



Communications News

Vol. 17 No. 17
December 8, 2006

Biweekly Newsletter of the Ministry of Internal Affairs and Communications (MIC), Japan

ISSN 1349-7987

Please feel free to use the articles in this publication, with proper credits.

TOPICS

Approaches to Nationwide Installation of Broadband (Next-Generation Broadband Strategy 2010)

Background

The broadband installation environment in Japan stood at approximately 94% (47.33 million households out of 50.00 million households) at the end of March 2006, for households that have the possibility of using broadband, such as fiber-to-the-home (FTTH), asymmetric digital subscriber line (ADSL) and cable Internet, with FTTH being available for use in approximately 80% of households (40.15 million households out of 50.00 million households).

On the other hand, in areas where conditions are disadvantageous, installations by private-sector companies have not been advancing due to lack of profitability, and there are still 3.06 million households with absolutely no access to broadband services, creating a digital divide between those who can use the services and those who cannot.

Taking these conditions into consideration, the government adopted a course, in its "New IT Reform Strategy" (decided by the IT Strategic Headquarters in January 2006) to promote the installation of optical fiber and others, and eliminate zero-broadband areas by 2010. The MIC then proceeded to

propose concrete approaches for future nationwide broadband installation and formulated its "Next-Generation Broadband Strategy 2010" to advance the need for nationwide activities.

Outline

This strategy's goals and the framework for future broadband installation are as follows. (See Figure 1)

A. Goals for broadband installation by 2010

- (1) Eliminate zero-broadband reas (As part of this, eliminate zero-broadband towns and villages by 2008)
- (2) Increase coverage ratio for ultra-high speed broadband to over 90%

B. Framework for future broadband installation

- (1) Basic principles of broadband installation
Under the principle of private-sector initiative, and while maintaining open competition by the state, installation will be encouraged through the granting of investment incentives. At such times, the installations will be of various technologies from a point of view of technological neutrality.

CONTENTS



TOPICS

- Approaches to Nationwide Installation of Broadband (Next-Generation Broadband Strategy 2010) 1
- u-Japan Promotion Program2006 5



**International Policy Division,
International Affairs Department,
Telecommunications Bureau,
Ministry of Internal Affairs and
Communications (MIC)**
1-2, Kasumigaseki 2-chome, Chiy
odaku, Tokyo 100-8926, Japan
Fax: +81-3-5253-5924
Tel: +81-3-5253-5920

We welcome your comments via:
http://www.soumu.go.jp/joho_tsusin/eng/contact.html

MIC Communications News is available at:
http://www.soumu.go.jp/joho_tsusin/eng/newsletter.html

Presentation materials of MIC are available at:
http://www.soumu.go.jp/joho_tsusin/eng/presentation.html

E-mail distribution of this newsletter is possible if desired.

(2) Installation in areas where profitability is poor, such as areas with disadvantageous conditions

a. It would be desirable to put in place proactive cooperation on a nationwide and local level between operators, the state, local governments, municipalities and the population, so as to create roadmaps and conform to these in approaching installations.

b. Work to put in place an environment in which varied technologies can be used in response to local needs.

c. Promote efficient installation through the opening up of municipalities' optical fiber networks.

(3) It would be desirable to be proactive in promoting the creation of demand and usage, so as to increase the number of broadband users and to maintain stable operation.

C. Division of labor in broadband installation

It is expected that future broadband installation, especially installation in areas where conditions are disadvantageous, will see operators, local governments, municipalities and the state each playing their own part suitably through a division of roles. (See Figure 2)

(1) Operators:

Proactive installation in areas where there are no broadband installations, disclosure of information such as future outlook, and proactive participation in cooperation with relevant parties, etc.

(2) Local Governments:

a. Prefectures: Putting in place a promotion system and creating a vision (installation targets, roadmaps, etc.) at the local level, and providing municipalities with financial support, human resources support, information and know-how, etc.

b. Municipalities: Grasping the actual conditions of the contents

and form of local people's needs, formulating installation plans, opening up regional public networks, etc.

(3) The State:

Putting in place conditions for fair competition, granting investment incentives to operators, providing financial support to local governments, promoting the introduction of varied technologies, promoting the putting in place of a space for discussion among those involved, releasing information concerning the state of installation of broadband, etc.

D. Promotional system for those involved

Looking ahead to future broadband installation, the following measures need to be taken both at the national and local levels

(1) With regard to a national scale promotional system, sharing awareness concerning needs for nationwide installation of broadband, with the participation of operators, local governments and municipalities, and support and promotion in showing basic directions relating to local actions such as the creation of roadmaps and providing information and know-how.

(2) With regard to a local scale promotional system, it is necessary to build a promotional system with the participation of local operators and local public bodies, and taking into consideration the directions shown by the national scale promotional system, creating roadmaps for concrete action topics that meet local conditions.

Future efforts

Since broadband constitutes a vital infrastructure in building people's lives and an industrial society within the forthcoming ubiquitous society, the elimination of zero-broadband areas is an urgent and important topic. Taking this strategy into consideration, The Association for Promotion of Public Local

Information and Communication (APPLIC) has established an Information and Communications Infrastructure Committee as a national level promotion structure that will work on investigating concrete measures such as creating a nationwide roadmap, marking a start in actions by relevant people towards establishing nationwide broadband.

As for the MIC, continuing on from formulating this strategy, it is engaged in actions such as announcing a more detailed nationwide broadband map showing the status of broadband availability. In the future, it will work on investigating the enhancement of a post-Infrastructure Improvement Law (Provisional Measures Law for Telecommunications Infrastructure Improvement) and all types of supporting measures, as well as further promoting actions for cooperation between operators, local governments, municipalities and local residents, so that they participate fully in nationwide actions for the nationwide installation of broadband.

Related URL

Press release on "Next-Generation Broadband Strategy 2010 and Results of Public Comments Thereon" at:

http://www.soumu.go.jp/joho_tsusin/eng/Releases/Telecommunication/news060811_1.html

The information site on nationwide broadband installation is available in Japanese only at:

http://www.soumu.go.jp/joho_tsusin/broadband/index.html

Figure 1

Installation Target for Broadband by 2010

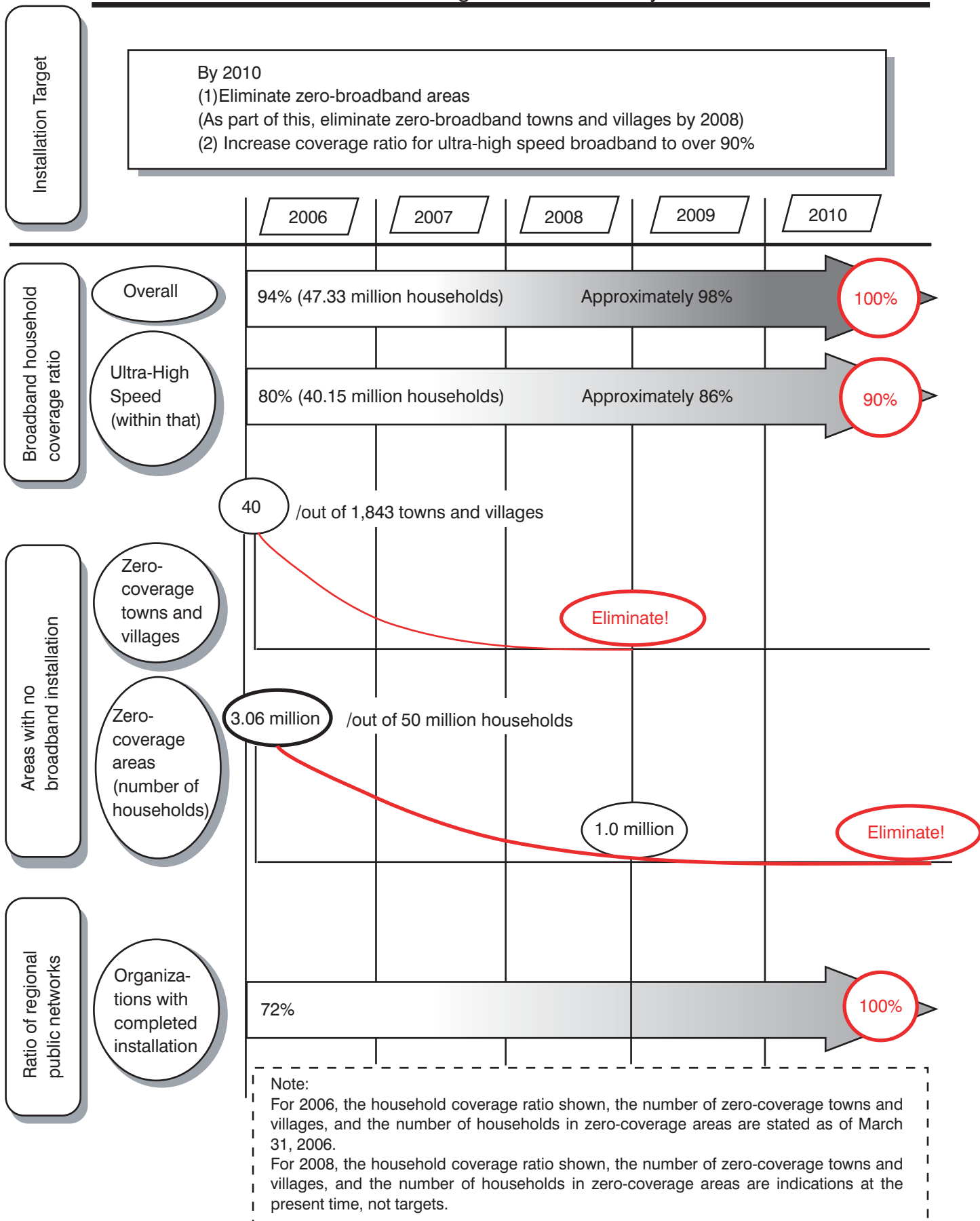
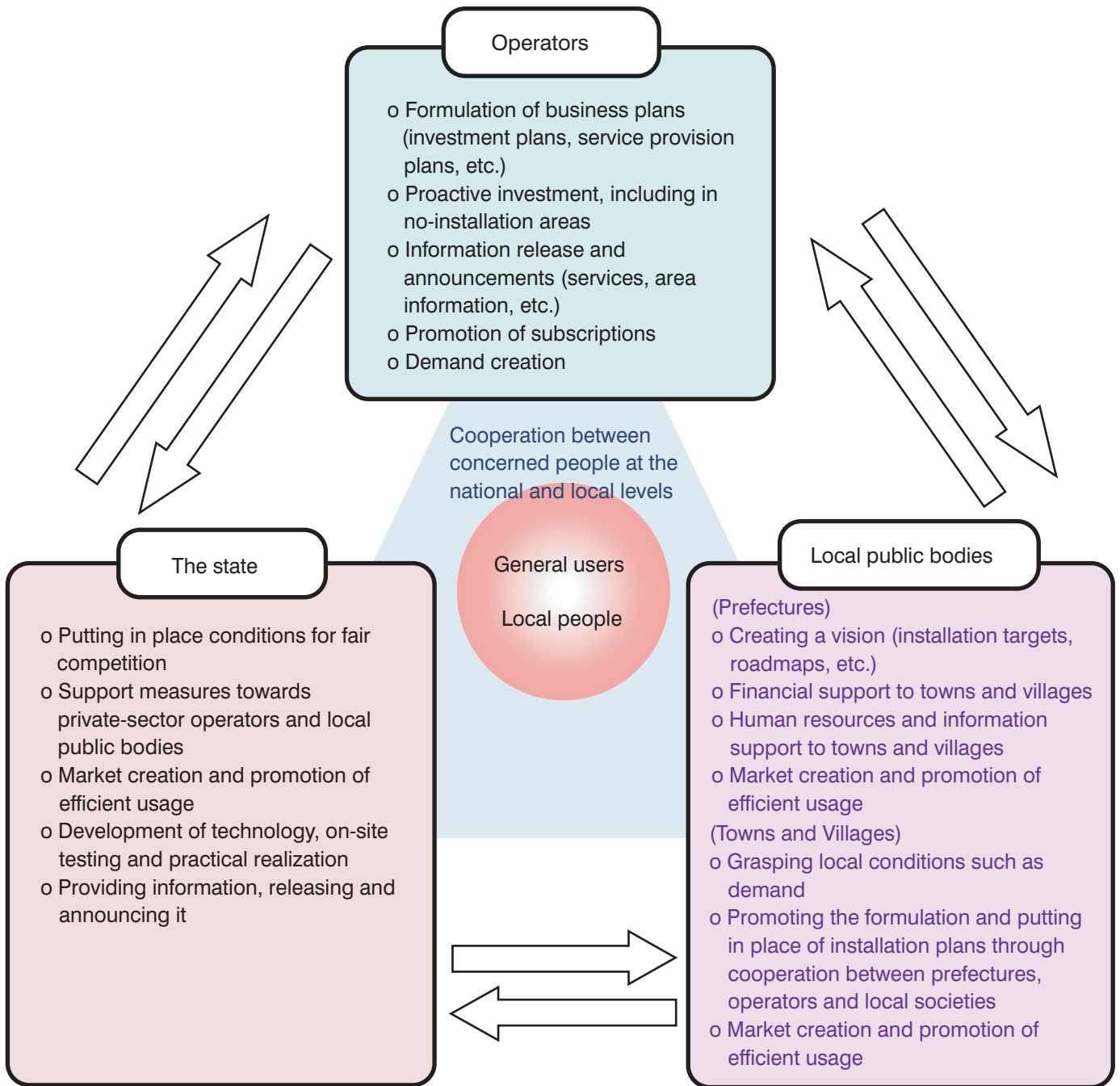


Figure 2



TOPICS

u-Japan Promotion Program 2006

Background

It is five years or more since e-Japan strategy was established in the IT strategic headquarters in 2001. In the meantime, the broadband network in Japan has been rapidly improved so that we can use worldwide ultra-advanced, low-priced, and high-speed network environment. The arrival of "ubiquitous network society" in which "whenever, wherever, whatever, and whoever" a network can be used has been realized recently.

On the other hand, Japan has various social problems such as real falling birth rate and aging. Economic growth and competitive powers also have to be enhanced in such situation. The expectation for ICT has been raised more and more as the "last card" to these problems. In the Ministry of Internal Affairs and Communications, a "u-Japan policy" with "Realizing ubiquitous network society by 2010" as a target was decided in December 2004.

Basic Conception of u-Japan Promotion Program 2006

In the ICT world, a new trend has been actualized one after another even after a u-Japan policy has been decided in December 2004. The progress is rapidly advancing. However, resources must be

intensively distributed in this field so as to smoothly realize ubiquitous network society while productivity is not sufficiently improved by ICT or while an information security problem is increasing. On the basis of such situation, an ICT policy was investigated up to an individual measure level, and, in the Ministry of Internal Affairs and Communications, "u-Japan Promotion Program 2006" was newly decided to define the field for making a priority approach according to the situation while promoting a u-Japan policy synthetically. (September 2006)

This "u-Japan Promotion Program 2006" is based on the three basic conceptions below.

1. Attachment of importance to u-Japan policy and its progress management (PDCA)
2. Correspondence to new trend
3. Visualization of ICT application model

Attachment of Importance to u-Japan Policy and Its Progress Management (PDCA)

PDCA (Plan-Do-Check-Act) is performed to individual policy packages for which it is about two years since u-Japan policy was decided. Three supports, "improved ubiquitous network", "advanced ICT application" and "improved

application environment", and two cross strategies, "international strategy" and "technical strategy" are provided for the u-Japan policy as a policy package.

In "u-Japan Promotion Program 2006", the target and the current situation are confirmed for these policy packages, and simultaneously, it is described which approach is investigated in the future. Moreover, a steady policy is progressed for the target in 2010 by revising a progress schedule. See the text in "u-Japan Promotion Program 2006" for individual measures.

Among these reviews, in 2006, we make the priority approach for the following items from the viewpoint of distributing resources intensively to the field where policy measures must be taken while promoting a synthetic policy including the promotion of communication/broadcasting convergence and cooperation.

- Promotion of communication/broadcasting convergence and cooperation
- Strengthening of growth power, competitive power, and software powers
- Realization of reliable and safe ubiquitous network society

Figure 1 Priority Items in 2007

Expansion of "u-Japan policy"-- Promotion of communication/broadcasting convergence and cooperation

- ▶ Realizes the ubiquitous network society in which whenever, wherever, whatever, and whoever a network can be used
- ▶ Solves social problems, such as falling birth rate and aging, by ICT. = Application of ICT for solving problems

Field for making a priority approach in 2007

Strengthening of growth power, competitive power, and software power

Contributes to the economic growth and strengthens the international competitive power by distributing resources intensively to the advantage (ubiquitous network society) of Japan.

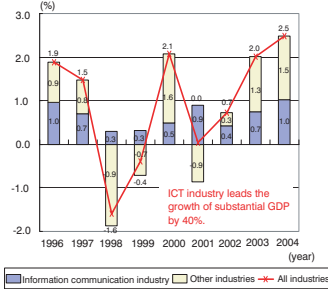
[Growth power and competitive power]

- Research and development of new-generation network technology that leads the world
- Rearing and utilization of ICT talent
- Review of depreciation system

[Strengthening of software power]

- Strengthening of international broadcasting
- Creation, circulation, and promotion of contents

Contribution of information communication industry to the change in substantial GDP



Realization of reliable and safe ubiquitous society

Strengthens the measures for information security and links the reliability and safety of ICT to the reliability and safety based on ICT.

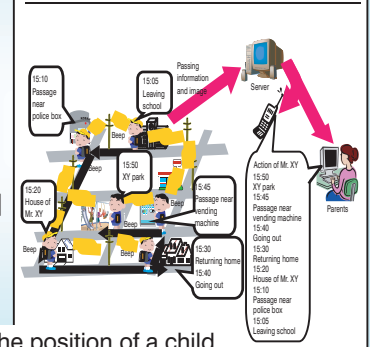
[Securing the reliability and safety of ICT]

- Promotion of research and development to strengthen the measures for information security

[Securing the reliability and safety based on ICT]

- Securing of national life's reliability and safety for which an electronic tag was utilized

Ubiquitous child watching system



The position of a child that has an electronic tag is grasped using receivers installed throughout the city.

Promotion of synthetic

- ◆ Promotion of communication /broadcasting convergence and cooperation
 - ▶ The reformation of communication and broadcasting fields is promoted based on the international situation according to the "agreement of the ruling party on communication and broadcasting" (June 20, 2006).
- ◆ Approach for "the first year of perfect digitization" in 2011
 - ▶ Correction of geographical "digital divide" (Grant for promoting the improvement in regional information communication base)
 - ▶ Promotion of broadcasting digitization (Improvement in remote viewing facilities)
- ◆ Fixation of ubiquitous application model
 - ▶ Promotion of the construction business for regional ICT application model
- ◆ Promotion of technical strategy
 - ▶ Research and development of ubiquitous network technology and universal communication technology
- ◆ Promotion of international strategy
 - ▶ Execution of strategic international information dispatching activities
 - ▶ Promotion of Asia Broadband Program

(Source: "2007 ICT policy principles" (August 2006))

Correspondence to New Trend

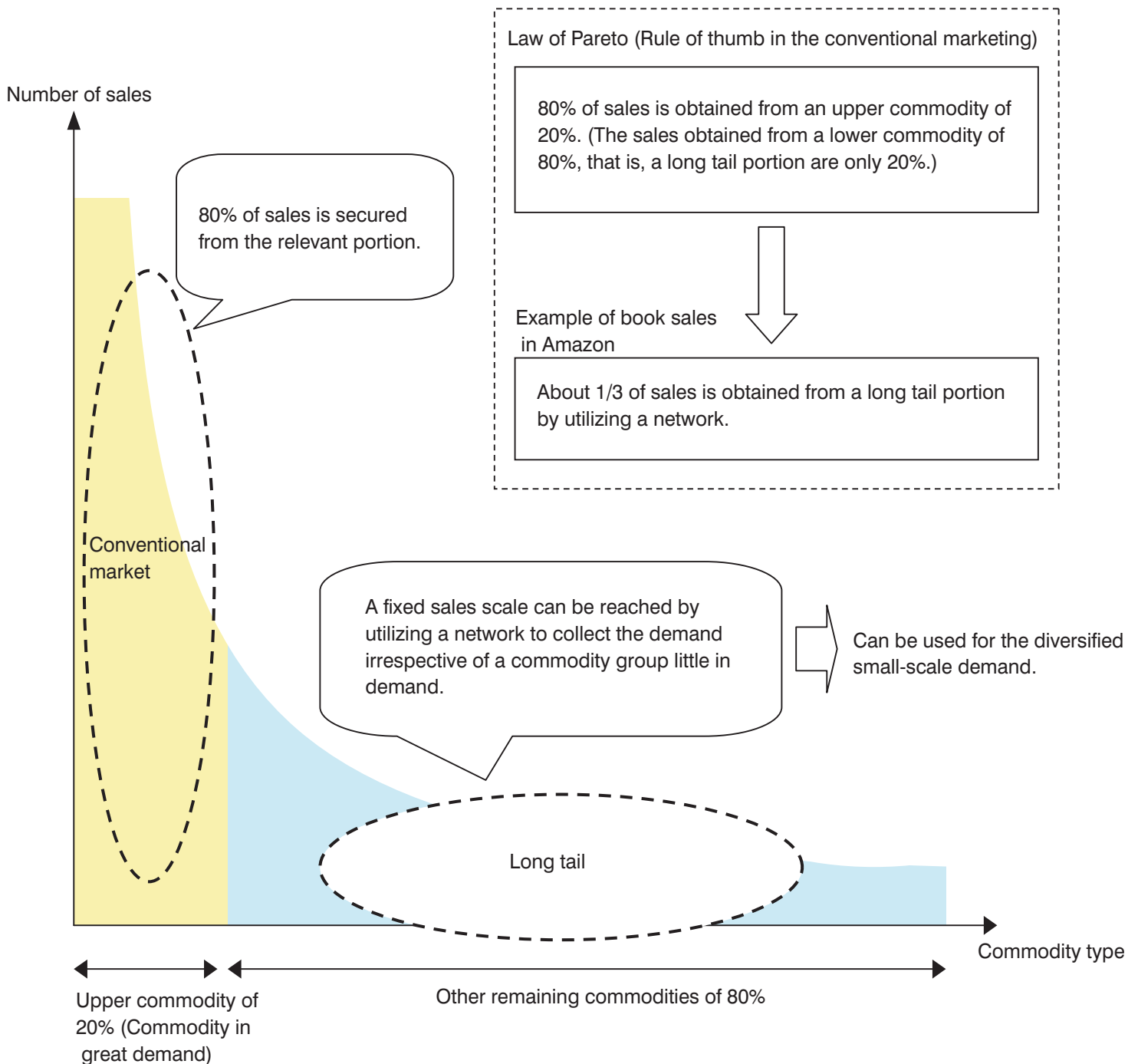
In 2005, the new Internet current of "Web 2.0" appeared as represented by Blog or SNS (Social Networking Service). This has been drawing the attention of the public. Web 2.0 is not distinctly defined for the present. However, it has the two major features of "user participation" and "open intention". Wikipedia based on an online

encyclopedia and the API (Application Program Interface) opening based on Amazon.com are the example of a trial in Web 2.0. In future, the same tendency as described above is considered to increase more and more.

The influence that such trend exerts on the economy of the real world is unknown as yet. However, it is said that the new business form such as a long tail phenomenon

(Figure 2) has also been appearing gradually. After this, it is important to advance the approach so that, through such leading movement, various networks, technologies, properties/services, or industries are promoted in convergence and cooperation and so that the latent ability is shown fully.

Figure 2 Outline of Long Tail Phenomenon



Visualization of ICT application model

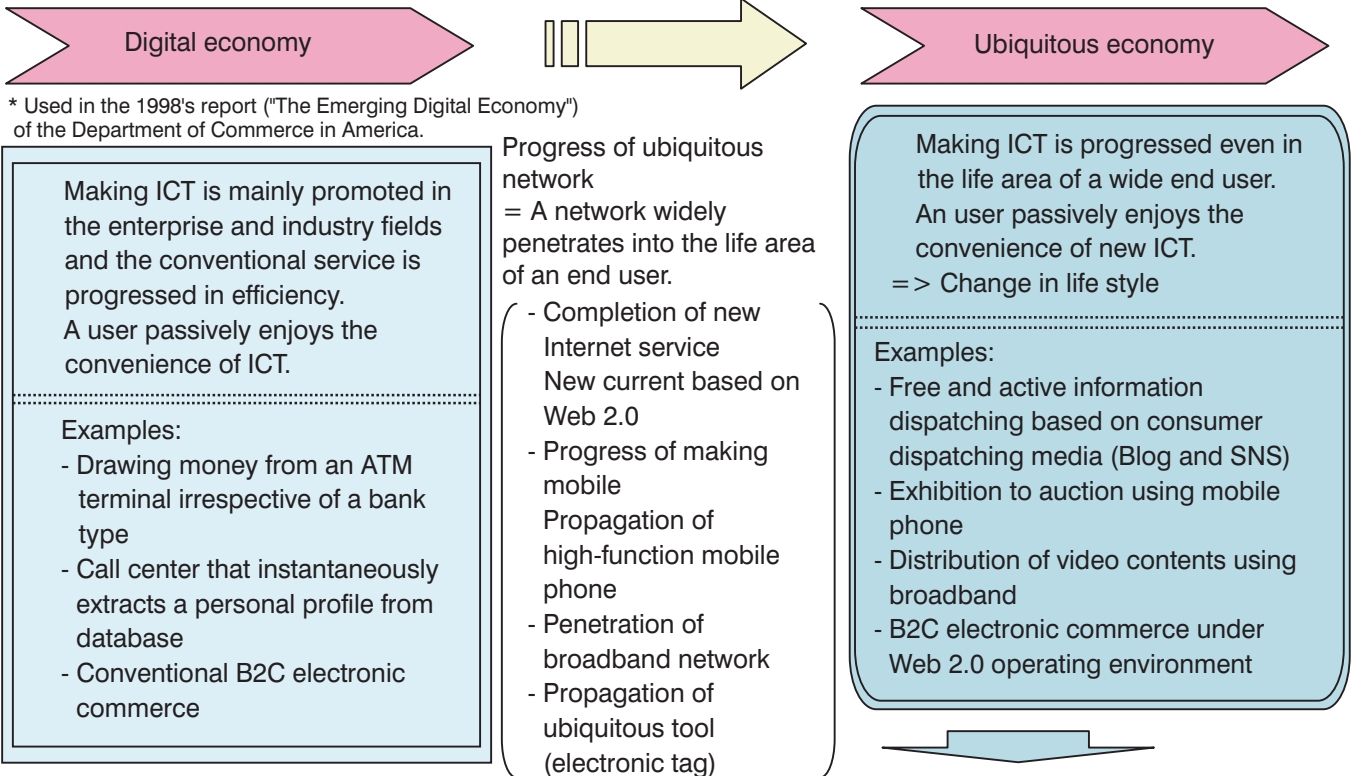
The latent influence that a ubiquitous network exerts on society is immeasurable, but it is also true that an image is difficult to grow. In "u-Japan Promotion Program 2006", the items below are summarized as reference data so as to promote the propagation and improvement of ICT application.

1. Ubiquitous economy
2. Example of productivity improvement in ubiquitous network society
3. Example collection of u-Japan best practice
4. Symbol project

"1. Ubiquitous economy" was adopted as a special edition in "Information & Communications White Paper 2006" (Figure 3). The ubiquitous economy indicates the characteristics of social economy that arises with the progress of a ubiquitous network as described in "Correspondence to new trend". In the past, making ICT was mainly promoted in the enterprise and industry fields. A consumer passively accepted the profit of the resulting high efficiency. At present, however, a network penetrates into the life area of an end user. For example, the exhibition to auction using a mobile phone, the looking and listening of video contents

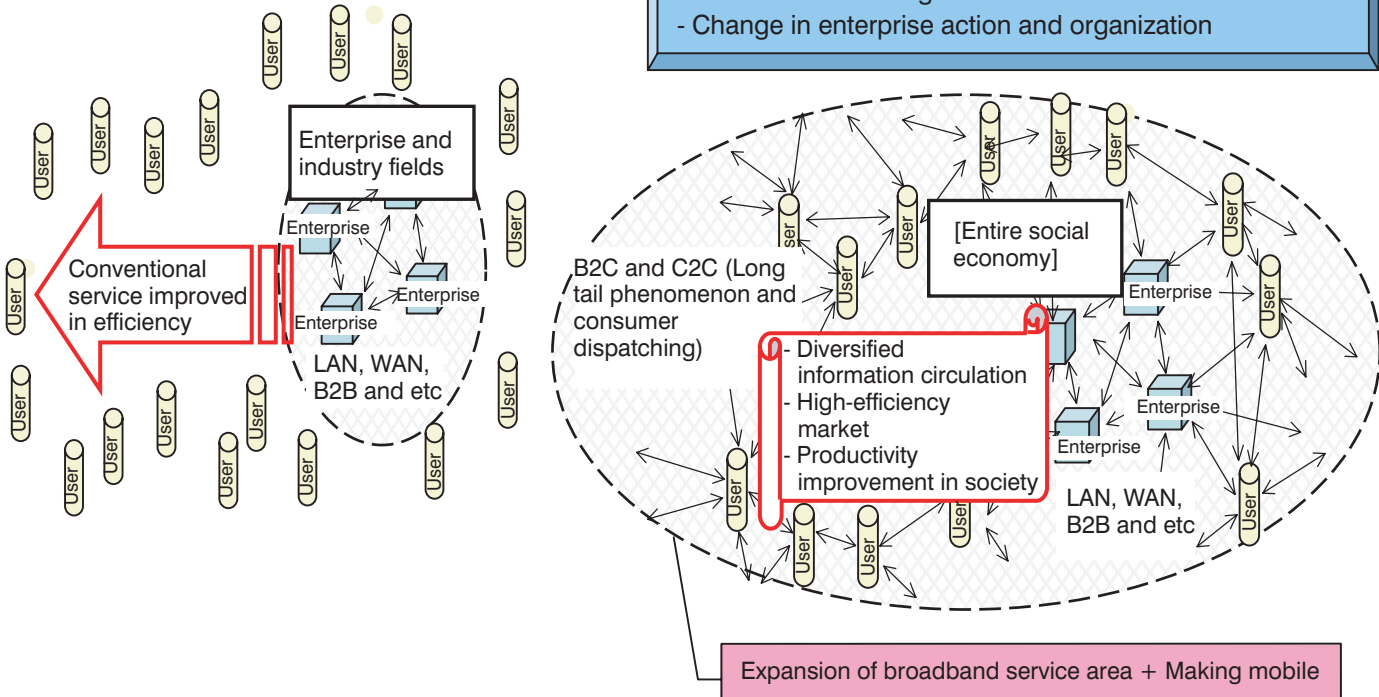
based on broadband, and free and active information dispatching using Blog and SNS are a new application form, accompanied with the change in a life style, which does not exist in the extended line of the previous application form. A new market or employment occurs due to the change in such a life style. On the other hand, an old market is obliged to be reduced or transfigured. We grasp the change in such economic society and introduce it as "ubiquitous economy".

Figure 3 Ubiquitous Economy



Propagation to social economic system with the change in a life style as a starting point

- Creation of new market or employment
- Reduction or transfiguration of the conventional market
- Change in enterprise action and organization



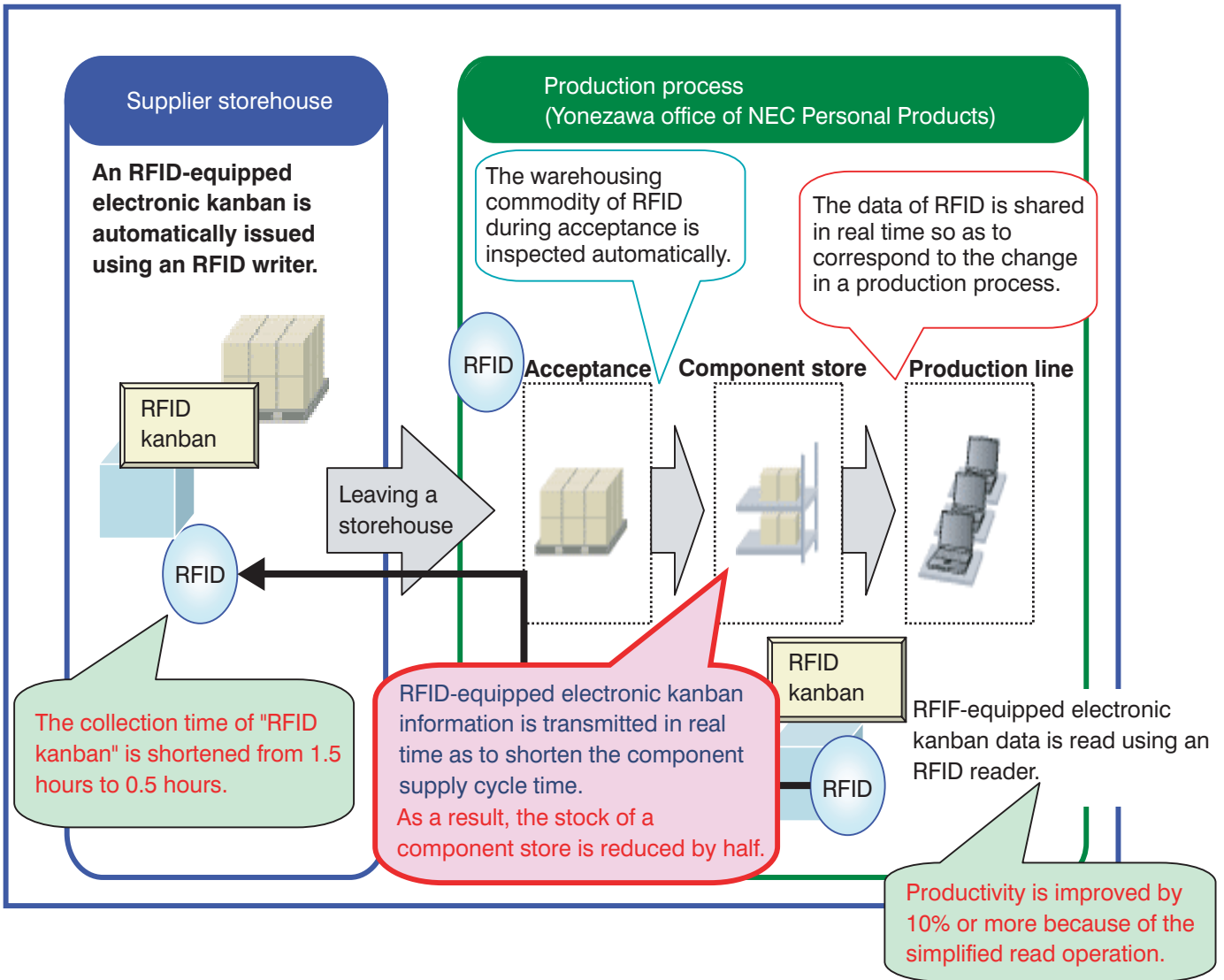
The successful example, such as production management using RFID or a teleworking system, for

which ubiquitous technology was used is given in "2. Example of productivity improvement in

ubiquitous network society". (Figure 4)

Figure 4 Production Innovation for which RFID Was Utilized (Production Management and RFID-Equipped Kanban Systems for which RFID was Utilized)

- Shortening the component supply cycle time and halving the stock of a component store



In "3. Example collection of u-Japan best practice", the example, which received a u-Japan grand

prix, as well as "Ubiquitous child watching system" (Figure 5) is given from this example collection

published in June 2006.

