



Communications News

Vol. 17 No. 18
December 22, 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

International Cooperation in the ICT Field --Collaboration with Brazil, China, India, Korea and Russia--

Overview

MIC has been actively implementing international cooperation in the fields of communications and broadcasting. For instance, MIC has been promoting support for policymaking/rulemaking, human capacity building and technology transfer, through bilateral cooperation focusing on Asian countries as well as multilateral cooperation at international and regional organizations, including the International Telecommunication Union (ITU) and the Asia-Pacific Telecommunity (APT).

It can be said that a priority promotion scheme for international cooperation in the communications and broadcasting fields has been sufficiently established through the new "Official Development Assistance (ODA) Charter" (Cabinet Decision of August 2003), describing the cooperation in the ICT field as a priority issue, and the "New Medium-Term Policy on Official Development Assistance (ODA)" (Cabinet Report of February 2005), stressing cooperation in the ICT field as being vital for poverty reduction and sustainable growth in developing countries.

At present, MIC has been actively implementing the "Asia Broadband Program" as a basic strategy for promoting international

cooperation, with the purpose of realizing the goal of transforming Asia into an information hub for the world by 2010. Through further strengthened cooperative ties between Japan and Asian countries under this Program, MIC has been contributing to the narrowing of the digital divide and invigoration of information distribution.

In order to accelerate the implementation of "Asia Broadband Program," the Working Group of the "Asia Broadband Promotion Council" has drafted a review on the program in August of this year as an interim assessment concerning the progress of it. Intending to raise Japan's presence as a whole and considering contribution to concerted efforts of stakeholders, MIC will continue to actively promote cooperation for developing countries including those in Asia, thereby contributing to the bridging of the digital divide in the international community.

Implementation status

With respect to cooperative ties to date between Japan and other Asian countries, efforts to conclude bilateral cooperation have been on the rise, as exemplified by adoptions of joint statements and conclusions of memoranda of understanding (MoUs) among

CONTENTS



TOPICS

- International Cooperation in the ICT Field -- Collaboration with Brazil, China, India, Korea and Russia -- 1
- Evolution of Japanese Broadband Services 5
- Celebrating the 5th Anniversary of the Setting-Up of the Mutual Recognition Agreement Law (MRA Law) for Telecommunications Equipment 7



**International Policy Division,
International Affairs Department,
Telecommunications Bureau,
Ministry of Internal Affairs and
Communications (MIC)**
1-2, Kasumigaseki2-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.

"Japan, China and Korea," and between Japan's MIC and ICT administrations of ASEAN member countries as well as India. Collaborative ties within the Asian region have steadily been on the rise.

Furthermore, with regard to multilateral cooperation, MIC has been contributing to the Asia-Pacific region through extra budgetary contributions (special funding) to APT.

In FY2006, the "support for preparation of an environment toward promotion of broadband platforms in the Asia-Pacific region" has been earmarked as a new budgetary contribution to APT. Through this scheme as well as

other continued policy measures, MIC will implement enriched support measures for human capacity building/policymaking necessary upon preparation of competitive environments, in order to promote widespread use of broadband platforms in the Asia-Pacific region.

Latest topics

With regard to cooperation arrangements, etc., those between "Japan/China/Korea," "Japan and India," "Japan and Russia" and "Japan and Brazil" have drawn keen attention.

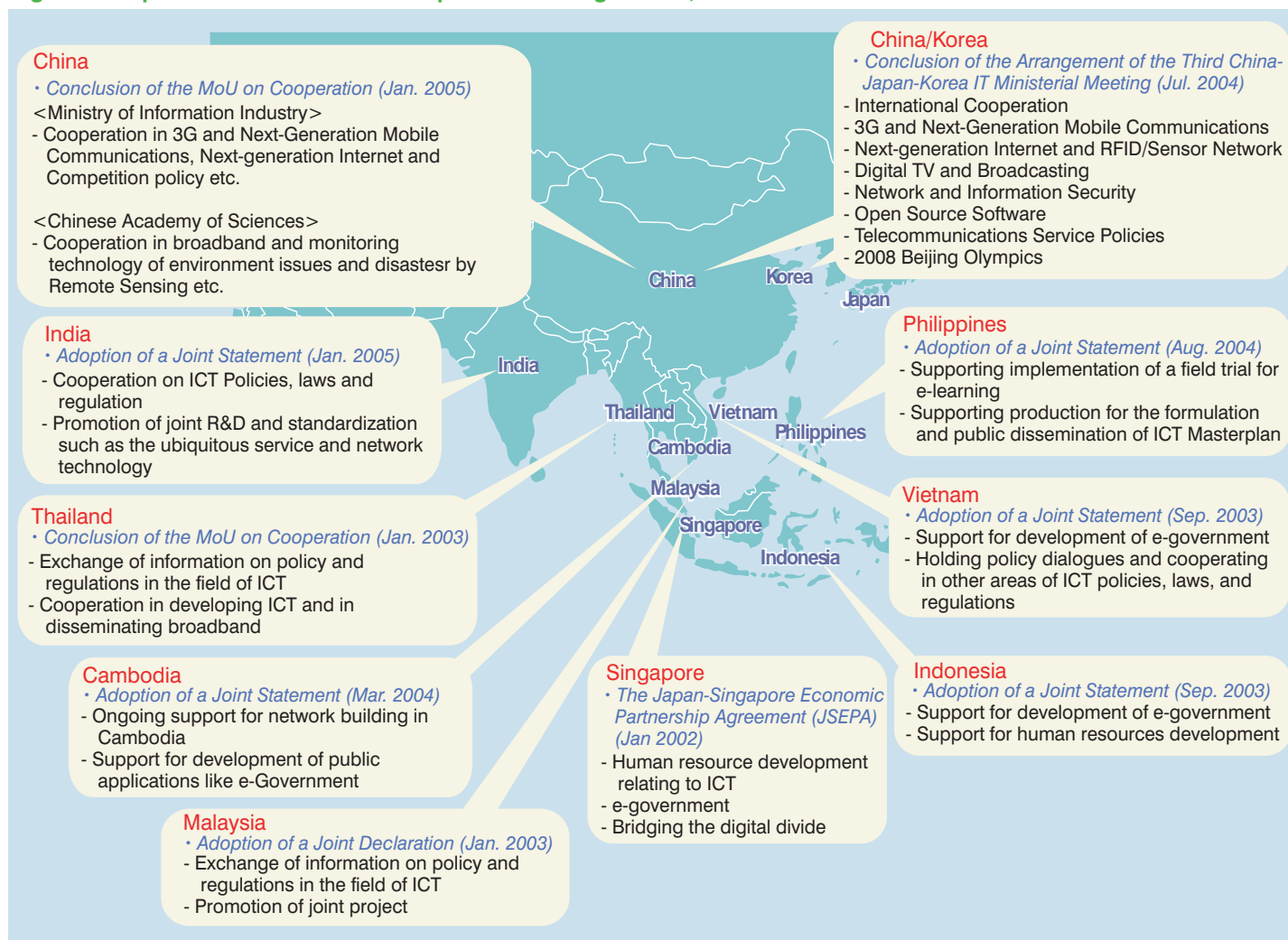
Japan/China/Korea

Expansion of economic

ties/exchanges among Japan, China and Korea is an indispensable factor not only for Asia but also for the development of world economy. It is expected that public-private sector high-level meetings, etc. in the ICT field will invigorate cooperation among governments and corporate activities.

In March 2006, Dr. TAKENAKA Heizo, Minister for Internal Affairs and Communications, attended the fourth China-Japan-Korea ICT Ministers' Meeting held in Xiamen, China, following the preceding three China-Japan-Korea ICT Ministers' Meetings since 2002.

Figure 1: Implementation status of cooperation arrangements, etc.



At the Fourth China-Japan-Korea IT Ministerial Meeting, the three Ministers signed a document stating that cooperation among China, Japan and Korea shall be further promoted in accordance with the following six items as the 2006 priority program.

1. Implementation of a human capacity building program for ASEAN countries
2. Strengthening of an information-sharing scheme concerning information network security (including countermeasures against spams)
3. Implementation of a pilot project concerning RFID tag sensor networks
4. Joint research on international access to the Internet
5. Promotion of cooperation on open source software
6. Promotion of cooperation on standardization of technologies for the fourth-generation mobile communications (4G)

Cooperation with India

India is one of the leading ICT countries in Asia, having a potential to become a huge ICT market. Thus, it is an urgent task for Japan to promote exchanges with the Indian government and its ICT industry. In particular, it is vital that activities of the ICT industries of the two countries be supported through strengthened collaborative ties between the governments of the two nations.

At present, however, almost all software exports from India are to Europe and the U.S., while those to Japan occupy a mere 3%. MIC recognizes that in order to promote synergy through business tie-ups between the Indian software industry and Japanese manufacturers, it is essential to formulate closer cooperative ties on an equal footing basis by promoting business exchanges and support through the Official Development Assistance (ODA).

At the Japan-India ICT Ministerial Meeting held in August 2005, in Delhi, India, Rep. ASO Taro, Minister for Internal Affairs and Communications, and Mr. Dayanidhi MARAN, Minister for Communications and Information Technology, exchanged opinions on the current status of ICT policies and ICT industries of the two countries; consequently, they signed a joint statement.

Following the Japan-India ICT Ministerial Meeting, the first meeting of the "Japan-India ICT Forum" was convened with the attendance of top leaders of major telecommunications carriers, ICT manufacturers and research institutes from the two countries. The attendees agreed to establish six working groups (i. broadband, ii. mobile communications, iii. e-governments, iv. information security, v. R&D and vi. ubiquitous network) to be established under the "Japan-India ICT Forum." Subsequently on April 17 and 18, 2006, meetings of the six working groups were held in Tokyo with the attendance of Mr. ARITOMI Kan'ichiro, Vice-Minister for Policy Coordination (International Affairs). Thereafter, the second meeting of the six working groups was held in Chennai, India on September 7 and 8.

Cooperation with Russia

With respect to cooperation with Russia, on April 26, 2006, Mr. Dmitry MILOVANTSEV, Vice-Minister for Information Technologies and Communications of Russian Federation, and other officials visited Japan to hold the "Japan-Russia Governmental Meeting" with the presence of Mr. ARITOMI Kan'ichiro, Vice-Minister for Policy Coordination. The "Japan-Russia Governmental Meeting" was convened based on the "Cooperation Program between the Government of Japan and the Government of Russian Federation

in the field of Information and Communications Technologies" (signed in November 2005 upon visit of Russian President Vladimir PUTIN to Japan).

In addition to the Governmental Meeting, the Yokosuka Research Park (Japan) and the Radio Research and Development Institute (NIIR) of Russia signed the Memorandum of Understanding (MoU) to conclude the cooperative relationship in the R&D field, etc. between the two organizations.

Thanks to these events, it is expected that the cooperative scheme in the entire ICT field between the two countries will be strengthened further through exchanges between the two governments and research institutes.

Brazil

At present, Brazil is in the process of selecting a digital terrestrial television broadcasting system. Thus, MIC dispatched a delegation to Brazil at the end of 2005 for asking them to adopt the Japanese Integrated Services Digital Broadcasting-Terrestrial (ISDB-T) system. In April 2006, three ministers of Brazil visited Japan and paid a courtesy visit to the Minister for Internal Affairs and Communications of Japan, Dr. TAKENAKA Heizo. The Government of Japan and the Government of the Federative Republic of Brazil signed a memorandum of understanding concerning cooperation for implementation of a digital terrestrial television broadcasting system and the development of the electronics industry.

The Brazilian government has decided to adopt a digital terrestrial television broadcasting system based upon the ISDB-T, which was developed by Japan. Henceforth, Brazil will, through collaboration with Japan, develop a "Nippon-

Brazilian digital terrestrial television broadcasting system by incorporating various technologies to be developed and proposed by Brazil.

Position of ICT field in ODA

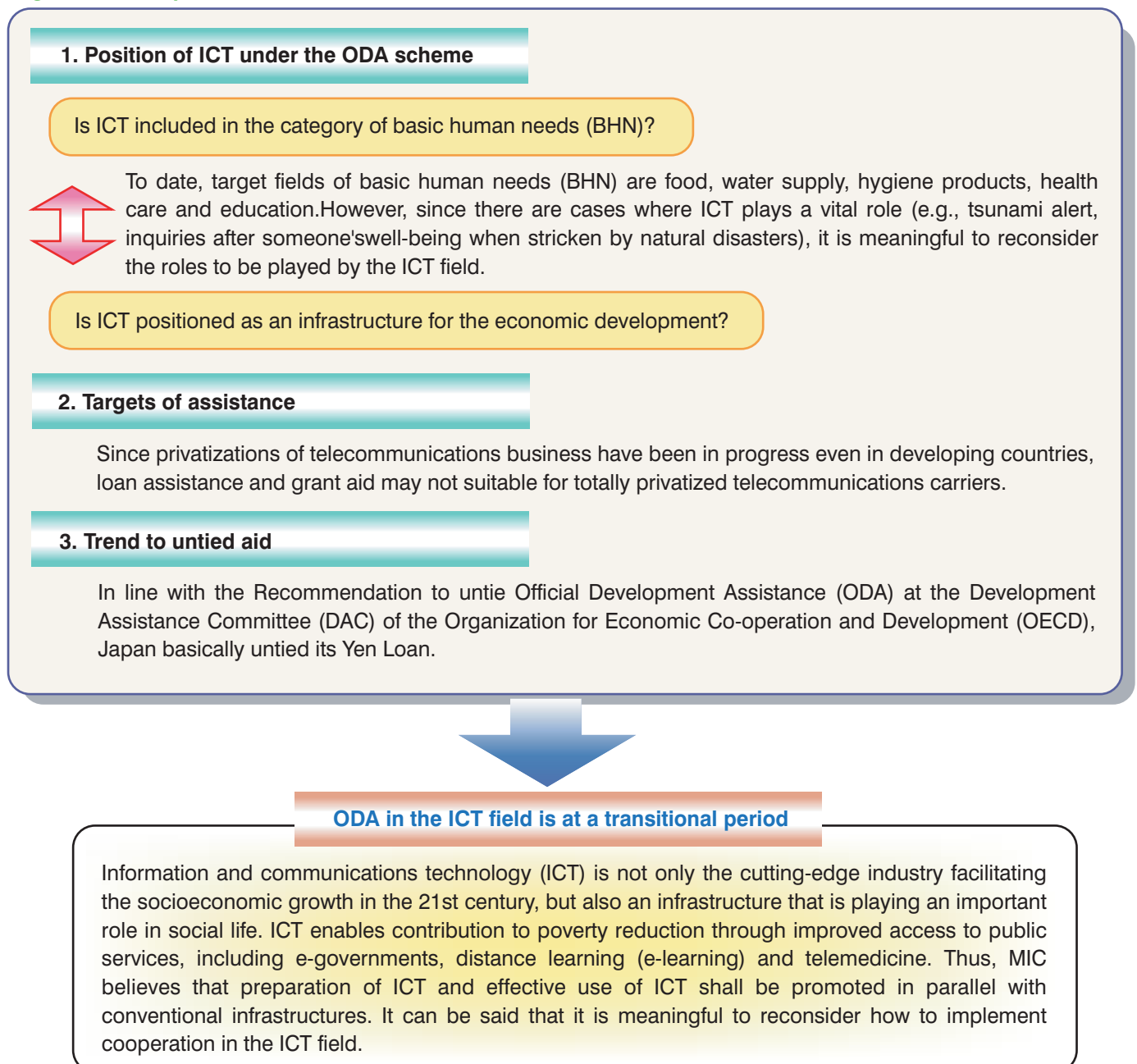
To date, the ICT field has had a tendency to be positioned as an infrastructure for economic development. Target fields of ODA for supporting developing countries are mainly basic human needs (BHN), including food, water

supply, hygiene products, health care and education. However, in these days, it has been recognized that ICT is an important tool related to human life as a means of emergency communications and inquiries after someone's wellbeing when stricken by such natural disasters as earthquakes or tsunamis.

ICT is not only the cutting-edge industry facilitating socioeconomic growth in the 21st century, but also an infrastructure

that is playing an important role in social life. ICT enables contribution to poverty reduction through improved access to public services, including e-governments, distance learning (e-learning) and telemedicine. Thus, MIC believes that preparation of ICT and effective use of ICT shall be promoted in parallel with conventional infrastructures. It can be said that it is meaningful to reconsider how to implement cooperation in the ICT field.

Figure 2: Concept of ICT under ODA scheme



Source: New Breeze Vol.18 October 2006 Autumn

TOPICS

Evolution of Japanese Broadband Services

It is said that Japan is a country whose penetration rates of broadband services are the world's highest. The number of subscribers to fixed broadband services is 23.2 million (as of the end of March 2006), meaning that about half the total households of Japan have broadband access to the Internet. Moving picture delivery services are very common on the Internet.

Mobile broadband services are also remarkable. Eightyseven percent of all subscribers (93 million: as of the end of May 2006) to cellular telephone services have access to the Internet. For cellular telephone users, not only retrieval services for information on weather forecast, stock market quotations, restaurants, etc., but also mobile commerce (m-commerce), e.g., reservation using mobile terminals of air tickets, railway tickets, advance booking of theater seats and online stock trading, are very popular. Sooner or later, mobile payments (m-payments) will become common.

According to NTT's "Roadmap for Building the Next-Generation Network (NGN)," i) fixed telephone networks will migrate to IP-based networks, ii) fixed telephone networks will be combined with mobile communications networks seamlessly, as well as iii) subscriber local loops will become broadband circuits, mainly consisting of FTTH. Analog terrestrial TV broadcasting will be fully replaced by digital terrestrial TV broadcasting. Thereby, efforts to address the "convergence of communications and broadcasting" will become a realistic process.

In light of such market environments, in order to fulfill the mission of CIAJ, "CIAJ is committed

to the healthy development of information communications network industries through the promotion of information communications technologies (ICT), and contributes to the realization of more enriched lives in Japan as well as the global community by supporting widespread and advanced uses of information in socio-economic and cultural activities," CIAJ set forth the following three items as FY2006 priority projects:

The first is the issue of "realization of a ubiquitous network society." As mentioned before, the development of technologies will bring about the "convergence of various technologies," such as "wired and wireless," "computers and consumer electronics" and "communications and broadcasting." In addition, such trends will lead to the "convergence of various services." Market structures of such businesses as communications, information processing, broadcasting and content distribution, have been drastically changing. The age of so-called "digital convergence" has arrived. Based upon the perception of such an age and with a global viewpoint, CIAJ will, toward the realization of the ubiquitous network society, compile voices from member corporations, actively propose policies and transmit our opinions.

The second is the issue of "creation of new markets." When market structures are drastically changing, this is also when new business opportunities are being born. The convergence of technologies creates new markets, and such new markets require new technologies. CIAJ's essential activities are to take advantage of such situations, establish and foster

new business activities.

For instance, since four years ago, CIAJ has been carrying out a cooperation project between Japan and China on IPv6 networks. Through this project, China has come to highly evaluate Japan's technologies, resulting in increased business opportunities to Japanese enterprises.

CIAJ has been promoting activities of forum working groups where people interested in certain topical themes get together to make a study of and research into such themes. The purpose of the forum working groups is to make use of results of such research activities/studies for projects to create specific business models.

The third is the issue of "strengthened international competitiveness." The "paradigm shift of technologies and markets" has changed each company's core competence and brought about changes in international competitiveness. As a result, global competition between Japan and Asian countries has become harsher. These days, international competitiveness has become an unprecedented and decisive factor. Although each member company is energetically striving to address global competition, it is not easy to survive. Also, CIAJ will implement activities for contributing to the strengthened international competitiveness.

One example is a service for delivering content to consumer electronics via the Internet. To date, CIAJ has been considering technologies for broadband platforms, cryptography and instantaneous settlement. In FY2006, CIAJ will propose specific business models and demonstrate those technologies at the largest

ICT exhibition in Japan, "CEATEC JAPAN 2006." This content delivery project is, without saying, focusing on Japan's competitiveness in i) consumer electronics at the world's strongest level, including flat-panel TV screens and the next-generation DVD, and ii) the content industry, including the world's famous "anime" titles.

Considering circumstances where de facto standards are being frequently used, CIAJ has been implementing steady activities for ensuring interoperability, by conducting experiments on interconnectivity between equipment produced by different manufacturers. CIAJ will extend such experiments for member

companies.

CIAJ will make full efforts to resolve the three items mentioned above, and to become an "active corporation to contribute to developments of member companies, and to be globally recognized."

Source: New Breeze Vol.18 October 2006 Autumn

TOPICS

Celebrating the 5th Anniversary of the Setting-Up of the Mutual Recognition Agreement Law (MRA Law) for Telecommunications Equipment

The Mutual Recognition Agreement Law, which was enacted with the goal of facilitating exports and imports of telecommunications equipment, came into effect 5 years ago this January. The system of mutual recognition is in operation between Japan and the European Community, and negotiations are currently under way to establish such a system with the United States, which is Japan's largest export destination for telecommunications equipment.

Once the law came into effect, use of the system was developed in Japan and overseas by manufacturers. There has been a trend towards use of the system and an increase in the number of certifications particularly in fields such as mobile telephones and wireless LANs.

In particular, use of the system has proved very effective in equipment fields such as mobile telephones, where the pace of technological advance is fierce, and the ability to enter the market with rapid development of new models is a survival issue for manufacturers.

Conformity Assessment System and Mutual Recognition Agreement (MRA)

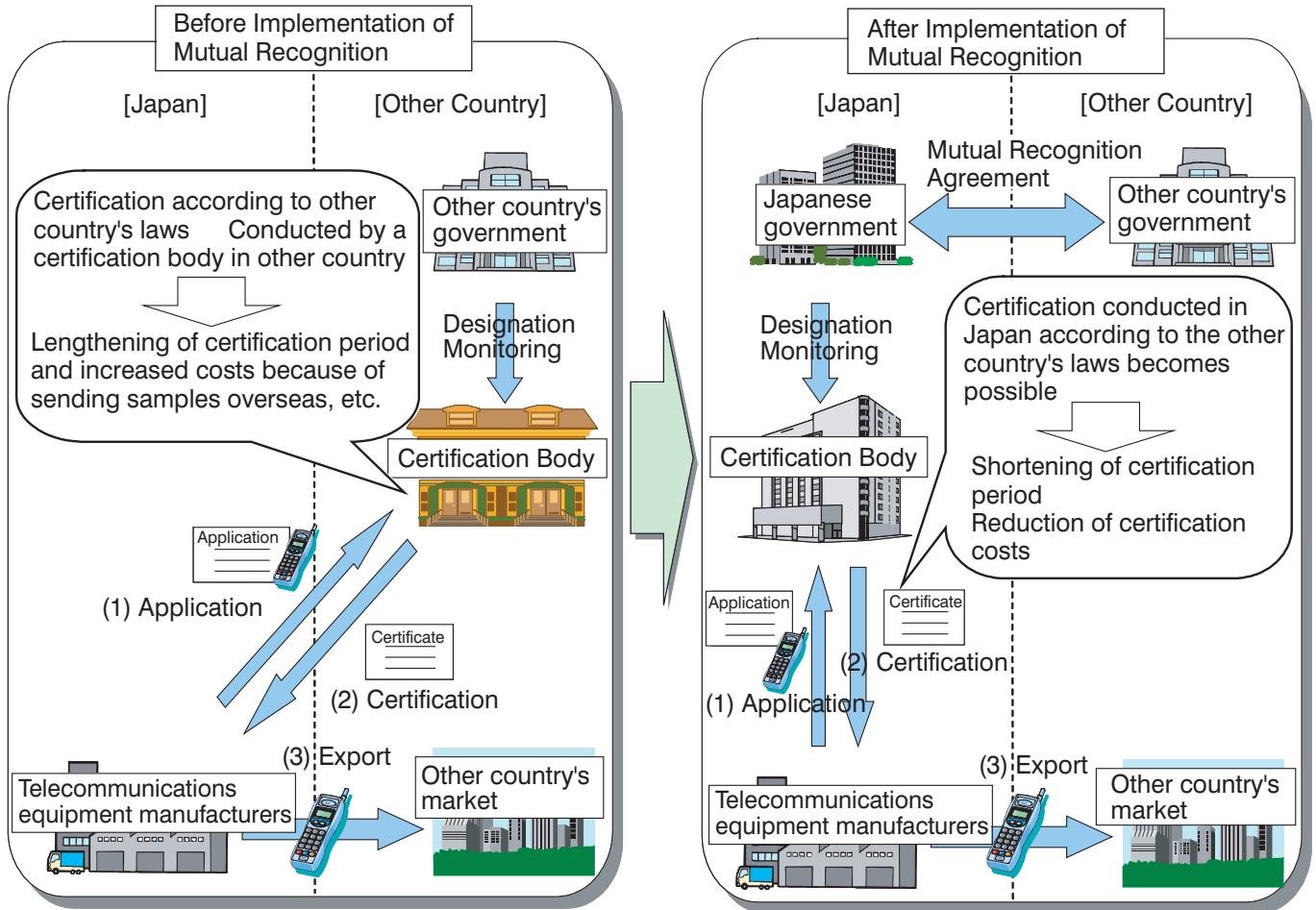
In order to standardize technical formats and ensure safety for products such as telecommunications equipment, including telephones, mobile phones and faxes, electrical equipment and medical equipment, which are distributed and used throughout society, technical standards that must be followed have been established, along with a "Conformity Assessment System" that checks to see whether products comply with those standards. In the unlikely event that a product that does not conform to the standards is distributed and used, measures are taken to order the manufacturer to make revisions and organize returns.

Telecommunications networks are a vital and necessary part of people's lives and socio-economic activities, and also act as lifelines for emergency contacts when there is a disastrous situation. In addition, the radio spectrum is used not just for mobile phone services, but also in a wide variety of roles to maintain

social order, such as for traffic safety for ships and airplanes, the police or defense. That is why the use of equipment that does not meet technical standards can provoke damage to networks or interference to and jamming of wireless communications, and so can be a threat to the population's lives and safety. Therefore, the Conformity Assessment System that thoroughly verifies the conformity of telecommunications equipment to technical standards is an important system in terms of people's lives.

On the other hand, the MRA is an agreement between two countries that makes it possible for certification bodies in one's own country to conduct the conformity assessment on technical standards of the other country. Under such an agreement, each country undertakes the duty of accepting the results of certification as carried out by the certification bodies in the other country as equal to what would be carried out by its own domestic bodies.

Figure 1: Outline of Mutual Recognition Agreement



Mutual Recognition Agreements concluded to date

Japan signed "Agreement on Mutual Recognition between Japan and the European Community" in April 2001 as its first MRA in the telecommunications field, and it came into effect in January 2002. This agreement covers the 4 areas of telecommunications, electrical equipment, chemicals, and pharmaceuticals.

The next agreement concluded was "Agreement between Japan and the Republic of Singapore for a New-Age Economic Partnership" (signed in January 2002, and coming into effect in November 2002). In this agreement a mutual recognition system for telecommunications equipment and electrical equipment was included as a part of the Economic Partnership Agreement (EPA) between the two countries. (At present, the Japan-

Singapore MRA is under coordination between the two authorities towards implementation.)

In terms of domestic system regarding these agreements, "Law for implementation of the mutual recognition between Japan and the European Community and the Republic of Singapore in relation to conformity assessment of Specified Equipment" (MRA Law) was established. This law came into effect on January 1, 2002 in order to implement Japan-EC MRA. This month marks the 5th anniversary of this coming into effect.

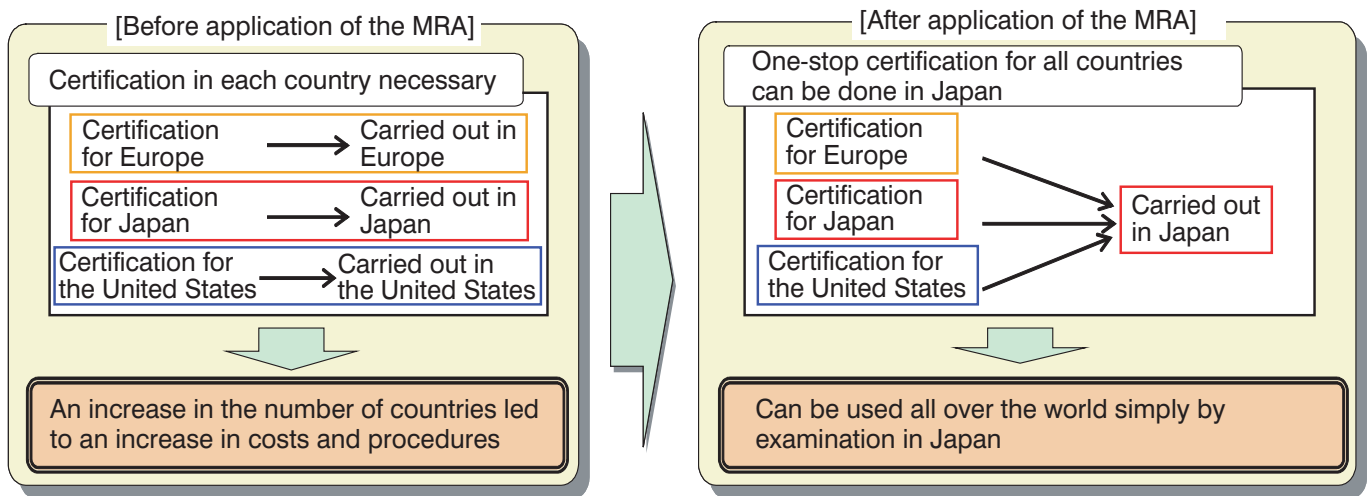
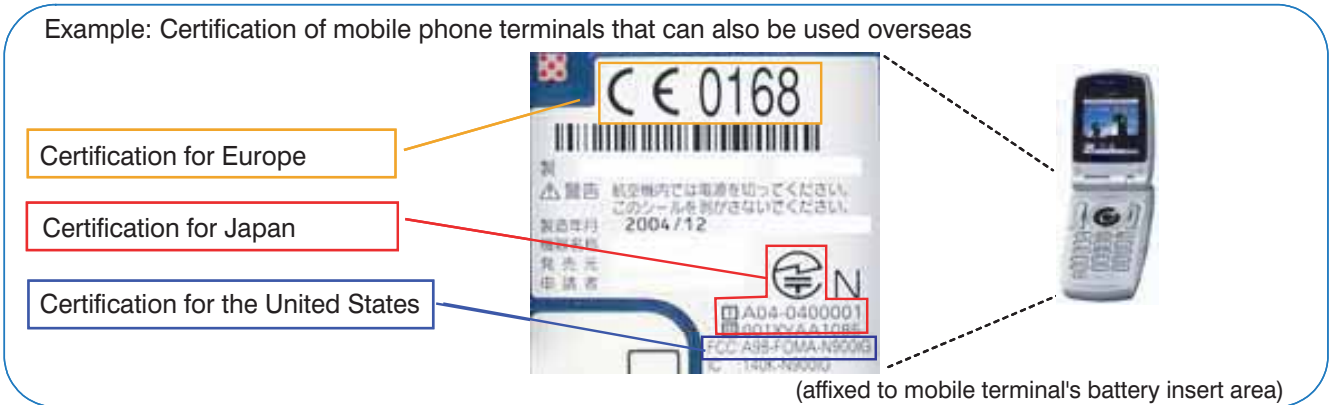
The advantages of using the Mutual Recognition Agreements

By using MRAs, it becomes possible to conduct the certification of equipment for other countries (Europe etc.) in Japan, which results in reducing the time for assessments (speeding up development time and market

introduction time of new models) as well as reducing costs (reducing transport costs and the cost of agents for the applications). Thus, MRA is expected to facilitate export and import trade.

In addition, with regard to "equipment that can also be used overseas" that has spread rapidly in recent years, such as wireless LANs based on international standards and mobile phone terminals with international roaming capabilities, the procedures required by each country can all be done by Japanese certification bodies as a "one-stop" process. With increasingly stiff competition in the development of mobile telephone terminals, the reduction in development lead times for manufacturers has become a survival issue in companies maintaining their competitiveness, so they benefit from MRA.

Figure 2: Outline of One-Stop Certification in Japan



Performance in the five years following the law coming into effect

Two companies, UL Apex Co., Ltd. and Telecom Engineering Center, have been registered as certification bodies for overseas based on the MRA, and are carrying out certification of equipment for Europe. At the same time, four companies have been registered as foreign certification bodies for Japan. They are Telefication B.V. (Netherlands), CETECOM ICT Services GmbH (Germany), BABT (UK) and PHOENIX TESTLAB GmbH (Germany).

The number of certifications that have been conducted domestically totaled 2,729 in fiscal year 2003, 3,036 in fiscal year 2004, and 3,247 in fiscal year 2005. Of these, the number of

certifications for Japan under MRA (ratio of MRA to total certification numbers) was 121 in fiscal year 2003 (4.4%), 209 in fiscal year 2004 (6.9%), and 276 in fiscal year 2005 (8.9%), showing a growing trend in the number since the system was introduced. The number of certifications that were conducted for export from Japan was 8, as of November 2006.

As for the total number of certifications in Japan, this came to 1,354 in fiscal year 2003, 1,323 in fiscal year 2004, and 1,036 in fiscal year 2005. Of these, the number of certifications for Japan under MRA (ratio of MRA to total certification numbers) was 7 in fiscal year 2003 (0.5%), 12 in fiscal year 2004 (0.9%), and 18 in fiscal year 2005 (1.7%). Since the system was introduced, these numbers continue to grow, as is the case

with radio equipment. There was no certification of telecommunications terminal equipment without a radio function as export equipment from Japan as of November 2006.

Future approach to MRA

The MRA in the telecommunications field has been operated smoothly since its introduction. This will continue to be operated positively in the future, from the perspective of its contribution to facilitating imports and exports, and promoting the use of Japanese-made equipment overseas. In addition, as the United States is Japan's largest trading partner for telecommunications equipment, MIC is conducting negotiations with a view to concluding on MRA with the United States.