

**MIC COMMUNICATIONS NEWS**

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## Telework Trial for MIC Employees to Be Expanded

*As from October 31, 2005, MIC will expand the scale of telework trial for MIC employees.*

### Purpose

Telework is a more flexible working mode, which realizes both improved welfare for workers and improved operating efficiency. Through widespread adoption of telework, it is expected that telework will contribute to solutions to social issues, including the low birthrate and an aging population, earth's environment, crisis control during disasters, etc. It is attracting further attention along with the recent drastic progress in information and communications technology (ICT).

Meanwhile, telework has not yet been introduced for government employees. From the viewpoint of promoting the introduction of telework in the entire employment system nationwide, there is strong demand for this to be implemented by government employees.

Taking such a situation into consideration and results of the first trial of telework in FY2004 among MIC employees, MIC has decided to expand the scale of telework trial for MIC employees. In this expanded trial (Phase II trial) in which the period will be extended and teleworkers will

increase through participation of multiple divisions, MIC will implement the Phase II trial through introduction of new IP telephony terminals and highly secure thin client type PCs. Thereby MIC will i) identify issues and provide solutions thereof for the full introduction of telework from FY2006, ii) contribute to the achievement of goals of the e-Japan Strategy-II, "By the year 2010, the government aims to have teleworkers working under an appropriate working environment comprise 20% of the working population," and iii) facilitate nationwide introduction of telework.

### Main items to be verified

- i) Verifying smooth information sharing between home offices and base offices (e.g., headquarters); and identifying issues thereon
- ii) Identifying and analyzing work management issues and considering measures to address such issues
- iii) Accumulating and identifying knowhows, etc. on telework

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## Schedule

During October 31, 2005, through February 28, 2005, MIC will implement the Phase II trial and compile a report by the end of FY2005.

## Outline of the Telework Trial

### Participating employees

Approximately 20 employees from the information divisions and offices of the Information and Communications Policy Bureau

### Outline

#### Work management related

- Telework will, as a rule, be implemented more than 1 day a week
- Work hours will be in the standard range, from 9:30am until 6:00pm. The implementation period will be for 4 months, from October 31 (Monday), 2005 until February 28 (Tuesday), 2006.
- The location of telework will be the employees' homes and the like.

#### System related

- Each employee will use a rented PC and ancillary equipment (The costs for electricity and telecommunications will be covered by MIC).
- High-speed telecommunication lines will be used, from each employee's home; either optical fiber (best-effort type 100mbps) or ADSL (best-effort type 47mbps).
- Private IP networks will be used as an information security measure. In addition, a firewall will be installed at the Data Center to implement virus detection and elimination, and prevent unauthorized access.
- Smooth communication and work management will be made possible through the use of IP telephony systems (which are expected to reduce voice communications costs), web TV conferencing (that can link up to 80 people) and messaging systems (chat function, indication of availability at desk, etc.).
- Information security measures will be strengthened with the introduction of a thin client system which will only deploy basic functions such as display and input in the client com-

puters, and the resources such as application software are all consolidated at the server level.

### Posting of Telework Diary

A "Telework Diary" on the status of implementation will be posted on the MIC website starting from October 31 (Monday), 2005

### The goals of telework

II. Promoting IT utilization through a ground-breaking approach

6. Employment & Work

By using IT, the people will be able to make choices in looking for varied types of work that fit in with their life planning, bringing about a society where each person's creative abilities can be demonstrated to the maximum. This will bring about a society where it will be possible to combine employment with housework, raising children and nursing-care, and in which men and women will be able to contribute equally. "By the year 2010, the government aims to have teleworkers working under an appropriate work environment account for 20% of the working population" e-Japan Strategy II (July 2, 2003)

### Definition of telework

"A type of work where information and telecommunications devices are used for more than 8 hours a week, and with no restrictions on timeframe and location." e-Japan Priority Policy Program-2004 (June 15, 2004)

### Producing an introductory guidebook on telework

II. Promoting IT utilization through a ground-breaking approach

6. Employment & Work

2) By making choices in looking for varied types of work, bringing about a society where each person's creative abilities can be demonstrated at the maximum efficiency.

a) Supporting the introduction of telework by corporations (MIC, MHLW, MLIT, and METI)

With regard to teleworking, the "guidelines for the appropriate introduction and implementation of work at home using information and telecommunications devices" that were formulated in FY2003, as well as the "telework security guidelines to help private corporations establish a high-security telework environment" and the "survey on the telework population ratio of telework implementation at corporate offices" which were carried out and announced in FY2004, were all taken into consideration. And in early FY2005, measures will be announced, such as the production of an integrated guidebook for corporations and employees to grasp this mutually, for the promotion of the introduction of a system with the possibility for the people of choosing a wide variety of work types. e-Japan Priority Policy Program-2004 (June 15, 2004)

### The introduction of telework for national public employees

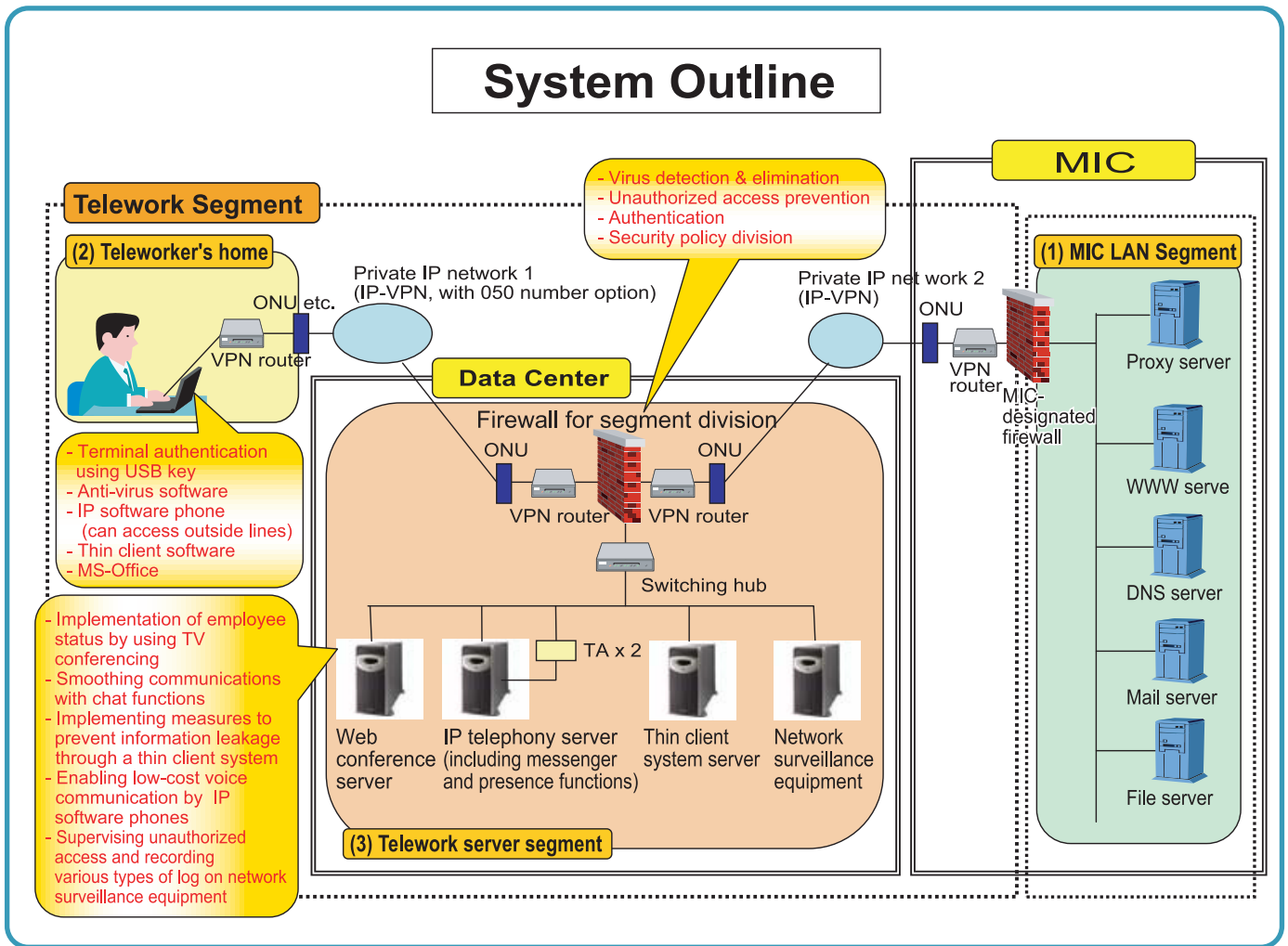
II. Emphasizing measures and the putting in place of a system to achieve goals for FY2005, and looking ahead to preliminary arrangements from FY2006 onward.

5. Promoting e-government and e-municipalities

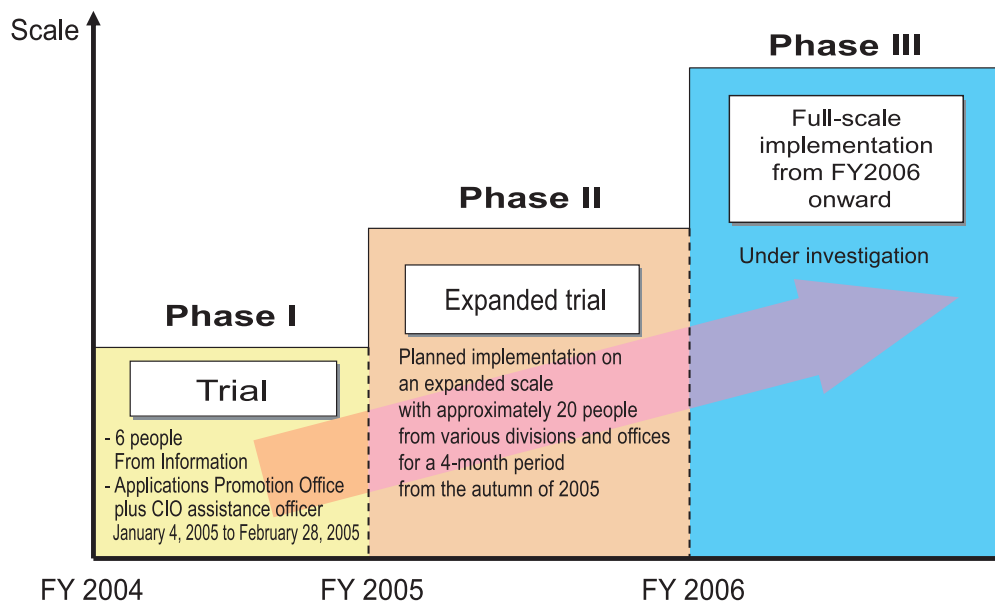
(2) Concrete measures

4) Putting in place an environment such as system for telework for national public employees

Targeted result: To increase the percentage of telework among the total number of employees from the current (2002) 6.1% to 10% in 2005, along with starting the introduction of telework among government employees (central bureaucracy) where it is not yet introduced by 2005. e-Japan Priority Policy Program-2004 (June 15, 2004)

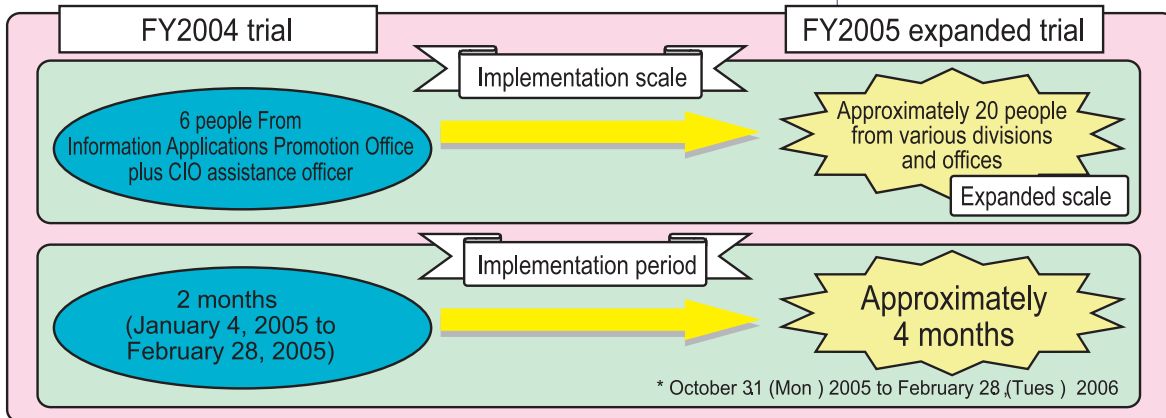


## Expansion of implementation of Telework (planned)



### Concerning Expanded Telework Trials at MIC in FY2005

Target: Contributing to achieving the target of "By the year 2010, aiming to have teleworkers working under an appropriate work environment account for 20% of the working population" (e-Japan Strategy II), and promoting the penetration of telework nationwide.

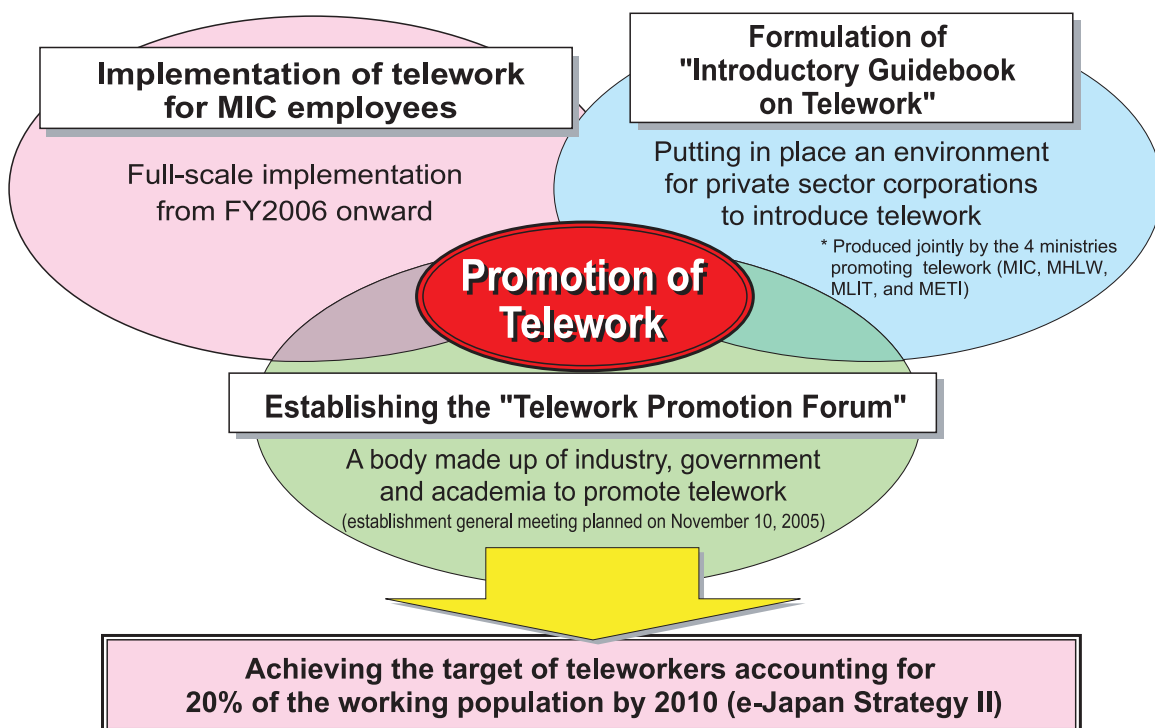


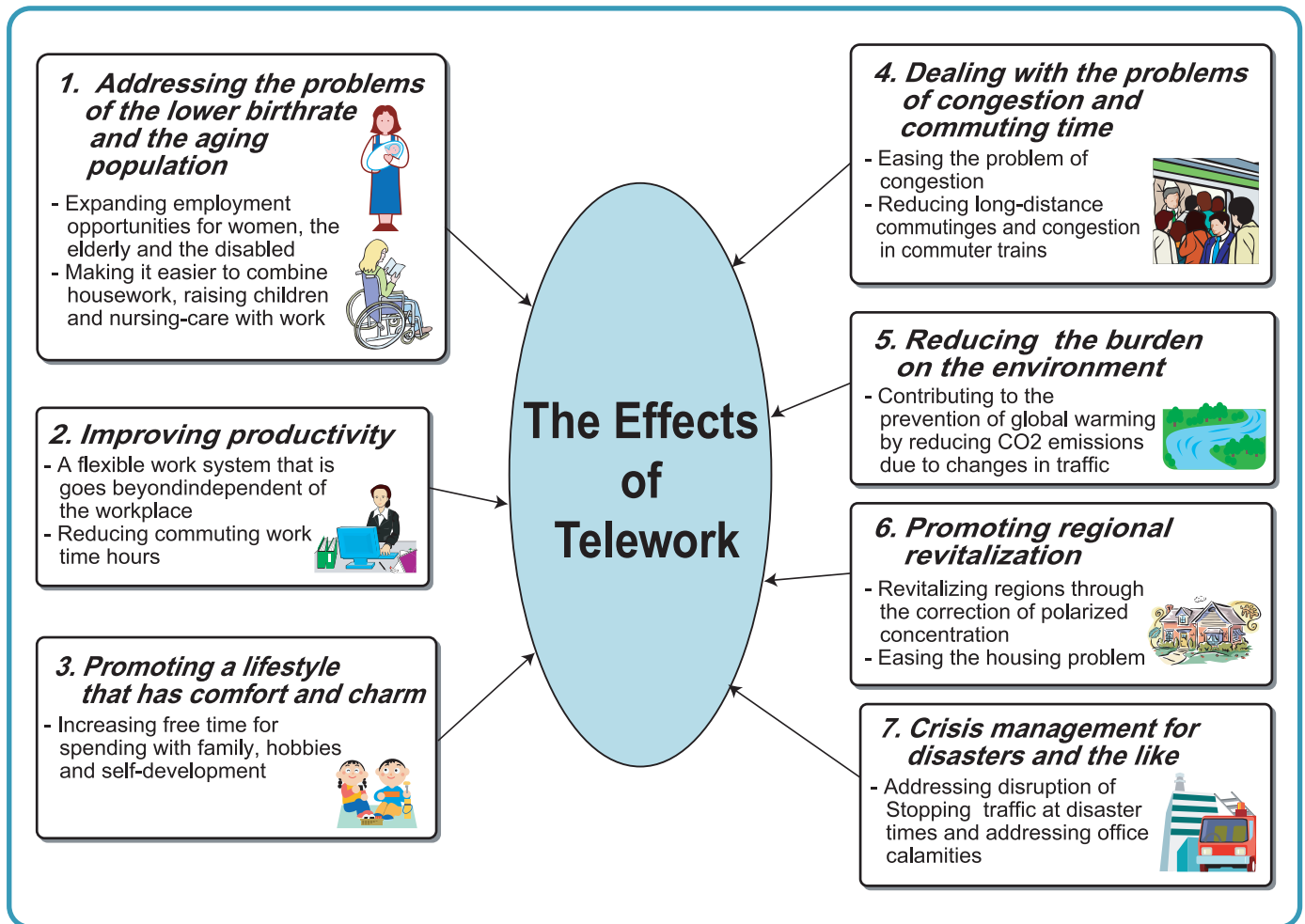
#### Characteristics of this trial

Introduction of **IP telephonyphone** in expectation of a reduction in the price of voice communications cost  
 Introduction of **thinsun client system** in order to strengthen information security measures

- Actions by other ministries: METI and the MLIT also plan to implement telework trials in FYin the course of fiscal 2005. The National Personnel Authority also plans trials and introductions at its satellite offices in FYfiscal 2005 as well.
  - Actions by local governments: Having considered the trials by the MIC in FYfiscal 2004, the citytown of Omi Hachiman (Shiga Prefecture) has been implementing trials from May of 2005.
  - Actions by the private sector: With the enforcement of the Law for Measures to Support the Development of the Next Generation in April 2005, the introduction of telework has been suggested as an example of putting in place various work conditions to contribute to revisions in work methods recorded in voluntary action plans.
- ⇒ The circle of telework has started to expand.

### Overview of MIC's Telework Measures





## MIC to Set up Study Group on a Framework for Competition Rules to Address Progress in the Move to IP

### Outline

Japan is currently seeing a rapid shift in its telecommunications networks from PSTN (Public Switched Telephone Networks) to IP (Internet Protocol) based networks, and the environment for telecommunications businesses is expected to change dramatically with the advent of a full-scale IP age. At the same time, the business models adopted by telecommunications carriers have progressed towards greater sophistication and di-

versification, seeing a move beyond existing frameworks.

Based on the current situation, envisioning the early 2010s when the move to IP will be in full swing, the MIC has decided to set up "Study Group on a Framework for Competition Rules to Address Progress in the Move to IP (chaired by Professor HAYASHI Toshihiko, the University of the Air and the Director of the Stanford Japan Center)", with the aim of laying out basic principles

on a framework for competition rules applicable as well as clarifying specific directions concerning interconnection and tariff policies.

### Major topics for consideration

Looking ahead to the full-scale arrival of the IP age, the MIC has drawn up the following topics for consideration in order to clarify a roadmap for future considerations.

#### Basic principles concerning competition policy to address the progress in the move to IP

- + Changes in competitive environments accompanying progress in the move to IP
  - A framework for analysis relating to changing business models in the age of broadband.

- The migration process relating to an IP-based network deployment.
- + Basic points of view on competition policy for the broadband market
  - The relationship between service-based competition and facility-based competition
  - A framework for ensuring “competitive neutrality” and “technological neutrality”
  - A framework for ensuring fair competition that addresses vertically-integrated business models
  - Approaches for a time axis for the consideration.
- + Other relevant issues that should be considered as “basic principles concerning competition policy”

#### **A framework for future interconnection policy**

- + Basic points of view concerning interconnection policy
  - Evaluation concerning existing interconnection rules in the telecommunications business field
  - Issues that are deemed to require revision (or maintenance) based on the change in market environment
  - The relationship between vertically-integrated business models and market dominance.

- + A framework of designated telecommunications facilities
  - A structure for a system of designated telecommunications facilities
  - The coverage of designated telecommunications facilities.
- + A framework for calculating interconnection charges
  - The framework for calculating PSTN interconnection charges
  - A framework for a forward looking cost method.
- + Responding to the diversification of interconnection forms
  - Considering appropriate interconnection forms that address the move to IP.

#### **A framework for future tariff policy**

- + Basic points of view concerning tariff policy
  - Evaluation of existing tariff policy in the telecommunications business field
  - Issues that are deemed to require revision (or maintenance) based on the changes in market environment.
- + A framework for price cap regulations
  - Evaluation of current price cap regulations

- The need for revision of price cap regulations.
- + Responding to new tariff policy.
  - The need for a tariff policy that addresses diversification of business models.

Through discussions on the above policy issues, the MIC is looking to improve the predictability regarding competition policy in the telecommunications field, allowing the various players in the broadband market to facilitate to improve and diversify their business models.

#### **Future meeting schedule**

- October 28, 2005: First meeting
- November 1 - 30, 2005: Solicitation for comments on the draft consideration agenda
- December 2005: Second meeting (finalization of consideration agenda)
- January to June 2006: Discussions based on the consideration agenda
- July 2006: Compilation of draft report (month-long solicitation for comments)
- September 2006: Release of the final report