transport and Communications; et al.

[Topics]

1. Pro-competitive policy

Both sides exchanged information on the current status of Japanese pro-competitive policy and the Finnish new competition frameworks such as the "Communications Market Act." Both sides agreed to maintain cooperation in order to further promote competition in the telecommunications field for ensuring user benefits.

2. ICT Policy

Both sides exchanged information on ICT policies in each country such as the Japanese ICT policy including the "e-Japan Strategy II" and the Finnish ICT strategy based on the "e-Europe 2005." Both sides agreed to maintain cooperation for exchanging opinions on points of accelerating actual use of established



Mr. PURSIAINEN Harri



Mr. TAKAHARA Kouzou

agreed to continue to exchange opinions on R&D in this area and keep cooperation through various channels such as international conferences.

5. Digitalization of broadcasting

Both sides exchanged information

infrastructures hereafter and promoting advancement of ICT in order to realize an ICT society for all.

3. Radio Policy (Radio Strategy and Mobile Communications)

Both sides also exchanged opinions and information on the radio policy in both countries such as Japanese views for spectrum trading and the review of spectrum/radio policy in Finland. Both sides agreed to try to use radio spectra more effectively and cooperate with each other in order to ensure frequencies for introducing systems that constitute the core of a "Ubiquitous Networks Society."

Both sides exchanged opinions and information on the current status of IMT-2000 (3G systems), the prospects for systems beyond IMT-2000. Both sides agreed to further promote cooperation between the two countries, which has been already implemented at MITF, FICORA and other fora, and to continue to exchange opinions on R&D and standardization.

4. Reliability of Networks

Both sides exchanged opinions and information on the major efforts to combat against SPAM mail. Both sides

on policies and on the current status of digitalization of broadcasting in the two countries, and agreed to continue to exchange opinions thereon between the two countries and cooperate on promotion of the diffusion of digital broadcasting.

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Interim Report of UWB Radio Systems Committee Compiled

The UWB Radio Systems Committee of the Information and Communications Technology Sub-Council of the Telecommunications Council (Chair: Prof. ANDO Makoto, Tokyo Institute of Technology) has been deliberating upon technical conditions for UWB Radio Systems since September 2002. The committee has recently compiled its findings as an interim report. The UWB Radio Systems Committee submitted this interim report and the results of public comments invited during February 2 through 27, 2004, to the Information and Communications Technology Sub-Council of the Telecommunications Council.

[Background]

1. Along with development of high-speed access networks to the Internet, such as expansion of transmission capacities for subscriber local loops, etc., it is anticipated that various equipment with communications functions will be networked in order to improve efficiency of work at office and convenience of daily life at home. Such networks will enable high-speed communications that transmit large-sized data, such as video.
 2. In recent years, UWB radio systems have been a focus of attention as wireless technology for high-speed transmission over a short distance. UWB radio systems transmit digital pulses across a very wide spectrum of frequency bands wider than several GHz bandwidth, thus enabling 100-Mbps class high-speed transmission and precision radio location systems.
- Upon introduction of UWB systems, it is necessary to deliberate upon technical conditions, such as frequency sharing conditions with other radio systems using spectrums within the frequency bands to be used for transmission by the UWB systems.

In response to these circumstances, since September 2002, the UWB Radio Systems Committee deliberated upon the "Technical Conditions for UWB Radio Systems" and compiled the interim re-

port.

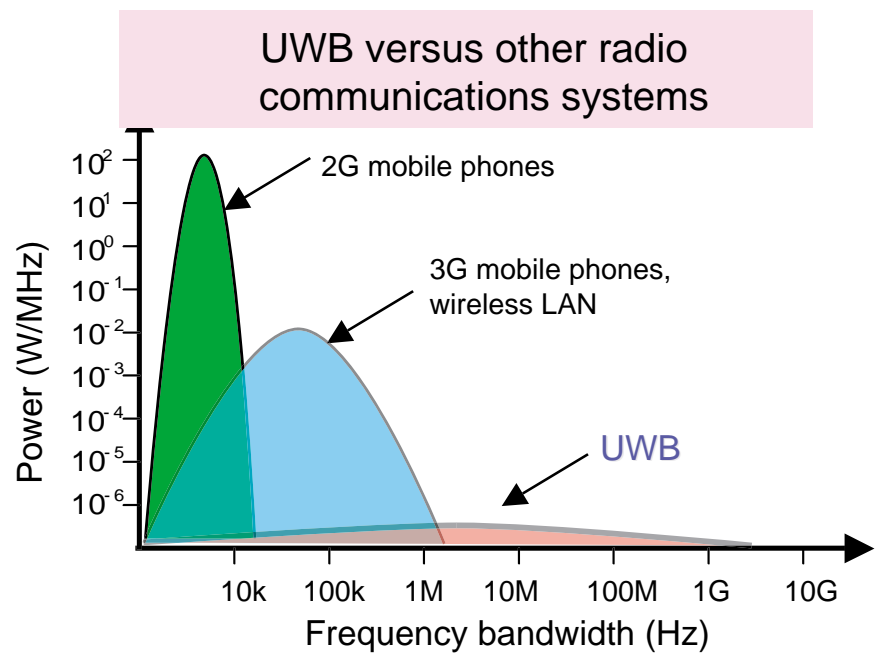
[Outline of this interim report]

Matters deliberated upon to date and compiled in this interim report include: situation in overseas for introduction of UWB; compatible models necessary for considering shared use; studies on interference with other radio systems; and

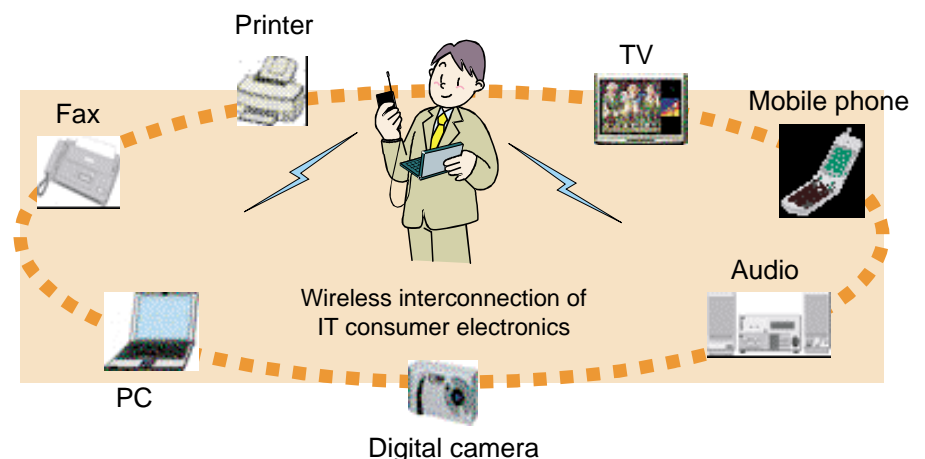
approaches to introduce UWB in the future.

For details of the outline of this interim report, please see the following URL;

http://www.soumu.go.jp/joho_tsusin/eng/Releases/Telecommunications/040324.pdf



UWB applications



Communications Usage Trend Survey in 2003 Compiled

MPHPT has compiled the Communications Usage Trend Survey as of the end of CY2003 in order to grasp the usage trends in telecommunications and broadcasting services within households (households and households members), offices (establishments) and companies (enterprises).

[Highlights of the survey results]

- The number of Internet users was 77.30 million.
The number of Internet users was 77.30 million, an increase of 7.88 million over the previous year.
- The population coverage rate surpassed the 60% mark for the first time.
The population coverage rate was 60.6%, growing by 6.1 percentage points over the previous year.
- The number of household subscribers to broadband circuits grew to almost one-half of all households in Japan.
Taking a look at access methods to the Internet, households that subscribe to broadband access circuits increased by 18.2 percentage points to 47.8%. On the contrary, subscribers to ISDN and dial-up access to the Internet decreased.
- The digital divide still exists.
The usage rates for the age groups of their 40s and 50s have considerably increased. The divide by income and gender tended to narrow. The digital divide, however, still exists.
- One-third of Internet users via PCs have suffered from viruses, SPAMs, etc.
Of Internet users via PCs, victims of viruses, SPAMs, etc. increased by 3.8 percentage points to 33.6%. By type of damages, "detection or infection of viruses" was the worst, reaching 21.5% of users.

<Outlines of the survey>

The "Communications Usage Trend Survey," which is composed of the following 3 sections: "Households/household members," "Offices (establishments)" and "Companies (enterprises)," has been conducted annually since 1990* as a statistical survey authorized by MPHPT in accordance with the Statistical Report Coordination Law. The survey on "household members" was added in 2001. In 2002, the survey was conducted as indicated in the Table [Details of the survey]:

(*The section "Companies (enterprises)" was conducted as the annual survey on "Corporate Networks" in 1993, 1995 and

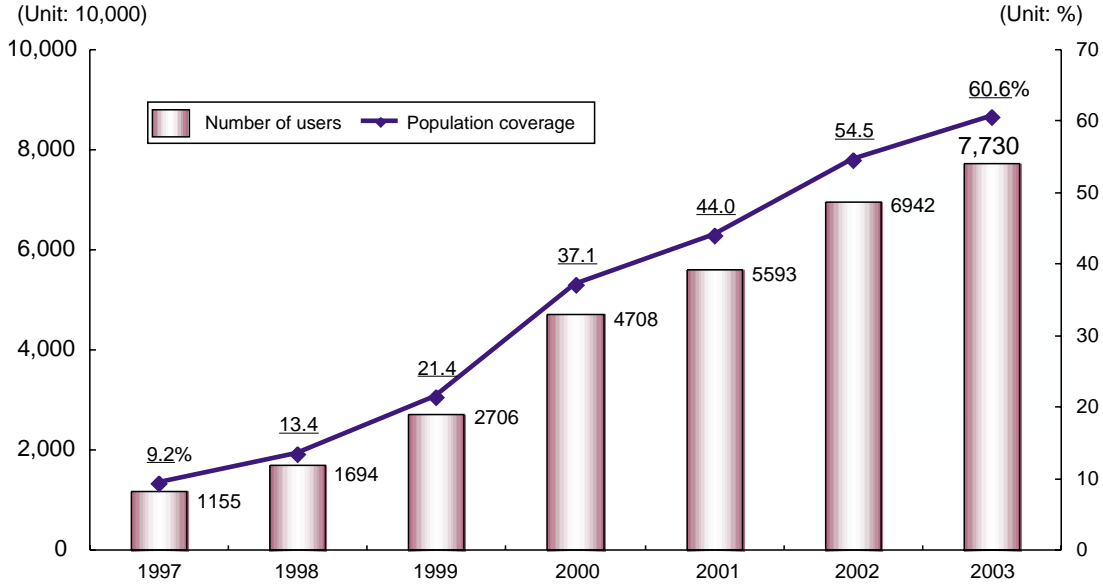
	Households	Offices (Establishments)	Companies (Enterprises)
Survey period	As of January 2004		
Survey area	Nationwide	Nationwide	Nationwide
Object samples surveyed	Households (including single households) headed by someone aged 20 or older as of April 1, 2003	Establishments with more than 5 regular employees excluding the industries of "Postal Services" and "Telecommunications" as defined in JSIC	Enterprises with more than 100 regular employees, excluding the industries of "Agriculture," "Forestry," "Fisheries" and "Mining" as defined in JSIC.
Number of samples	6,400	5,600	3,000
Effective replies (Rate)	3,354 (11,653 people) (52.4%)	3,235 (57.8%)	2,273 (75.8%)
Items surveyed	Communications usage trend		
Sampling Method	Random sampling (Stratified Two-stage Sampling on city, town or village status)	Random sampling (Systematic Sampling on regular employee size for each industry)	Random sampling (Systematic Sampling on regular employee size for each industry)
Method of survey	Mail survey (real mail)		

1996 separately, has been added in 1997 as a section of "Communications Usage Trend Survey.")

1. Penetration rate of the Internet

- The number of Internet users and population coverage as of the end of 2003

The number of Internet users increased by 7.88 million to 77.30 million and the population coverage was 60.6% (an increase of 6.1 percentage points over the previous year), surpassing the 60% mark for the first time.

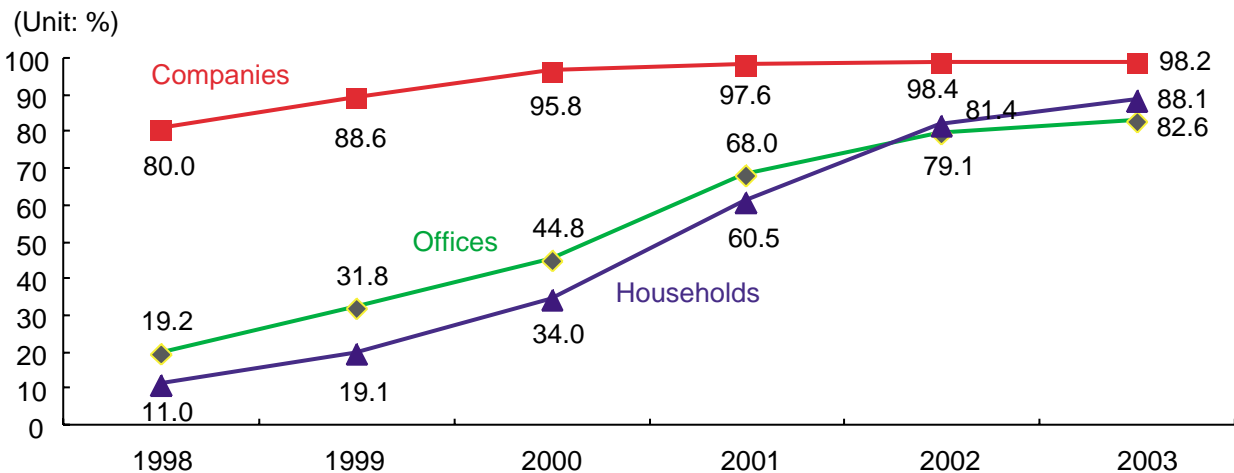


Notes:

- 1) The number of Internet users includes: i) persons who use one or more equipment such as PC, cellular/PHS telephones, game console, TV units with access functions, etc. and ii) Aged six or higher.
- 2) "60.6%" in 2003 indicates the Internet penetration rate to the population of Japan (including aged 5 and younger), and it was calculated as follows:
 $77.30 \text{ million Internet users} / 127.52 \text{ million persons (nation's total population}^*) = 60.6\%$
 * The total population of Japan was based on the data "Projected future population and proportion by age group, 2000-2050: Medium variant"(National Institute of Population and Social Security Research)
- 3) The figures for 1997 to 2000 were excerpts from the "2003 WHITE PAPER Information and Communications in Japan" (Ministry of Public Management, Home Affairs, Posts and Telecommunications). Figures for CY2001 and 2002 were estimates of this survey.
- 4) Upon estimate, taking into consideration the increase in the number of Internet users in the age groups of the elderly and students of elementary/lower secondary schools, the scope of surveyed age groups has been widened year on year. Thus, the comparison with estimated results in 2000 or earlier is not accurate. (Surveyed were aged 15- 69 in 1999 or earlier; 15 – 79 in 2000; aged six or higher since 2001).

• The Internet penetration rates for households (households and households members), offices (establishments) and companies (enterprises)

The household Internet penetration rate for households was 88.1% (increased by 6.7 percentage points over the previous



year), that for offices (establishments) 82.6% (increased by 1.2 percentage points over the previous year) and companies (enterprises) 98.2% (decreased by 0.2 percentage points over the previous year).

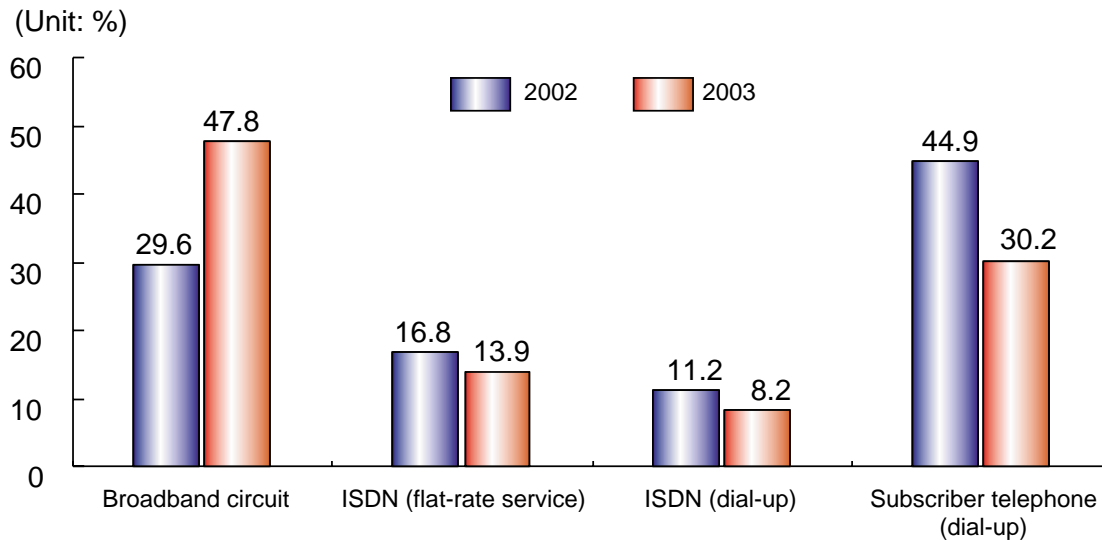
The penetration rate for households indicates the ratio of households having one or more members who use(s) the Internet at home or other locations through use of PCs, mobile telephones, etc. for individual purposes.

2. Broadband penetration rates for households/individuals

- Access methods to the Internet at home via PCs

Taking a look at access methods to the Internet, households that subscribe to broadband access circuits increased by 18.2 percentage points to 47.8%. On the contrary, subscribers to ISDN (flat-rate services to the Internet), ISDN (dial-up access) and subscriber telephone services (dial-up access) decreased over the previous year.

Fig. 1 Transition in the ratios by access circuit at home (multiple replies) (Of household Internet users via PCs)



Note: "Broadband circuits": DSL, cable Internet, wireless access (FWA, etc.) and fiber-optic cables

3. Digital divide among individuals

- Internet user ratios by attribute

Internet user ratios increased over the previous year in each attribute (higher growth rates were seen in age groups of their 40s and 50s, persons with annual income of less than 2 million yen and women). Although the digital divide by annual income and gender tended to narrow, it still exists.

Fig. 2 Transition in Internet penetration rate by age group

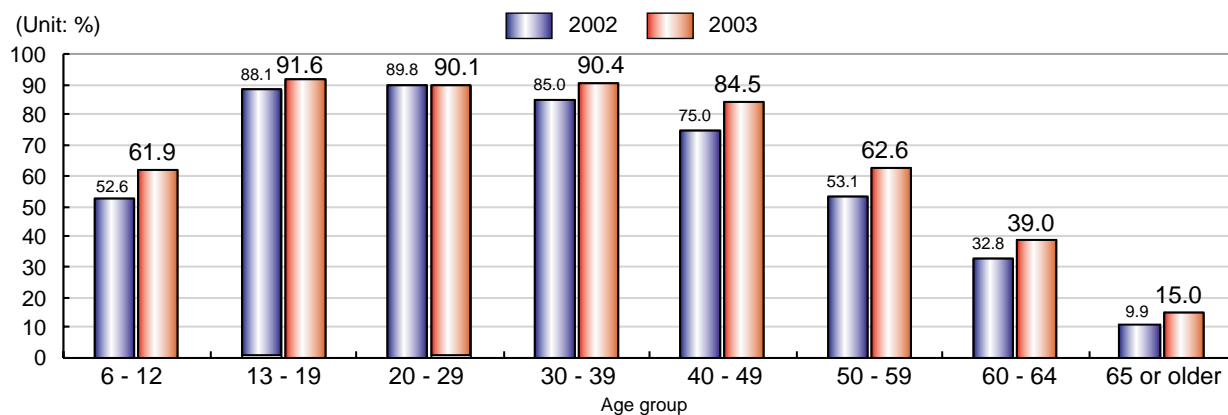


Fig. 3. Transition in Internet penetration rate by household annual income

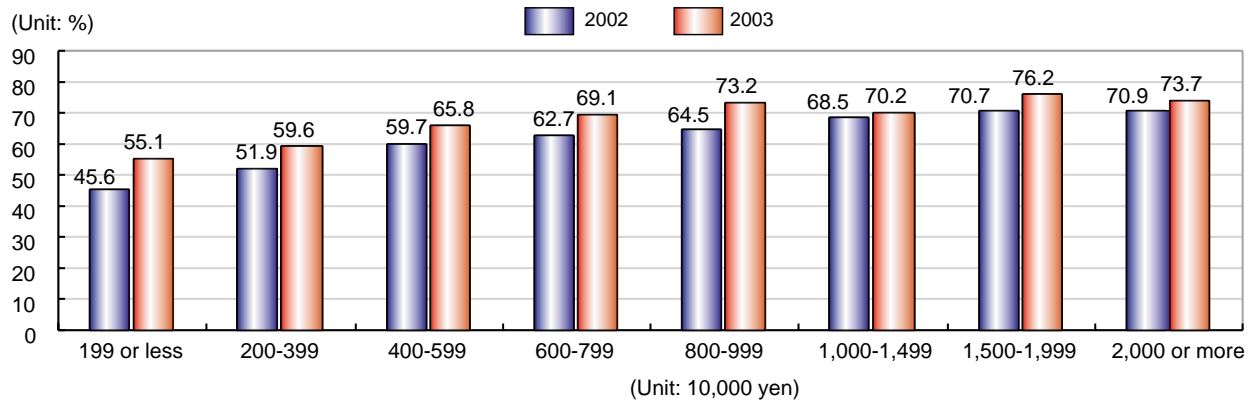


Fig. 4. Transition in Internet penetration rate by gender

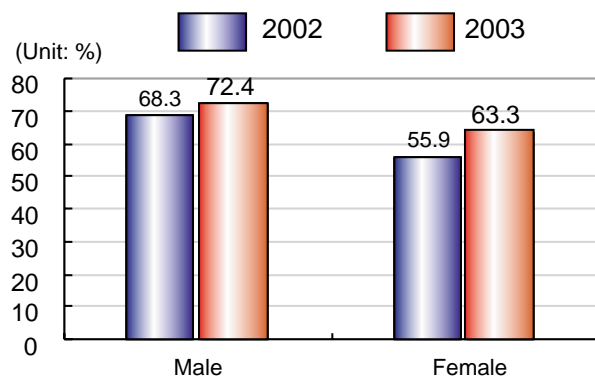
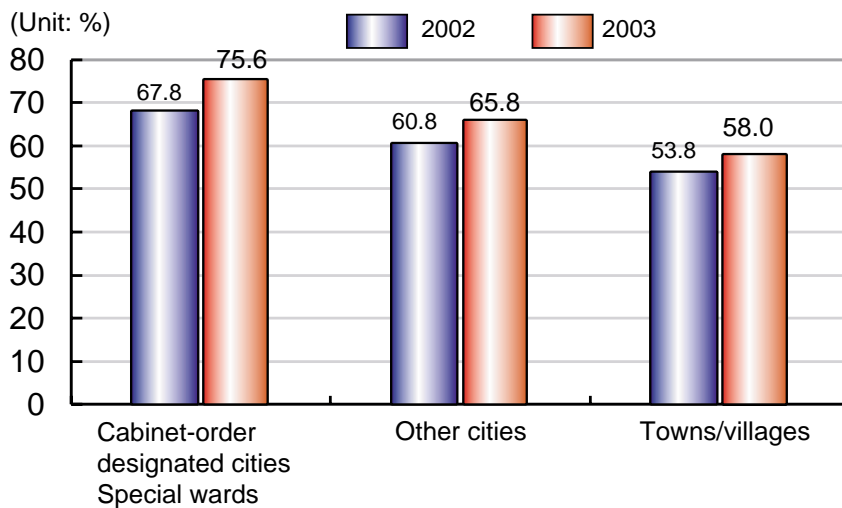


Fig. 5. Transition in Internet penetration rate by municipality size



4. Situation of anxiety, complaints and damages in Internet use by individuals

With respect to anxiety, complaints and damages in Internet use by individuals, 55.4% of the surveyed replied "protection of privacy" followed by "viral infection" (43.1%). The ratio of "no worries, no complaints" was 7.8%. Thus, these results indicate that many Internet users are using the Internet despite anxiety/complaints to some extents.

Fig. 6. Anxiety/complaints upon Internet use (multiple replies)

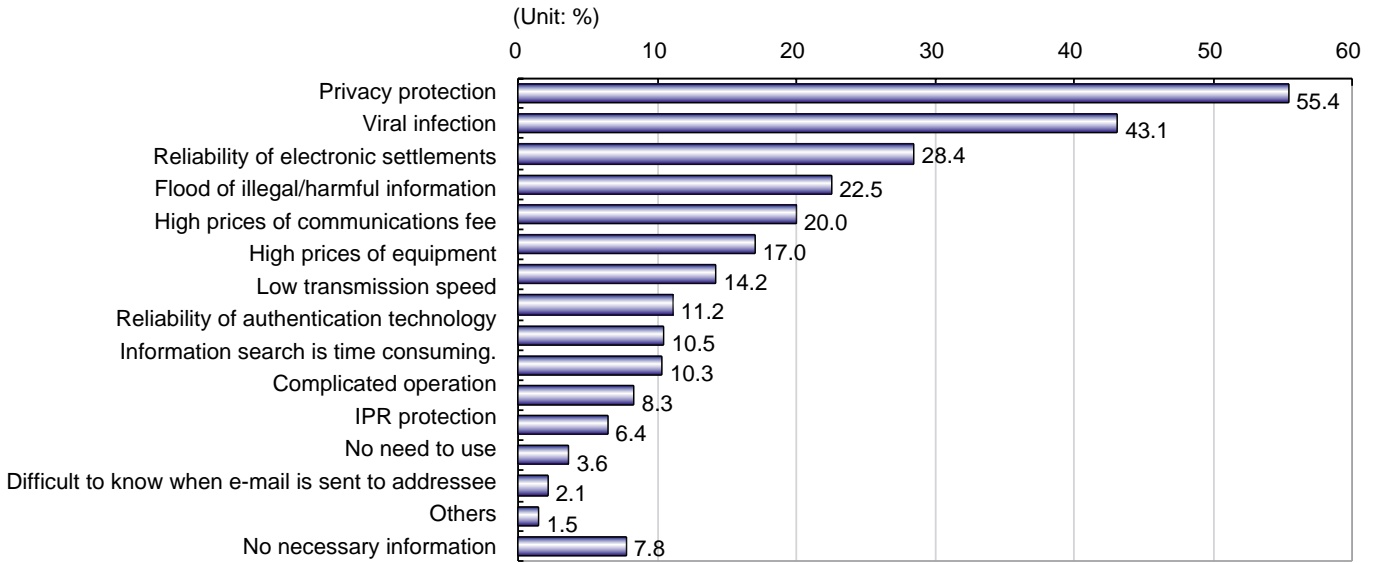
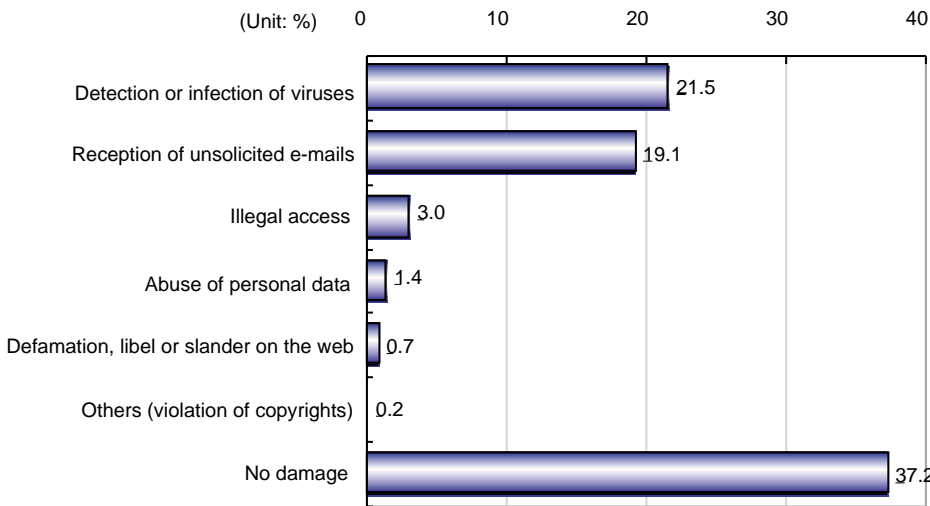


Fig. 7 Victims of the Internet use via PCs by type (multiple replies) (in the past one year)

- Victims of viruses, SPAMs, etc. among Internet users via PCs increased by 3.8 percentage points to 33.6%. By type of damages, "detection or infection of viruses" was the worst, reaching 21.5% of users, followed by "unsolicited e-mails" of 19.1%.



- Current status of Internet security measures taken by users

With regard to security measures, "introduction of virus checking software" was the most popular measures, totaling 32.0%. However, persons who did not take security measures comprised still higher 26.5%.

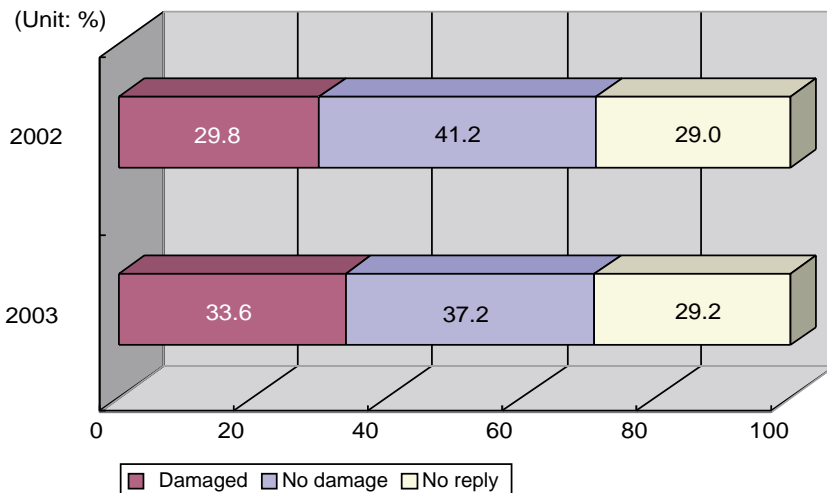
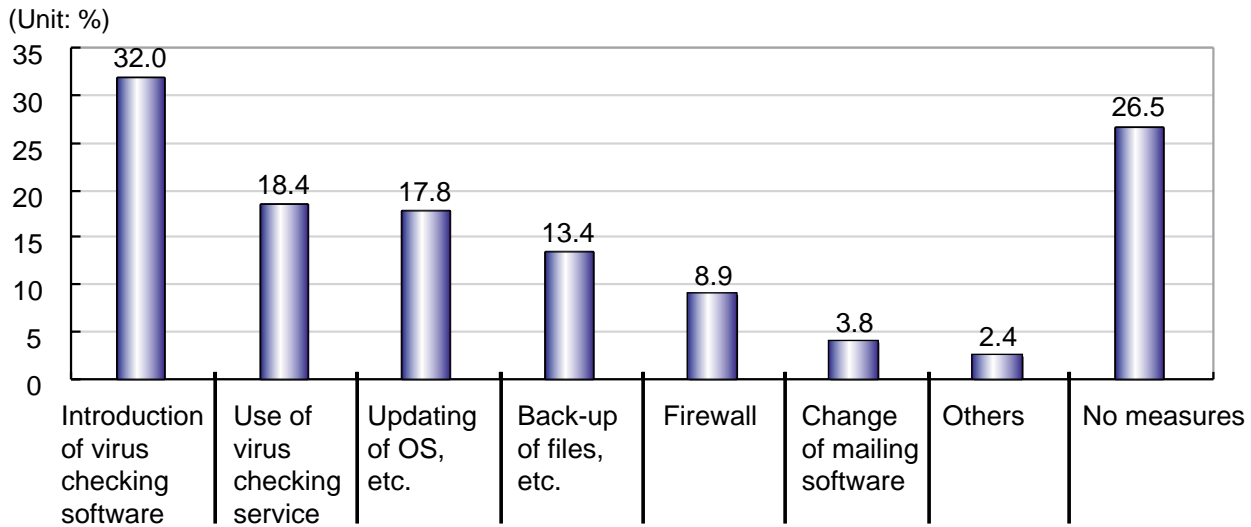


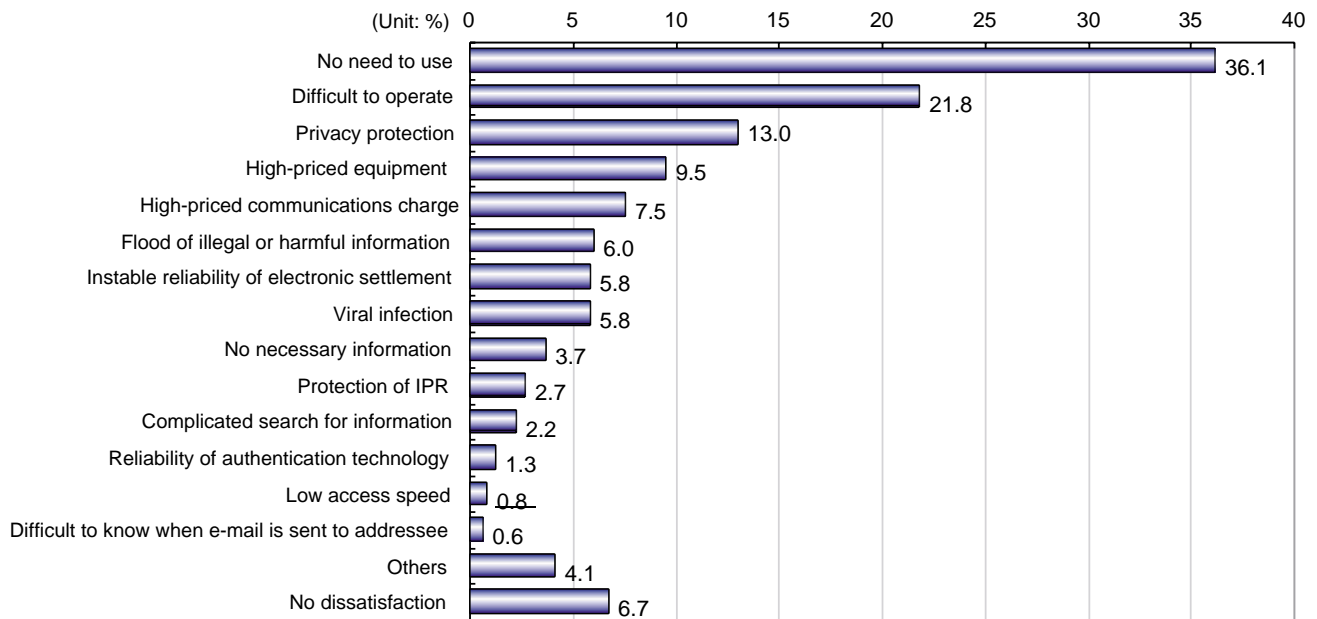
Fig. 8 Security measures by type (multiple replies)



5. Reasons not to use the Internet for individuals (who have not used the Internet)

Regarding reasons not to use the Internet for individuals (who have not used the Internet), "no need to use" was the highest, 36.1%, followed by "difficult to operate PC, etc." (21.8%). "Anxiety for privacy protection" comprised 13.0%.

Fig. 9 Reasons not to use the Internet for individuals (multiple replies)

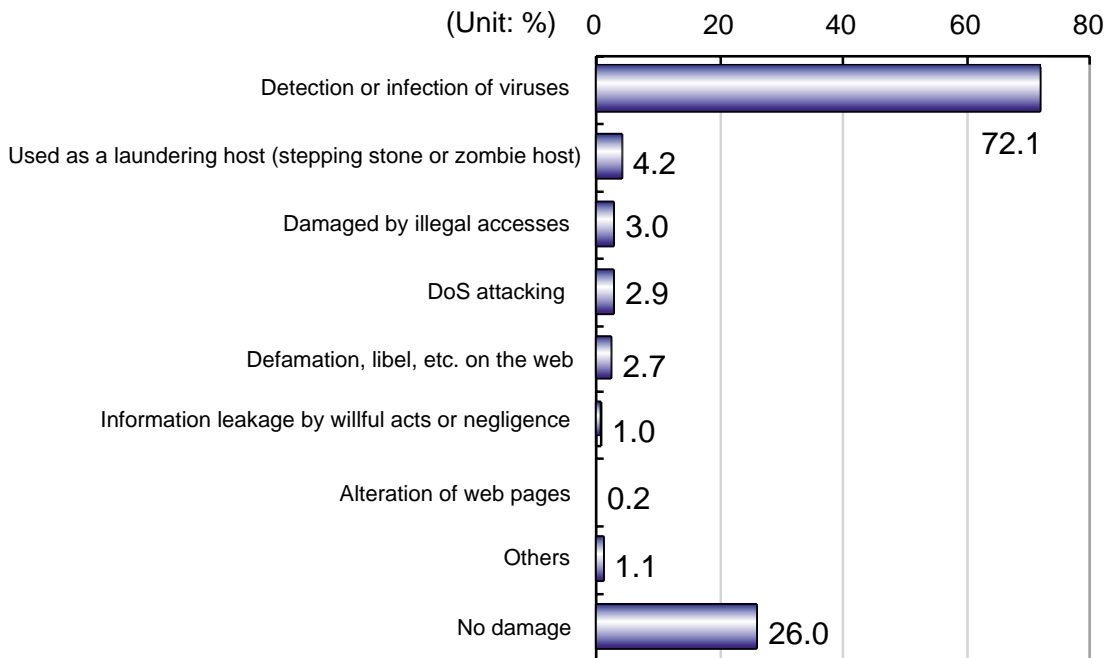
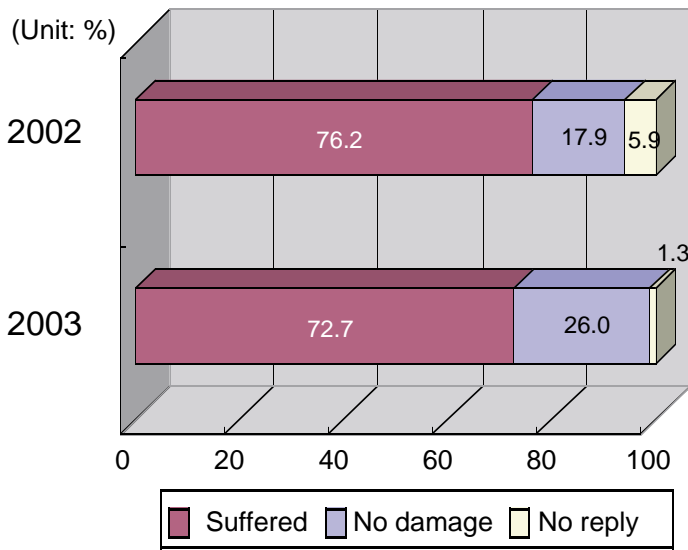


6. Damages, countermeasures, etc. concerning companies' information and communications networks

- Damages, countermeasures, etc. concerning companies' information and communications networks (the Internet, intranets, etc.)

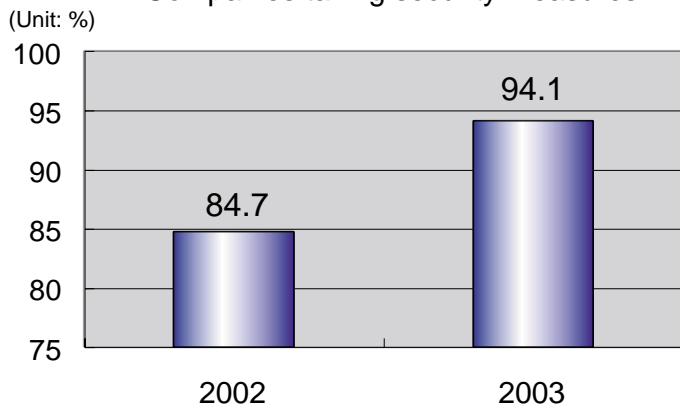
"Companies suffered from damages" decreased by 3.5 percentage points to 72.7%. By damage, "detection or infection of viruses" was the highest, reaching 72.1%.

Fig. 10 Damages and details thereof on companies' information and communications networks (multiple replies over the past one year)



- Notes:
1. To access without permission to computer systems of companies, etc. for causing some kind of damages, or to use them illegally
 2. Denial-of-service (DoS) attack sends a flood of e-mails to a mail server for making the server down, thereby it cannot offer any service.

Companies taking security measures



Companies taking some kinds of security measures increased by 9.4 percentage points over the previous year to 94.1%. Specifically, the most popular measures were "introduction of virus checking software at terminals" (72.7%). Measures such as "introduction of virus checking software into server systems," "access control by IDs and passwords" and "installation of firewall" have already been taken by more than 50% of companies.

Fig. 11. Companies taking some security measures

