MIC International Affairs Department, Telecommunications Bureau

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## Study Group on Telecommunications Numbers in the IP Era Announces Second Report

*MIC set up the Study Group on Telecommunications Numbers in the IP Era (Chair: Mr. SAITO Tadao, Professor Emeritus, the University of Tokyo) in December 2004, in order to investigate a framework for telecommunications.*

Investigations continued after publication of the group's first report in August 2005 and the "Second report from the Study Group on Telecommunications Numbers in the IP Era" has now been compiled. The results of an invitation to comment on the draft second report as well as the study group's responses to these comments are now being made public.

### Background

MIC set up the Study Group on Telecommunications Numbers in the IP Era (Chair: Mr. SAITO Tadao, Professor Emeritus, the University of Tokyo) in December 2004 in order to investigate a framework for telecommunications numbers in the IP era.

Following the announcement of the first report in August 2005, investigations continued until June of this year on "telecommunications numbers for new services such as fixed-mobile convergence (FMC)," "use of 1XY numbers for reception of new services," "setting up 1XY numbers for guidance of (local) administration services," and "transferring calls to Internet telephony." An invitation to comment was made (from April 27 to May 25, 2006) on the draft of the "Second report from the Study Group on Telecommunications Numbers in the IP Era" in which the results of these investigations were compiled, and 14 comments were received.

The current "Second Report" (http://www.soumu.go.jp/s-news/2006/pdf/060616_1_houkoku.pdf) and the "Reference Materials" (http://www.soumu.go.jp/s-news/2006/pdf/060616_1_sa.pdf) were compiled taking the comments that were received into consideration, and are now being made public.

### Outline

The outline of the second report is as shown below. In addition, the comments that were received on the draft second report as well as the study group's thoughts on these

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are shown in the appendix (http://www.soumu.go.jp/s-news/2006/pdf/060616_1_bt2.pdf). These documents will, after they are prepared, be posted under the press release section of MIC's website (http://www.soumu.go.jp) as well as in the public comments section of the e-Government portal (http://www.e-gov.go.jp).

## Outline of Second Report by Study Group on Telecommunications Numbers in the IP Era

### 1. Telecommunications numbers for FMC and the like

#### Applicable services

Anticipating the provision of various services starting with FMC, it would be appropriate to limit restrictions to the necessary minimum.

Services that are provided on a one number/one call basis.

It is not be possible to discern from the number the type of network, the communications charge, the quality of the communication, etc. (However, minimum communications quality is to be maintained)

#### Numbers that can be used for FMC and the like

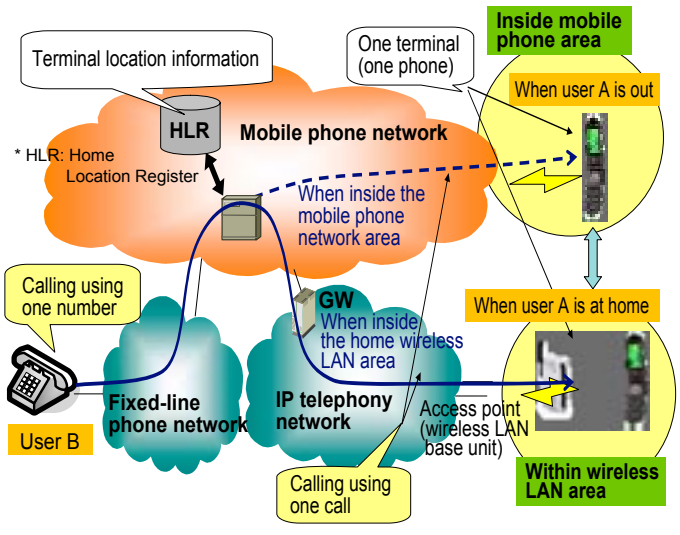
(1) New numbers → Use of 060 numbers is appropriate

(2) Existing numbers
- Cellular numbers (080/090)
- PHS numbers (070)
- IP telephony numbers (050)

→ It is appropriate to make these numbers usable within a predetermined range.

* With regard to fixed-line phone numbers (OAB-J), at the present time, it is not appropriate to use these for FMC and the like.

**Example of FMC service type**




FMC: Fixed-Mobile Convergence
(services to bring together fixed communications and mobile communications)

#### Looking ahead to early implementation

- Putting in place regulations relating to new FMC numbers
- With regard to existing numbers, clarifying services' concrete ranges as well as offer conditions so as not to have a major impact on users
- Others
  Service partition, technical standards, conditions for fair competition, etc.

→ Aiming for completion during FY2006

## 2. Use of “Dial 116” for handling new services

Use of “Dial 116” for the handling of new services → Will make a difference to competitive conditions with other carriers

- ◆ It is appropriate that there should be no advertising of “Dial 116” as the number for handling of new services
- ◆ It is appropriate to use an another toll-free number for advertising of new services

## 3. 1XY numbers for guidance of administration services

Use of 3-digit 1XY numbers for inquiries to the government, such as municipalities’ call centers →
- High level of public nature recognized
- Low level of influence on tightness

- ◆ It is appropriate to use 3-digit 1XY numbers.

It will be necessary in the future for municipalities and relevant telecommunications carriers to adjust between themselves service conditions that are uniform nationwide.

**[Reference]**
1XY numbers: Numbers for providing services to subscribers within own network area

110 (police), 118 (maritime safety), 119 (ambulance/fire).
104 (directory inquiries), 117 (time), 177 (weather forecast), 184 (block the presentation of caller number), 186 (allow the presentation of caller number),
116, 151, 157 (business and charges information), etc…

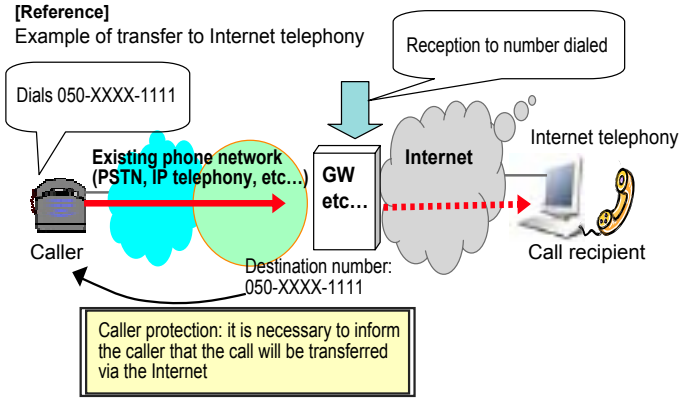
## 4. Transferring calls to Internet telephony

Transfers from existing phone networks to Internet telephony →
- •Telecommunications carriers have no responsibility within the Internet area

and
- • The caller can not aware that the call is being routed via the Internet.

- ◆ It is necessary to have a configuration in which once a call has been received, it is transferred to Internet telephony.
- ◆ It is necessary to inform caller that the call will be transferred via the Internet, before the transferring happens.

**[Reference]**
Example of transfer to Internet telephony



# Subscription Contract Numbers for Broadband Services (as of the end of March 2006)

*MIC has compiled the subscription contract numbers as of the end of March 2006 that were reported by telecommunications carriers, pursuant to the provisions of the Rules for Reporting on Telecommunications Business (Ministerial Ordinance of MPT No. 46 of 1988).*

## Major trends found this time are as follows:

**The number of subscription contracts to FTTH exceeds the 5 million mark, showing a net increase for six consecutive quarters.**

As of the end of March 2006, the number of FTTH subscription contracts is 5.46 million, surpassing the 5 million mark. In addition, the net increase in the number of subscription contracts during the fourth quarter (Q-IV; January through March 2006) was the highest ever, at 820,000. The net increases in the numbers of subscription contracts to FTTH have been seen for six consecutive quarters since the Q-II (July through September) 2004.

**Broadband subscription contracts stood at 23.30 million**

As of the end of March 2006, the number of broadband subscription contracts is 23.30 million. The total number at the end of December 2005 was 22.37 million, showing an increase of 930,000 contracts during the Q-III of FY2005.

### Breakdown of all broadband services

| | Broadband total | FTTH | DSL | Cable TV | FWA |
|---|---|---|---|---|---|
| As of the end of March 2006 | **23,301,105** | **5,457,697** | **14,517,859** | **3,309,481** | **16,068** |
| As of the end of December 2005 | 22,374,934* | 4,637,280 | 14,480,958 | 3,236,466** | 20,230 |
| Net increase (January through March 2006) | 926,171 | 820,417 | 36,901 | 73,015 | -4,162 |

* Note 1: Number of subscription contracts: the total of all broadband access service contracts, including FTTH access service, DSL access service, cable TV access service and FWA access service

**Note 2: According to the announcement of figures as of the end of March 2006, the figures for cable TV and the total figure as of the end of December 2005 were adjusted.

## Broadband service contracts

### Broadband service contracts

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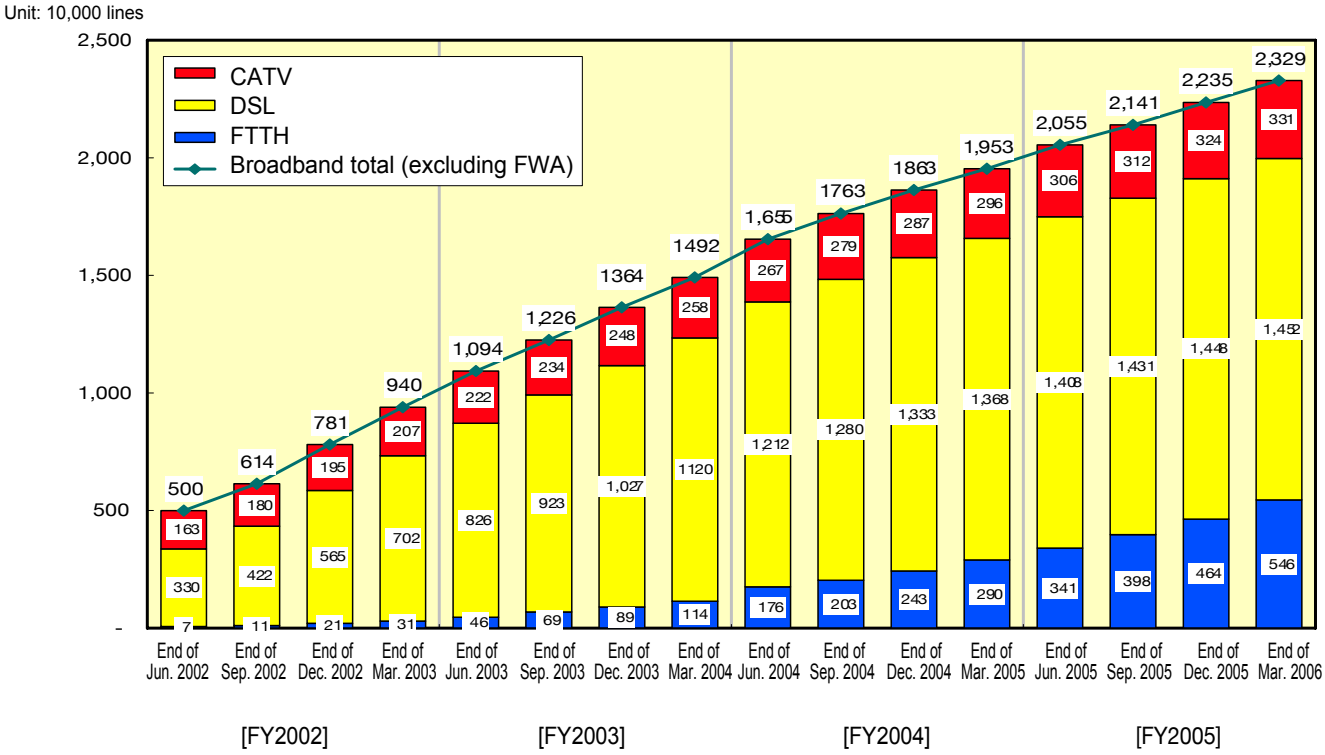
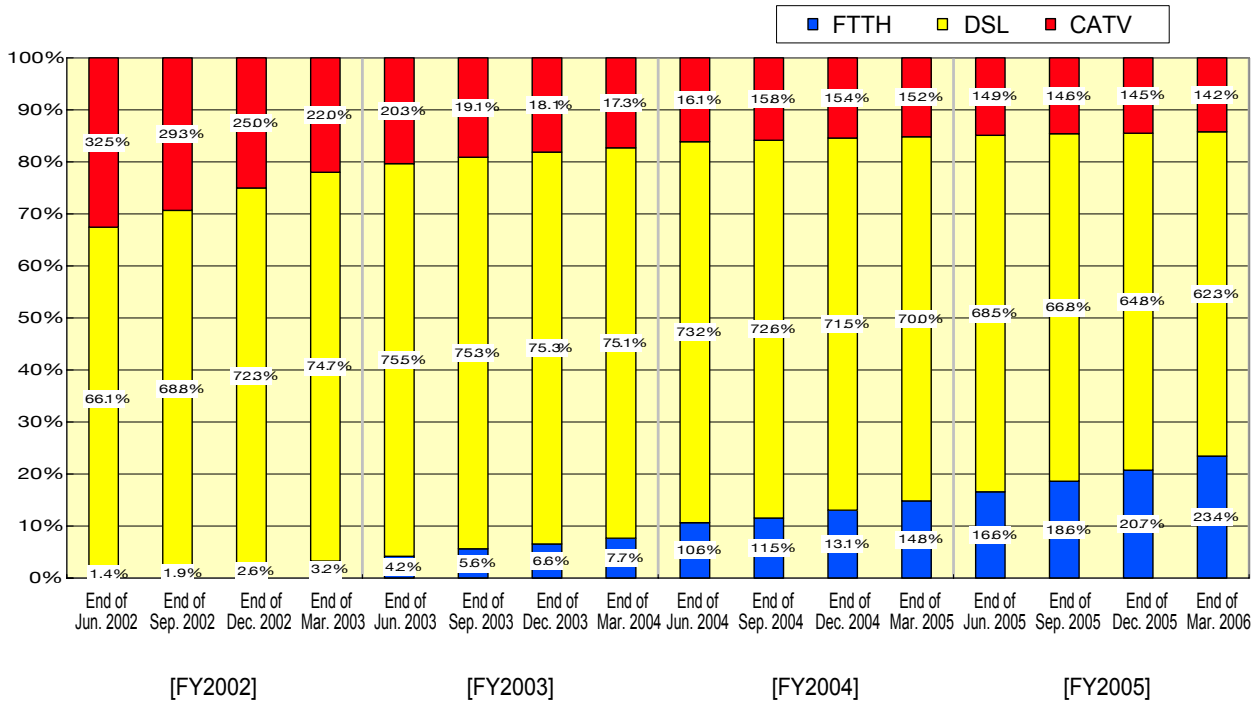
The number of contracts stood at 23.30 million as of the end of March 2006. The total number of contracts as of the end of December 2005 was 22.37 million, indicating an increase of 930,000 over the quarter.




### Broadband service contracts by type

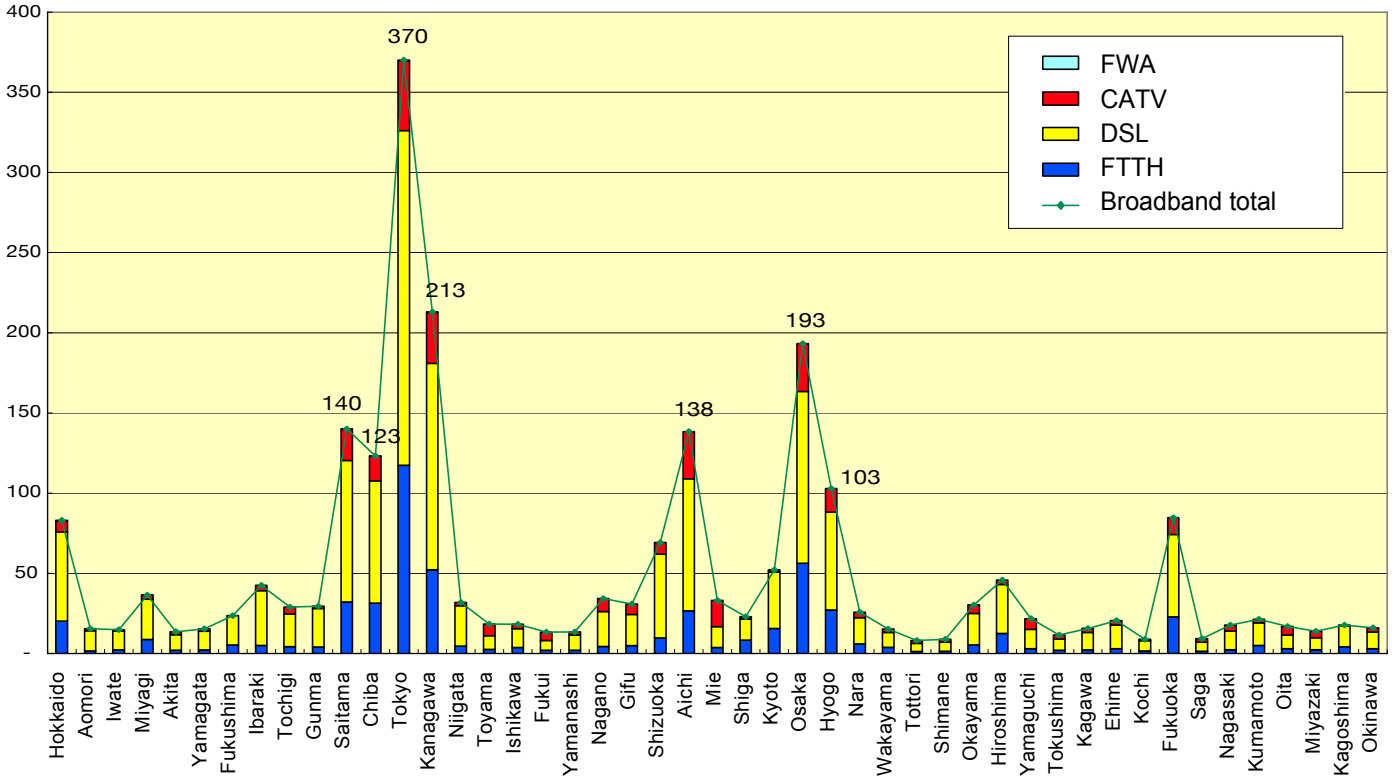
Within broadband service contracts, the share of FTTH topped 20% for the first time as of the end of December 2005, and the share of FTTH has continued to increase since then.



## Broadband service contracts by prefecture

The seven prefectures of Tokyo, Kanagawa, Saitama, Chiba, Aichi, Osaka and Hyogo all had over one million contracts each.

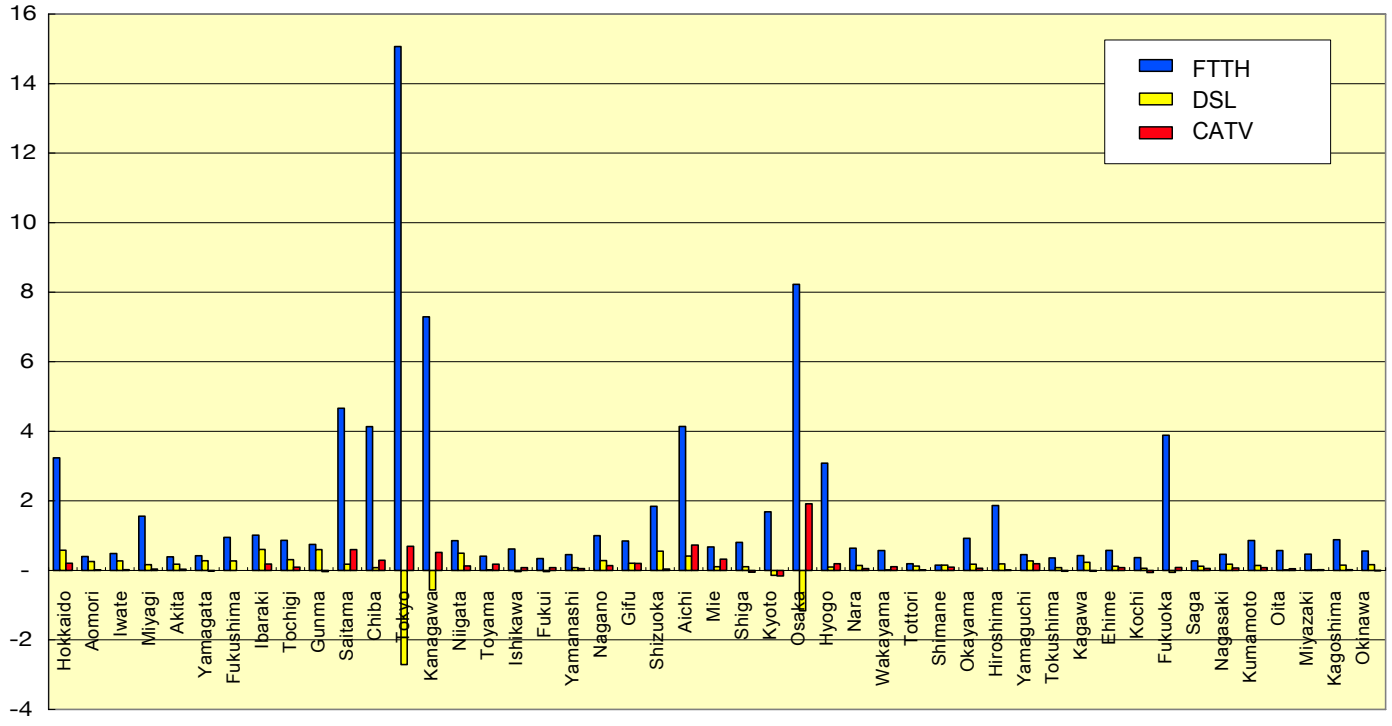
Unit: 10,000 lines




## Changes for various types of broadband service by prefecture

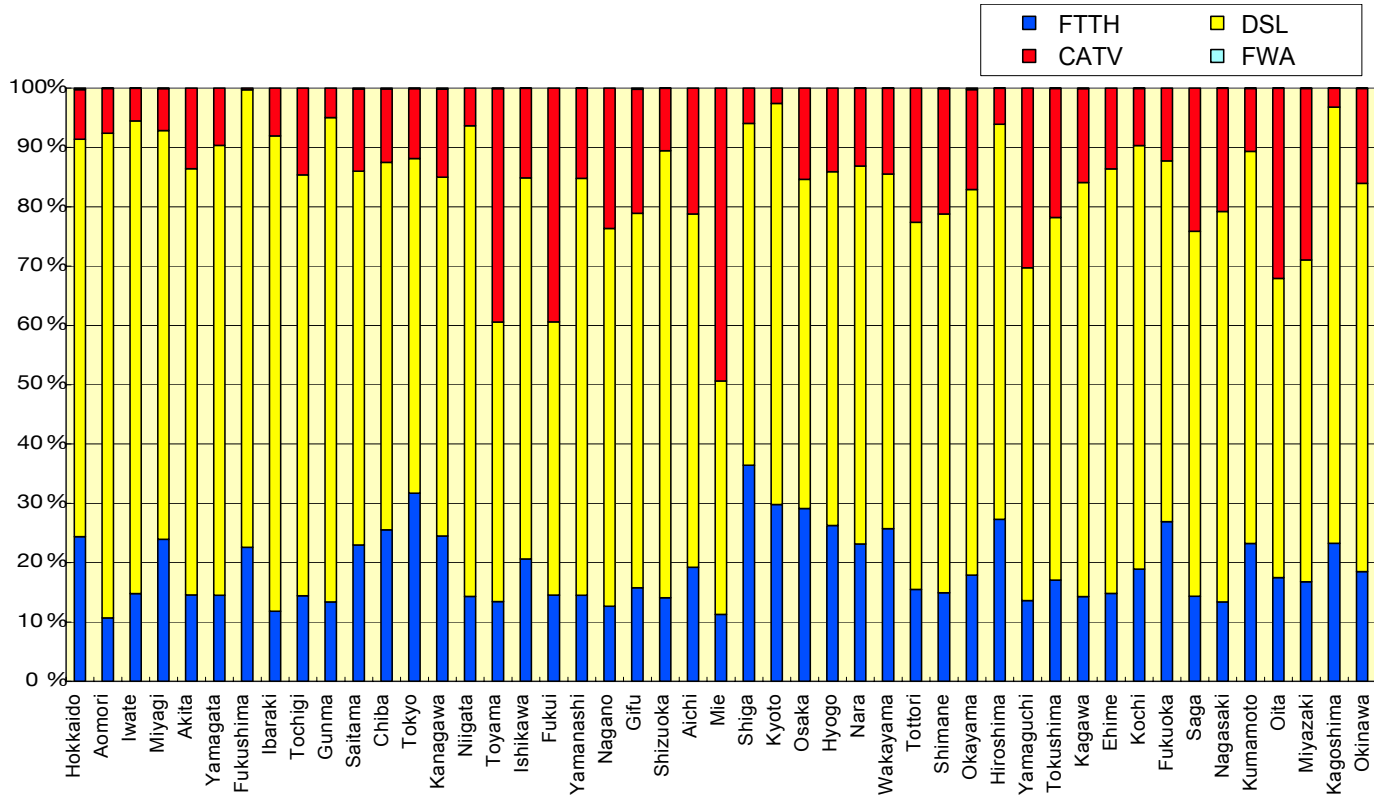
The increase of FTTH in urban prefectures is noticeable, with some prefectures also showing a marked drop in DSL. Many other prefectures continue to show increases in both DSL and CATV.

Unit: 10,000 lines



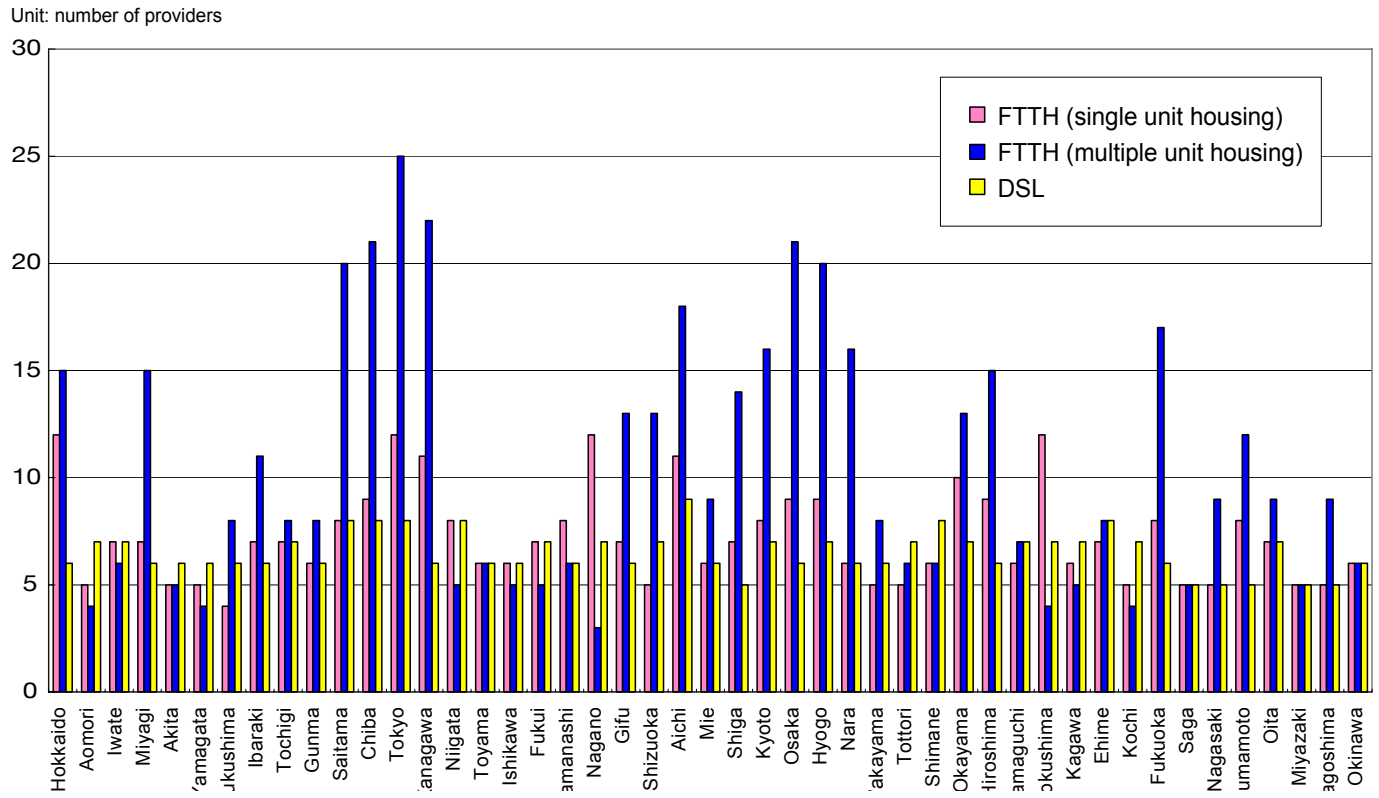
## Breakdown of broadband service types by prefecture

Most prefectures continue to see a majority for DSL services, but prefectures such as Toyama, Fukui and Mie have a high share of CATV, whereas FTTH accounts for 30% of the share in Tokyo and Shiga.




## Number of providers of FTTH and DSL by prefecture

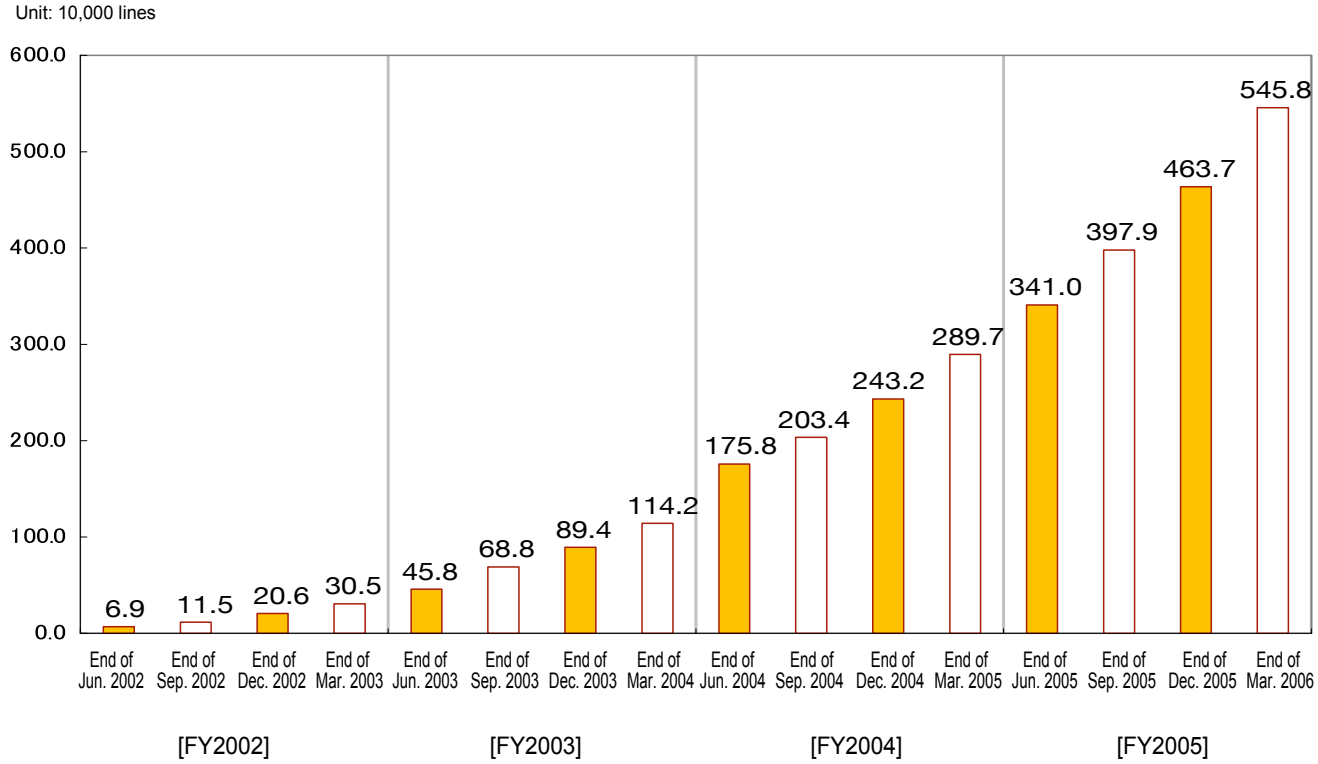
DSL providers are distributed across the country whereas providers of FTTH tend to be concentrated in urban areas.



## FTTH service contracts

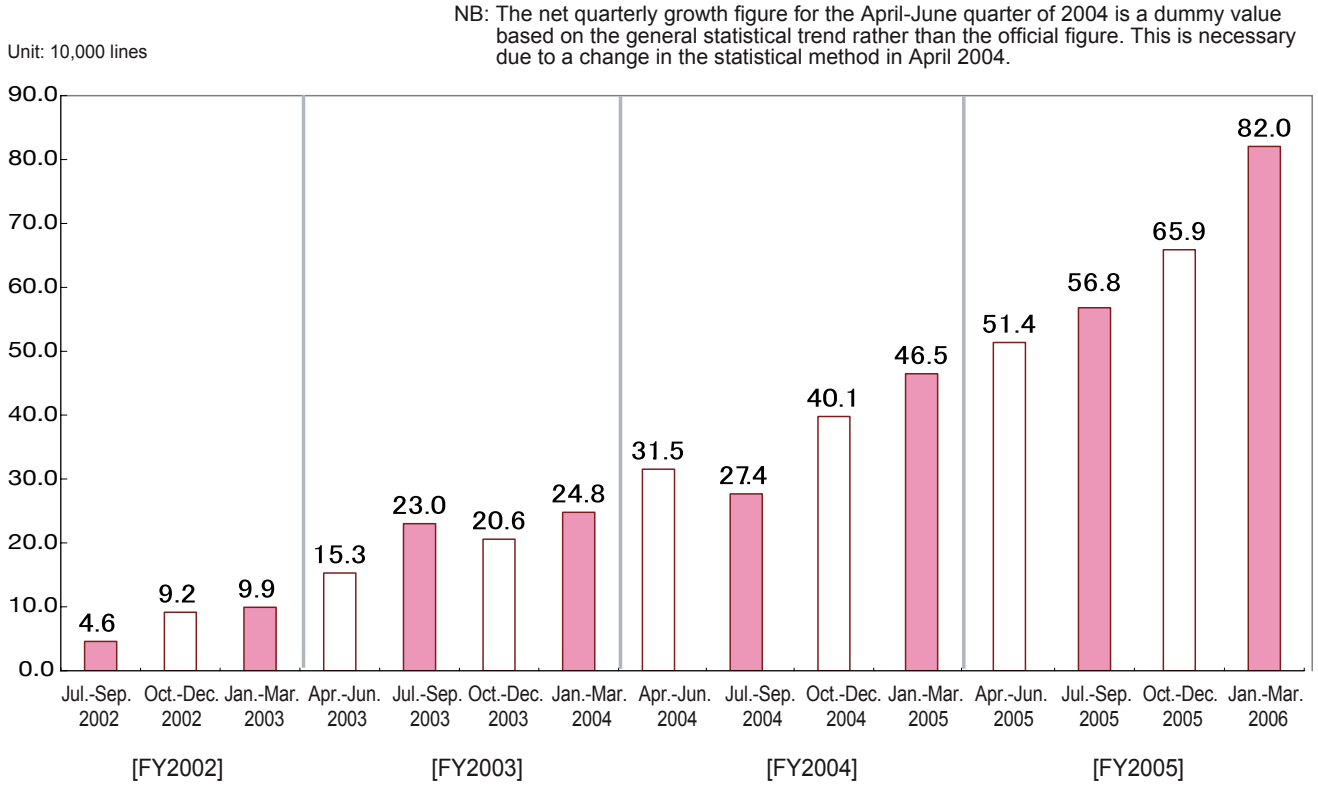
### Growth in FTTH service contracts

Contract numbers stood at 5.46 million as of the end of March 2006, with growth concentrated in urban areas.



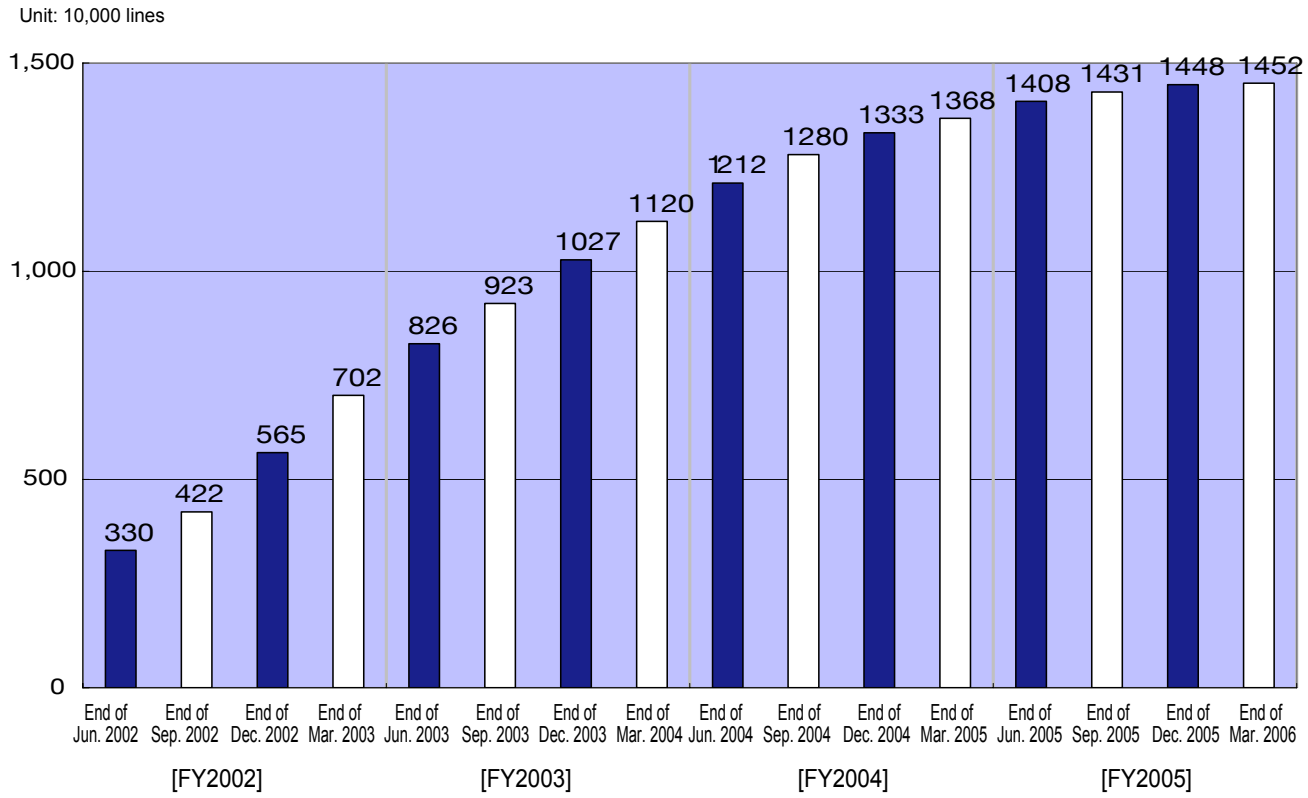

### Net quarterly growth in FTTH service contracts by

Net quarterly growth numbers for FTTH has remained positive for six consecutive quarters since the July-September quarter of 2004. Net growth in FTTH numbers has become the pulling force for net growth in numbers for all broadband services.



### DSL service contracts

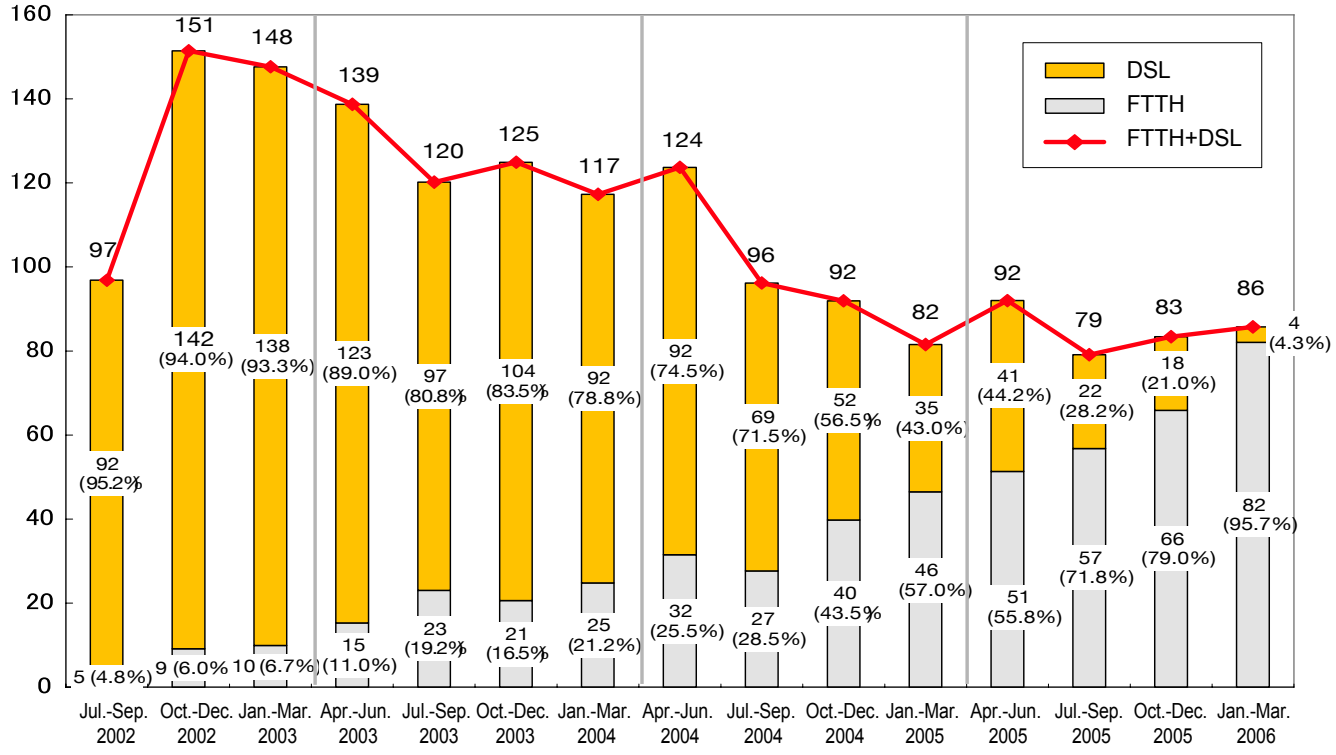
The number of DSL service contracts as of the end of March 2006 stood at 14,52 million, showing a gradual increase in contract numbers.




### Net growth in FTTH and DSL

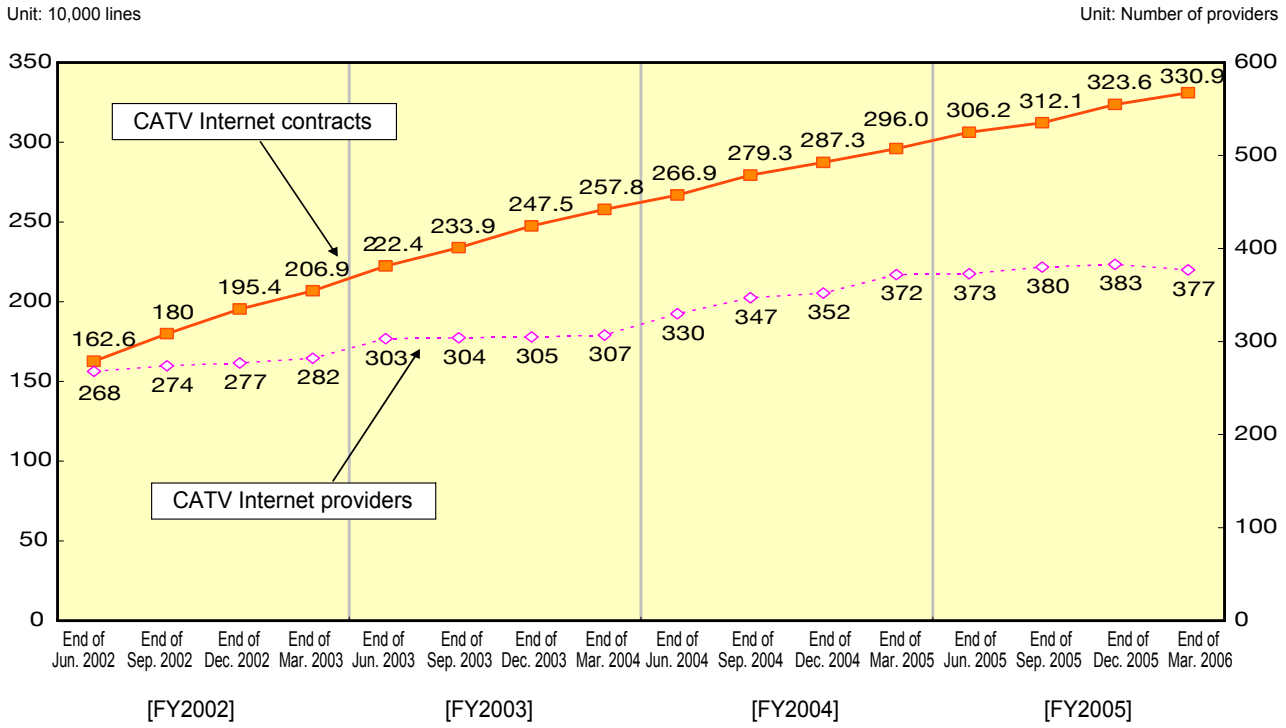
In the fourth quarter of FY2005, the net increase over the previous quarter for FTTH services stood at 820,000 contracts, whereas the net increase in DSL services was 40,000 contracts. The net increase in FTTH services overtook the net increase in DSL numbers in the fourth quarter of fiscal 2004, and this has now become a marked trend.

NB: The net quarterly growth figure for the April-June quarter of 2004 is a dummy value based on the general statistical trend rather than the official figure. This is necessary due to a change in the statistical method in April 2004.



### CATV service contracts

Contract numbers of CATV services as of the end of March 2006 stood at 3.23 million. Contract numbers continue to show steady growth.




### FWA service contracts

Contract numbers of FWA service as of the end of March 2006 stood at 16,068.