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Outline of the Draft Report on a Framework for Competition Rules to Address the Transition to IP Based Networks

Outline

MIC set up the Study Group on a Framework for Competition Rules to Address the Transition to IP-Based Networks on October 28, 2005. The group has been studying a framework for an interconnection and tariff policy and has recently compiled a draft report (http://www.soumu.go.jp/joho_tsusin/eng/Releases/Telecommunications/pdf/news060719_102.pdf).

An invitation to comment concerning this draft report will be implemented from July 19 until August 23, 2006 and the opinions will be taken into consideration in compiling the final report on this September.

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Permissible Values and Measurement Methods for High-Speed Power Line Communications Facilities

Power line communications (PLC) creates networks and makes communications possible by using existing power lines. At present, the 10 kHz to 450 kHz band is being used but in order to increase the volume of information that can be transmitted, it is desirable to add 2 MHz to 30 MHz to the usable band.

Power lines were not put in place for communications purposes and so there is a possibility that when high frequency currents are circulated, the unnecessary radio waves that are radiated by the power lines will have an effect on the radio use. The Information Communications Council has been investigating permissible values and measurement methods for high-speed power line

communications since January 2006 and announced its report on June 29.

The facilities that are addressed in this report are:

- (1) High-speed power line communications facilities which use single-phase alternating current power lines with a rated voltage of 100V or 200V and a rated frequency of 50 Hz or 60 Hz and which are to be only used indoors. This, however, does not include facilities used only for reception.

- (2) The 2 MHz to 30 MHz range of power line frequencies

Permissible values have been set according to the following views:

- (1) Permissible values when not

communicating should be equivalent to permissible values for IT equipment such as personal computers.

- (2) As for permissible values for used band when communicating (2 MHz to 30 MHz), the strength of the waves leaking from the high-speed power line communications facilities should be below ambient noise levels at the reference distance.

- (3) Permissible values for the band not used during communications (150 kHz to 2 MHz, 30 MHz to 1000 MHz) should be equivalent to permissible values for IT equipment such as personal computers.

MIC plans to put in place relevant regulations based on this report.

Announcement of Results of Annual Survey of Content Market in Japan

MIC carries out an annual survey and analysis concerning the status of content market in Japan (market scale, total production cost, production and distribution volume, and the ratio of multi-use and network distribution market by type of content). The results of the latest survey and analysis have recently been compiled and are now being announced.

Points

1. The total scale of the content market stood at Yen 11.0627 trillion in 2004.

- The market topped Yen 11 trillion for the first time, and has continued to expand. There was an increase of 1.9% (Yen 202.3 billion) over 2003.

- The expansion of visual content and multi-use market continues.

- The network distribution market has been expanding rapidly and stood at Yen 690.1 billion. A sharp rate of increase of about 30% per annum continues.

- The market has turned towards expansion with a slight increase since 2003. This time, the market showed a big increase.

2000: Yen 10.9214 trillion

2002: Yen 10.8167 trillion

2003: Yen 10.8604 trillion (an increase of 0.4%, or Yen 43.7 billion over the previous year)

2004: Yen 11.0627 trillion (an increase of 1.9% or Yen 202.3 billion over the previous year)

- The increase in visual content (movies, TV programs, etc.) continues. Audio content (music, radio programs, etc.) and text content (newspaper articles, magazines, etc.) has shifted from a downward

trend to a small increase.

Visual: Yen 5.0752 trillion (an increase of 3.2% over 2003, and 10.6% over 2000)

Audio: Yen 944.4 billion (an increase of 1.4% over 2003, and a drop of 8.6% over 2000)

Text: Yen 5.0431 trillion (an increase of 0.7% over 2003, and a drop of 4.9% over 2000)

- Primary-use market has shifted from a downward trend to a slight increase. The growth of multi-use (secondary-use) market continues.

Primary-use market: Yen 8.8576 trillion (an increase of 1.3% over 2003, and a drop of 5.4% over 2000)

Multi-use market: Yen 2.2051 trillion (an increase of 4.0% over 2003, and an increase of 41.1% over 2000)

- Network distribution market (Internet and mobile Internet, etc.) has continued to show a rapid increase.

Network distribution market: Yen 690.1 billion (an increase of 28.6%, or Yen 153.3 billion, over 2003, and an increase of 135.9% over 2000)

- In individual contents, terrestrial television programs are the largest category, followed by newspaper articles and magazine software.

Terrestrial television programs: Yen 2.8279 trillion (25.6% of the total)

Newspaper articles: Yen 2.0784 trillion (18.8% of the total)

Magazine software: Yen 1.3228 trillion (12.0% of the total)

NB: As this survey looks at the scale of the content market, only the part related to content was calculated and analyzed from the sales of each media sector. Consequently, whereas sales from a broadcast karaoke distributor would be calculated as music content, sales from a karaoke store would not be calculated. In the same way, a newspaper company's revenue from newspapers would be calculated as text content but revenue from events and the like would not be calculated.

2. The total cost of content production (2004) stood at Yen 3.9182 trillion.

- There was a slight increase over the previous year (an increase of 1.2% over 2003).

- Text content was up over the previous year, but audio content was slightly down.

- Text content was up over the previous year, visual showed a slight increase and audio was down.

Visual: Yen 2.2218 trillion (up 0.2% over 2003)

Audio: Yen 328.9 billion (down 3.8% over 2003)

Text: Yen 1.3676 trillion (up 4.2% over 2003)

- Terrestrial television programs and newspaper articles account for a little under 70% of content production.

Terrestrial television programs: Yen

1.7912 trillion (45.7% of the total)
Newspaper articles: Yen 840.6 billion (21.5% of the total)

3. Content distribution volume was up for all categories of visual, audio, and text content. Content production volume was up for visual and text content, but slightly down for audio content.

- Distribution volume (volume consumed by end users) was up in all categories of visual, audio, and text content.

Visual: 174.1 billion hours (up 6.7% over 2003)

Audio: 30.85 billion hours (up 11.4% over 2003)

Text: 10.7521 trillion pages (up 7.3% over 2003)

- Production volume was up for visual and text content, but slightly down for audio content.

Visual: 870,000 hours (up 9.5% over

2003)

Audio: 729,000 hours (down 0.6% over 2003)

Text: 50.14 million pages (up 2.2% over 2003)

NB: "Pages" for text refers to B5 size

<Reference: characteristics of this survey>

- Statistical data for each media type was resorted by each content type, so as to survey and analyze overall trends of content production and distribution.

- "Content type" means the distinction between visual, audio and text content, between primary use and multi-use (secondary use) content, and between network distribution and non-network distribution content.

- Visual content includes movies, videos, TV programs (terrestrial, satellite, cable TV), and games. Audio content includes music and radio programs. Text content includes

newspaper articles, comics, magazines, books, and database.

- A focus of the analysis was placed on the shift towards network distribution and the growth of multi-use market.

<Others>

This survey was implemented by the Institute for Information and Communications Policy (IICP) along with the Economic Research Office.

<Related documents>

Outline of survey results "The actual state of media software production and distribution as seen in figures"

http://www.soumu.go.jp/s-news/2006/pdf/060623_5_01.pdf

Announcement of survey results "Survey on the state of media software production and distribution"

http://www.soumu.go.jp/s-news/2006/060623_5.html#bs

Meetings of ITU-R/SG9 Working Parties Held in Kobe --International Standardization of Fixed Wireless Services--

MIC hosted the SG9 meeting of ITU-R/SG9 Working Parties at Kobe Fashion Mart, from June 27 to July 5. The purpose of this meeting was to investigate international standardization for fixed wireless services, including broadband wireless access systems, which are expected to be widely introduced at a rapid pace over the next several years.

Outline of meeting

Study Group 9 (SG9) was set up under ITU-R (ITU Radiocommunication Sector), considering international standards, including frequency sharing for fixed wireless services and international technical standards. Being held twice a year, these meet-

ings of SG9 have been attended by some 100 experts, including each administration, standardization organizations, telecommunications carriers and wireless equipment manufacturers.

MIC offered to host this meeting and held it from June 27 to July

5 at the Kobe Fashion Mart located on Rokko Island.

The purpose of this meeting was to investigate international standardization for fixed wireless services, including broadband wireless access systems, which are expected to be widely introduced at

a rapid pace over the next several years.

Outline of MIC's efforts

MIC adopted the following approach with regard to this meeting.

Promotion of standardization in line with the radio regulatory policy of Japan

With regard to broadband wireless access systems, Japan will propose applications based upon usage trends in Japan and methods to reduce interference. In addition, Japan will propose applications of i) millimeter-wave band communications systems and ii) wireless communications systems using frequencies beyond 3000 GHz, which have been developed by Japan.

Presentation of Japan's wireless systems and technologies

Recently, a municipal digital simulta-

neous communications (broadcasting) system of Japan was added to ITU-R F.1105 Recommendations (Fixed wireless systems for disaster mitigation and relief operations). At these meetings, systems to be exhibited will include i) detailed presentations on the municipal digital simultaneous communications (broadcasting) system using equipment consisting thereof, ii) fixed wireless access systems, and iii) cellular telephone terminals with functions to receive "one-segment" broadcasting.

<Reference>

- ITU-R (International Telecommunications Union-Radiocommunication Sector)

The ITU is a specialized organization of the United Nations which is made up of members from telecommunications agencies. It works on international regulations and solv-

ing various problems related to telecommunications. Within this group, the ITU-R is in charge of radiocommunication, and considers international standards for wireless communications systems and problems of shared frequency use.

- SG9 (Working Parties 9)

SG9 is a specialized committee within the ITU-R that is in charge of standardization related to fixed wireless services. It has under it 4 working parties that consider the following topics.

WP 9A: Quality of wireless systems, availability rate, interference effects, etc.

WP 9B: Radio-frequency channel arrangements, radio system characteristics and applications

WP 9C: Fixed wireless systems using frequencies below 30 MHz

WP 9D: Sharing frequencies with other services