

This English translation of the Civil Code has been prepared (up to the revisions of Act No. 80 of 2008 (These Rules shall come into effect as from the date of promulgation. (Some provisions shall come into effect as from March 31, 2009 or March 31, 2010.)) in compliance with the Standard Bilingual Dictionary (March 2008 edition). This is an unofficial translation. Only the original Japanese texts of laws and regulations have legal effect, and translations are to be used solely as reference material to aid in the understanding of Japanese laws and regulations. The Government of Japan will not be responsible for the accuracy, reliability or currency of the legislative material provided on this Website, or for any consequence resulting from use of the information on this Website. For all purposes of interpreting and applying the law to any legal issue or dispute, users should consult the original Japanese texts published in the Official Gazette.

Rules for Interconnection Charges

(Ordinance of the Ministry of Posts and Telecommunications No. 64—November 16, 2000)

Latest Revision: Ordinance of the Ministry of Internal Affairs and Communications
No. 80—July 7, 2008

Unenforced acts before the latest revision:
Ordinance of the Ministry of Internal Affairs and
Communications No. 80—July 7, 2008 (partially
unenforced)

Rules for Interconnection Charges shall be stipulated hereunder pursuant to the provisions of the Telecommunications Business Act (Act No. 86 of 1984) to enforce the same Act.

Chapter I General Provisions (Article 1—Article 3)

Chapter II Functions (Articles 4 and 5)

Chapter III Assets and Expenses (Article 6)

Chapter IV Cost Calculation (Article 7—Article 13)

Chapter V Establishment of Interconnection Charges (Article 14—Article 18)

Chapter VI Records of the Amount of Communications Traffic, Etc. (Article 19)

Chapter VII Recalculation (Articles 20 and 21)

Supplementary Provisions

Chapter I General Provisions

Article 1 (Purpose)

The purpose of this Ministerial Ordinance is to specify, with regard to interconnection with Category I designated telecommunications facilities, functions set forth in Article 33, paragraph (4), item (1) (b) (hereinafter referred to as “functions”) of the Telecommunications Business Act (hereinafter referred to as “the Act”) and matters concerning the method of calculation for the proper cost for respective functions, the record of the amount of communications traffic, etc., and recalculation for respective functions, with regard to the interconnection charges a telecommunications carrier (hereinafter referred to as a “carrier”) that installs said Category I designated telecommunications facilities shall receive, so that interconnection charges for respective functions be established properly and clearly and ensured to be proper and reasonable in light of costs under efficient management.

Article 2 (Terms)

(1) The meanings of the terms used in this Ministerial Ordinance shall be in accordance with those of the terms used in the Act, the Regulations for Enforcement of the Telecommunications Business Act (Ordinance of the Ministry of Posts and Telecommunications No. 25 of 1985), the Rules for Telecommunications Business Accounting (Ordinance of the Ministry of Posts and Telecommunications No. 26 of 1985), and the Rules for Category I Designated Telecommunications Facilities Interconnection Accounting (Ordinance of the Ministry of Posts and

Telecommunications No. 91 of 1997; hereinafter referred to as the “Rules for Interconnection Accounting”).

(2) In this Ministerial Ordinance, the meanings of the terms listed in the following items shall be as prescribed respectively in those items:

(i) “Category I designated local switches” means Category I designated facilities for terminal system switching, etc. mainly used to provide voice transmission services.

(ii) “Category I designated tandem switches” means Category I designated facilities for trunk system switching, etc. mainly used to provide voice transmission services.

(iii) “Category I designated relay transmission line facilities, etc.” means Category I designated trunk system transmission line facilities, trunk system transmission line facilities installed between Category I designated local switches and Category I designated tandem switches installed in the same building, trunk system transmission line facilities installed between Category I designated local switches and telecommunications facilities of other telecommunications carriers, and trunk system transmission line facilities installed between Category I designated tandem switches and telecommunications facilities of other telecommunications carriers.

(iv) “General Category I designated edge routers” means the routers that fall under Category I designated facilities for terminal system switching, etc. and provide session control functions in coordination with a SIP server.

(v) “General Category I designated relay routers” means the routers that fall under Category I designated facilities for trunk system switching, etc. and face the respective general Category I designated edge routers.

(vi) “General Category I designated routers” means general Category I designated edge routers and general Category I designated relay routers.

(vii) “Special Category I designated edge routers” means routers that fall under Category I designated facilities for terminal system switching, etc., excluding general Category I designated edge routers.

(viii) “Special Category I designated relay routers” means routers that fall under Category I designated facilities for trunk system switching, etc., excluding general Category I designated relay routers.

(ix) “Special Category I designated routers” means special Category I designated edge routers and special Category I designated relay routers.

(x) “IP phones” means telephone services provided through voice transmission using Internet protocol.

(xi) “Interconnection gateway switches” means Category I designated tandem switches installed between Category I designated facilities for trunk system switching, etc. and telecommunications facilities of other telecommunications carriers when these facilities are connected, and that provide functions to establish communications channels, functions to transmit information pertaining to settlement of interconnection charges, and functions to transfer the telecommunications number of senders.

(xii) “Cell relay equipment” means telecommunications facilities to exchange cells using an ATM data transmission system (communications system to transmit data using asynchronous transfer mode).

(xiii) “Signal transmission line facilities” means facilities to transmit signals.

(xiv) “Category I designated facilities management and operation cost” means the total amount of expenses required to manage and operate Category I designated telecommunications facilities.

Article 3 (Observance Obligation)

With regard to interconnection charges for respective functions, a carrier shall be subject to the provisions of this Ministerial Ordinance. However, if there are

special grounds, a carrier may obtain, from the Minister for Internal Affairs and Communications, permission to be excluded from the provisions of this Ministerial Ordinance.

Chapter II Functions

Article 4 (Functions)

Functions specified by an Ordinance of the Ministry of Internal Affairs and Communications set forth in Article 33, paragraph (4), item (i) (b) shall be as described in the left and middle columns of the following table, and the facilities, etc. corresponding to the respective functions shall be the relevant facilities, their adjunct facilities, and the land and the facilities where such facilities are installed (hereinafter referred to as “relevant facilities, etc.”) listed in the right column of the same table.

Function classification		Details	Relevant facilities
1. Terminal circuit transmission functions	Band-pass terminal circuit transmission functions	Functions for transmitting communications through the use of Category I designated terminal system transmission line facilities (limited to those equivalent to telephone circuits for transmitting analog signals) (except functions for transmission using	Category I designated terminal system transmission line facilities (limited to those equivalent to telephone circuits for transmitting analog signals) (except transmission equipment, etc. installed, for example, for connection with terminal equipment

		only part of the split band and those of transmission to and from base station facilities [those using radio waves for transmission to and from terminal facilities; hereinafter the same shall apply in this row])	on the subscribers' side and Category I designated facilities for terminal system switching, etc.)
	Band splitting terminal circuit transmission functions	Functions for transmitting communications through the use of Category I designated terminal system transmission line facilities (limited to those equivalent to telephone circuits for transmitting analog signals) (limited to functions for transmission using only part of the split band)	
	Terminal circuit transmission functions for	Functions for transmitting communications through	Category I designated terminal system transmission line

<p>base station facilities</p>	<p>the use of Category I designated terminal system transmission line facilities (limited to those equivalent to telephone circuits for transmitting analog signals) (limited to functions for transmission to and from base station facilities)</p>	<p>facilities (limited to those equivalent to telephone circuits for transmitting analog signals and those comprising equipment to terminate telephone circuits at switches) (except transmission equipment, etc. installed, for example, for connection with terminal equipment on the subscribers' side and Category I designated facilities for terminal system switching, etc.)</p>
<p>Optical signal terminal circuit transmission functions</p>	<p>Functions for transmitting communications through the use of Category I designated terminal system transmission line facilities (limited to circuits for transmitting optical signals [except</p>	<p>Category I designated terminal system transmission line facilities (limited to circuits for transmitting optical signals [except transmission equipment, etc. installed, for example, for connection</p>

		transmission equipment, etc. installed, for example, for connection with terminal equipment on the subscribers' side and Category I designated facilities for terminal system switching, etc.)]	with terminal equipment on the subscribers' side and Category I designated facilities for terminal system switching, etc.)]
	Integrated digital communications terminal circuit transmission functions	Functions for transmitting communications through the use of Category I designated terminal system transmission line facilities (limited to circuits for transmitting optical signals) (limited to functions for transmitting codes, voices or other sounds, or images in an integrated manner mainly at the digital signal transmission speed of 64 kilobits per second as a	Category I designated terminal system transmission line facilities (limited to circuits for transmitting optical signals) (including transmission equipment installed as an integral part of switching facilities installed in Category I designated local exchanges)

		<p>unit using transmission equipment installed as an integral part of switching facilities installed in Category I designated local exchanges in the cases where said functions are used exclusively for reception on the users' side)</p>	
Other terminal circuit transmission functions	<p>Functions for transmitting communications through the use of Category I designated terminal system transmission line facilities (except those equivalent to telephone circuits for transmitting analog signals and circuits for transmitting optical signals [except transmission equipment, etc. installed, for example, for connection</p>	<p>Category I designated terminal system transmission line facilities (except those equivalent to telephone circuits for transmitting analog signals) (including transmission equipment, etc. installed, for example, for connection with terminal equipment on the subscribers' side and Category I designated facilities for terminal</p>	

		with terminal equipment on the subscribers' side and Category I designated facilities for terminal system switching, etc.]) (except integrated digital communications terminal circuit transmission functions)	system switching, etc.)
2. Terminal system switching functions	Local switching functions	Functions for switching communications through the use of Category I designated local switches (except manual switching functions, and trunk port functions exclusively for local switches and trunk port functions shared with local switches in this row)	Category I designated local switches (including transmission equipment, etc. installed for connection with Category I designated terminal system transmission line facilities, Category I designated trunk system transmission line facilities, etc., and signal
	Signal controlled switching functions	Functions for a Category I designated local switch to identify a specific telecommunications number and control said	transmission equipment, respectively; however, excluding manually operated equipment)

		Category I designated local switches using signals transmitted via signal transmission line facilities	
	Priority connection functions	Functions for registering, in a Category I designated local switch, the telecommunications number that identifies telecommunications facilities of a telecommunications carrier and of identifying the registered telecommunications number for priority connection to the telecommunications facilities of the telecommunications carrier designated in advance for each subscriber's line by said Category I designated local switch	

	<p>Number portability functions</p>	<p>Functions, in a Category I designated local switch, for identifying fixed terminal system transmission line facilities directly accommodated in facilities for switching, etc. installed by other telecommunications carriers (transmission line facilities, one end of which is connected to user's telecommunications facilities installed at a specific location) or facilities for switching, etc. installed by said other telecommunications carriers, by the telecommunications number used to identify Category I designated terminal system transmission line</p>	
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		<p>facilities, in order to achieve number portability (user's ability to change the telecommunications carrier from which the user obtains telecommunications services without changing the telecommunications number used to identify the terminal system transmission line facilities pertaining to said user)</p>	
	<p>Trunk port functions exclusively for local switches</p>	<p>Functions, in the equipment that accommodates Category I designated trunk system transmission line facilities, etc. exclusively transmitting communications pertaining a specific telecommunications</p>	

		<p>carrier in a Category I designated local switch, for editing the signals transmitted via said Category I designated trunk system transmission line facilities, etc.</p>	
	<p>Trunk port functions shared with local switches</p>	<p>Functions, in the equipment that accommodates Category I designated trunk system transmission line facilities, etc. installed between a Category I designated local switch and a Category I designated tandem switch (except those that exclusively transmit communications pertaining to a specific telecommunications carrier) in a Category I designated local switch, for editing the signals</p>	

		<p>transmitted via said Category I designated trunk system transmission line facilities, etc.</p>	
<p>3-1. Return communications channel establishment functions</p>	<p>Functions for identifying specific terminal system transmission line facilities accommodated in a Category I designated local switch and establishing a communications channel to said terminal system transmission line facilities by the telecommunications number used to identify terminal system transmission line facilities</p>	<p>I-interface subscriber module or its equivalent facilities</p>	
<p>3-2. Optical/electrical signal conversion functions</p>	<p>Functions for conversion between optical signals and electrical signals through the use of an optical/electrical signal</p>	<p>Optical/electrical signal converter (limited to the one installed in a Category I designated local exchange)</p>	

	converter installed in a Category I designated local exchange	
3-3. Optical signal splitting functions	Functions for splitting optical signals into the user's telecommunications facilities side through the use of an optical signal splitter installed in a Category I designated local exchange	Optical signal splitter
3-4. Functions exclusively for local switch connection and transmission	Functions, using trunk system transmission line facilities installed between a Category I designated local switch and telecommunications facilities of other carriers (including transmission equipment, etc. installed between a Category I designated local switch and telecommunications facilities of other	Trunk system transmission line facilities installed between a Category I designated local switch and telecommunications facilities of other carriers (including transmission equipment, etc. installed between a Category I designated local switch and telecommunications facilities of other

	<p>carriers), for exclusively transmitting communications pertaining to said other telecommunications carriers (except functions exclusively for relay transmission in row 6)</p>	<p>telecommunications carriers)</p>
<p>4. Local transmission functions</p>	<p>Functions for transmitting communications between Category I designated local switches</p>	<p>Category I designated trunk system transmission line facilities installed between Category I designated local switches and Category I designated tandem switches (including transmission equipment, etc. installed facing each other at both ends of Category I designated trunk system transmission line facilities) and Category I designated tandem switches (including</p>

			transmission equipment, etc. installed for connection with Category I designated local transmission line facilities, Category I designated trunk system transmission line facilities, or signal transmission equipment; however, excluding manually operated equipment)
5. Trunk system switching functions	Trunk switching functions	Functions for switching communications through the use of Category I designated tandem switches (except manual switching functions, and trunk port functions exclusively for tandem switches and trunk port functions shared with tandem switches in this row)	Category I designated tandem switches (including transmission equipment, etc. installed for connection with Category I designated trunk system transmission line facilities, etc. and signal transmission equipment, respectively; however, excluding manually operated equipment)
	Trunk port	Functions, in the	

<p>functions exclusively for tandem switches</p>	<p>equipment that accommodates Category I designated trunk system transmission line facilities, etc. exclusively transmitting communications pertaining a specific telecommunications carrier in a Category I designated tandem switches, for editing signals transmitted via said Category I designated trunk system transmission line facilities, etc.</p>	
<p>Trunk port functions shared with tandem switches</p>	<p>Functions, in the equipment that accommodates Category I designated trunk system transmission line facilities, etc. installed between a Category I designated local switch and a Category I</p>	

		<p>designated tandem switch (except those that exclusively transmit communications pertaining to a specific telecommunications carrier) in a Category I designated tandem switch, for editing signals transmitted via said Category I designated trunk system transmission line facilities, etc.</p>	
<p>6-1. Relay transmission functions</p>	<p>Functions commonly used for relay transmission</p>	<p>Functions for transmitting communications through the use of Category I designated trunk system transmission line facilities, etc. installed between Category I designated local switches and Category I designated tandem switches (including</p>	<p>Category I designated trunk system transmission line facilities, etc., that are installed between Category I designated local switches and Category I designated tandem switches (including transmission equipment, etc. installed facing each other at both</p>

		<p>transmission equipment, etc. installed facing each other at both ends of Category I designated trunk system transmission line facilities, etc.) (except functions for exclusively transmitting communications pertaining to a specific telecommunications carrier)</p>	<p>ends of Category I designated trunk system transmission line facilities, etc.) and that installed between Category I designated local switches or Category I designated tandem switches and telecommunications facilities of other telecommunications carriers</p>
	<p>Functions exclusively for relay transmission</p>	<p>Functions, equivalent to those to transmit communications using Category I designated trunk system transmission line facilities, etc. installed between Category I designated local switches and Category I designated tandem switches (including transmission equipment,</p>	<p>(including transmission equipment, etc. installed between Category I designated local switches or Category I designated tandem switches and telecommunications facilities of other telecommunications carriers)</p>

		<p>etc. installed facing each other at both ends of Category I designated trunk system transmission line facilities, etc.), that exclusively transmit communications pertaining to a specific telecommunications carrier</p>	
	<p>Functions exclusively for tandem switch connection and transmission</p>	<p>Functions, using trunk system transmission line facilities installed between Category I designated tandem switches and telecommunications facilities of other telecommunications carriers (including transmission equipment, etc. installed between Category I designated tandem switches and telecommunications</p>	

		<p>facilities of other telecommunications carriers) for exclusively transmitting communications pertaining to said other telecommunications carriers (except functions exclusively for relay transmission)</p>	
	<p>Optical signal relay transmission functions</p>	<p>Functions for transmitting communications through the use of Category I designated trunk system transmission line facilities, etc. (limited to circuits for transmitting optical signals [except transmission equipment, etc. installed facing each other at both ends of Category I designated trunk system transmission line facilities, etc.]</p>	<p>Category I designated trunk system transmission line facilities, etc. (limited to circuits for transmitting optical signals [except transmission equipment installed facing each other at both ends of trunk system transmission line facilities])</p>

<p>6-2. Routing transmission functions</p>	<p>Functions for switching and transmitting communications through the use of routers and transmission line facilities</p>	<p>Telecommunications facilities with functions for establishing routers and transmission line facilities pertaining to said routers as well as communications channels installed as an integral part of them (except switching facilities)</p>
<p>7-1. Communications channel establishment and transmission functions</p>	<p>Functions for establishing communications channels and transmission through the use of telecommunications facilities with the communications channel establishment functions (except switching facilities) and transmission line facilities (except manually operated</p>	<p>Telecommunications facilities (except switching facilities) with functions for establishing communications channels (except manually operated facilities) and transmission line facilities pertaining to said facilities for switching, etc.</p>

	<p>functions, and communications functions installed between facilities for switching, etc. installed in Category I designated local exchanges and routers installed by carriers in the building other than Category I designated local exchanges)</p>	
<p>7-2. Data transmission functions</p>	<p>Functions for establishing communications channels and transmission through the use of cell relay equipment and transmission line facilities</p>	<p>Cell relay equipment and the transmission line facilities pertaining to said cell relay equipment</p>
<p>8. Signal transmission functions</p>	<p>Functions for transmitting and switching signals through the use of signal transmission line</p>	<p>Signal transmission line facilities and signal tandem switches</p>

	facilities and signal tandem switches	
9. Call-related database functions	Functions for number conversion or certification, etc. by connecting with the call-related database	Call-related database
10. Number directory assistance functions	Telecommunications number directory assistance functions	Number directory assistance database and number directory assistance equipment
11. Manual switching functions	Functions for manually operated switching, etc. of communications	Category I designated facilities for terminal system switching, etc. (limited to those manually operated) and Category I designated facilities for trunk system switching, etc. (limited to those manually operated)
12. Pay phone functions	Functions for originating communications from pay phones or receiving communications via pay phones	Pay phones

<p>13. Functions for transmission, etc. between terminals</p>	<p>Functions equivalent to those used by telecommunications carriers that install Category I designated telecommunications facilities as an integral part in providing telecommunications services pertaining to transmission, etc. between terminals using said Category I designated telecommunications facilities</p>	<p>Facilities used by telecommunications carriers that install Category I designated telecommunications facilities, as an integral part in providing telecommunications services pertaining to transmission, etc. between terminals using said Category I designated telecommunications facilities</p>
<p>14. Functions for providing clock functions</p>	<p>Functions for providing clock functions (signals for synchronizing telecommunications signals between telecommunications facilities) through the use of equipment for providing clock functions</p>	<p>Equipment for providing clock functions</p>

Remarks

(i) Both the optical signal terminal circuit transmission functions in row 1 of the table and the optical signal relay transmission functions in row 6 of the table shall be classified into those for which the frequency band is limited and those for which the frequency band is not limited.

(ii) The following functions shall be included in local switching functions in row 2 of the table.

(a) Where a carrier collects user charges for other telecommunications carriers and sets off and adjusts interconnection charges to be paid to the carrier by other telecommunications carriers from said user charges: Functions for separately calculating charges for users and interconnection charges

(b) Where transmission using transmission line facilities installed between Category I designated local switches and switching facilities of other telecommunications carriers is difficult: Functions for enabling transmission between said Category I designated local switches and switching facilities of said other telecommunications carriers via Category I designated tandem switches

(iii) Functions in row 6 of the table (except functions commonly used for relay transmission) shall be classified into those for which relevant facilities are installed in the building of the carrier and those for which relevant facilities are installed outside of the building of the carrier.

Article 5 (Functions Set Forth in Article 33, Paragraph (5) of the Act)

Functions specified by an Ordinance of the Ministry of Internal Affairs and Communications set forth in Article 33, paragraph (5) of the Act (hereinafter referred to as “functions set forth in Article 33, paragraph (5) of the Act”) shall be the functions in row 1 (limited to terminal circuit transmission functions for base station facilities), row 2 (except functions set forth in remarks (ii) (a) of the table in the preceding Article, signal controlled switching functions, priority connection functions, and number portability functions among local switching functions), row 4,

row 5, row 6 (except optical signal relay transmission functions), and row 8 of the table in the preceding Article.

Chapter III Assets and Expenses

Article 6 (Notice of Procedures, Etc. for Maintaining Accounts for Assets and Expenses Concerning the Functions Set Forth in Article 33, Paragraph (5) of the Act)

(1) With regard to the functions set forth in Article 33, paragraph (5) of the Act, in accordance with the procedures in the notice issued by the Minister for Internal Affairs and Communications and by the date said procedures prescribed in said notice become applicable, every carrier shall maintain accounts for assets pertaining to Category I designated telecommunications facilities in the case of newly configuring said Category I designated telecommunications facilities into more effective ones using advances and new telecommunications technologies that are normally available, and expenses pertaining to said Category I designated telecommunications facilities, which, in this case, increase in accordance with the increase of the amount of communications traffic or the number of circuits pertaining to telecommunications services provided by said Category I designated telecommunications facilities through interconnection with said Category I designated telecommunications facilities, and report the results to the Minister for Internal Affairs and Communications.

(2) The maintaining of accounts set forth in the preceding paragraph shall be based on the condition that Category I designated telecommunications facilities be newly configured to ensure the following items.

(i) The facilities shall be used when telecommunications services are provided to users using terminal facilities or customer-owned and maintained telecommunications facilities for which the location is established based on the results of the latest researches, etc. conducted by the Government prior to the notice set forth in the preceding paragraph.

(ii) The facilities shall comply with relevant laws and regulations concerning safety and reliability.

(iii) The facilities shall be installed in the telecommunications building at the location of the telecommunications building where said Category I designated telecommunications facilities are actually installed.

(iv) The facilities shall be used when telecommunications services are provided in the area where the telecommunications services are actually provided using the said Category I designated telecommunications facilities.

(v) The accommodation capacity of the facilities shall be to the smallest extent possible to accommodate the latest recorded amount of communications traffic, etc. prior to the date of applicability set forth in the preceding paragraph, pursuant to the provisions of Article 33, paragraph (12) of the Act.

(3) The maintaining of accounts set forth in paragraph (1) shall be accomplished through the process of classifying relevant facilities, etc. set forth in Article 4 by respective relevant facilities or adjunct facilities, etc. of the left column of Appended Table 1-1 and Appended Table 1-2 into the classifications of facilities or the classifications of facilities, etc. in the right column of the respective Appended Tables.

(4) The maintaining of accounts set forth in paragraph (1) shall be, in the case of assets, accomplished through the process of formulating the fixed asset item list in Form 1 of Appended Table 3 and the statement showing where fixed assets belong in Form 2 of Appended Table 3 by using the calculation method for net fixed asset values listed in Appended Table 2-1 and the figures used for the calculation of net fixed asset values listed in Appended Table 2-2, and, in the case of expenses, through the process of formulating the statement of expenses by facilities classification of Appended Table 5 by using the method of calculation for expenses listed in Appended Table 4-1, the standards for allocation of common expenses, etc. listed in Appended

Table 4-2, and the figures used for the calculation of expenses in Appended Table 4-3.

Chapter IV Cost Calculation

Article 7 (Assets and Expenses Used for Cost Calculation)

Every carrier shall calculate the cost, in the case of interconnection charges pertaining to functions set forth in Article 33, paragraph (5) of the Act, based on assets and expenses of Category I designated telecommunications facilities for which accounts are maintained pursuant to the provisions of the preceding Article, and in the case of interconnection charges pertaining to other functions, based on assets and expenses for which accounts are maintained in the Category I designated telecommunications facilities management department prescribed in the Rules for Interconnection Accounting.

Article 8 (Cost of Interconnection Charges)

(1) The cost of interconnection charges (except interconnection charges pertaining to the integrated digital communications terminal circuit transmission functions in row 1 of the table in Article 4 and the functions in row 13 of the same table; hereinafter the same shall apply in this paragraph and the following paragraph) shall be calculated for the respective functions prescribed in Article 4 (except interconnection charges pertaining to the integrated digital communications terminal circuit transmission functions in row 1 of the table in Article 4 and the functions of row 13 of the same table; hereinafter the same shall apply) by adding the Category I designated facilities management and operation cost pertaining to said functions to the total amount of the owned capital cost, the borrowed capital cost, the adjustment amount, and the profit tax calculated pursuant to the provisions of Articles 11 to 13.

(2) The cost calculation period for interconnection charges shall be one year.

However, the cost calculation period for interconnection charges pertaining to the

functions prescribed in Article 4 may be determined to be a period not exceeding five years in the following cases:

(i) When telecommunications services that a telecommunications carrier that interconnects its telecommunications facilities with Category I designated telecommunications facilities intends to provide by using the functions prescribed in Article 4 (except those functions set forth in Article 33 paragraph (5) of the Act) are new services and their demand is expected to substantially increase in the future;

(ii) In cases other than the preceding item when it is required to mitigate rapid fluctuations of interconnection charges:

(3) The cost of interconnection charges pertaining to integrated digital communications terminal circuit transmission functions in row 1 of the table in Article 4 and functions in row 13 of the same table shall be calculated by subtracting, from the charges for telecommunications services provided by using functions equivalent to the said functions, the amount obtained from multiplying the charges for said telecommunications services by the proportion of the amount obtained by subtracting the amount equivalent to the expenses described in the statement of expenses by facilities classification in Form 4 of the Appended Table 2 in the Rules for Interconnection Accounting from sales expenses to the cost of charges for said telecommunications services (expenses equivalent to sales expenses, depreciation, various taxes, and remunerations). However, in the cases where a carrier, based on the choice by other telecommunications carriers, conducts operations of accepting applications for interconnection with said other telecommunication carries and liaison and coordination operations to deal with malfunctions, the cost may be calculated by totaling the calculated amount and the amount obtained by charges for said telecommunications services multiplied by the proportion of expenses pertaining to said operations to the cost of charges.

Article 9 (Calculation of Category I Designated Facilities Management and Operation Cost)

(1) The Category I designated facilities management and operation cost pertaining to functions prescribed in Article 4 shall be calculated for each classification of functions listed in the left column of the table in Article 4 based on the amount of expenses pertaining to the relevant facilities, etc.

(2) The expenses set forth in the preceding paragraph shall be, in the case of expenses pertaining to functions set forth in Article 33, paragraph (5) of the Act, the expenses described in the statement of expenses by facilities classification in the Appended Table 5, and, in the case of expenses pertaining to other functions, the expenses described in the statement of expenses by facilities classification in Form 4 of the Appended Table 2 of the Rules for Interconnection Accounting. However, the Category I designated facilities management and operation cost pertaining to functions prescribed in Article 4 that are used to provide telecommunications services prescribed in the proviso of paragraph (2) of the preceding Article shall be calculated based on a reasonable prediction of the amount of expenses described in the statement of expenses by facilities classification in Form 4 of Appended Table 2 of the Rules for Interconnection Accounting and the actual values of the amount of communications traffic, etc.

Article 10 (Special Provisions for Calculation of Category I Designated Facilities Management and Operation Cost)

(1) Notwithstanding the provisions of the preceding Article, in the case of facilities other than those pertaining to functions set forth in Article 33, paragraph (5) of the Act, if the facilities classification to which relevant facilities, etc. shall belong is not separated as an independent facilities classification in the statement of expenses by facilities classification in Form 4 of Appended Table 2 of the Rules for Interconnection Accounting, the Category I designated facilities management and

operation cost may be calculated according to the following formula. In this case, if relevant facilities, etc. are not innovated after the passage of their legal durable years, the amount obtained by subtracting the residual value from the purchase value of fixed assets of relevant facilities, etc. and then dividing that sum by the legal durable years shall be deducted.

Category I designated facilities management and operation cost = Category I designated facilities management and operation cost (except the amount equivalent to depreciation) pertaining to functions similar to the functions calculated pursuant to the provisions of Article 9 (hereinafter referred to as “similar functions”) × Purchase value of fixed assets of relevant facilities, etc. / Purchase value of fixed assets of facilities subject to the calculation of the Category I designated facilities management and operation cost pertaining to similar functions + (Purchase value of fixed assets of relevant facilities, etc. – Residual value of relevant facilities, etc.) / Legal durable years

(2) The purchase value of fixed assets set forth in the preceding paragraph shall be the purchase price of relevant facilities, etc. calculated based on a reasonable prediction or its equivalent amount, and the installation work cost, etc.

(3) The purchase value of fixed assets of facilities subject to the calculation of the Category I designated facilities management and operation cost pertaining to similar functions set forth in paragraph (1) shall be calculated based on the purchase value in the statement showing where fixed assets belong in Form 3 of Appended Table 2 of the Rules for Interconnection Accounting.

Article 11 (Borrowed Capital Cost)

(1) The borrowed capital cost pertaining to functions prescribed in Article 4 shall be calculated according to the following formula.

Borrowed capital cost = Rate base pertaining to functions prescribed in Article 4 × Borrowed capital ratio × Borrowed capital interest rate

(2) The rate base pertaining to functions prescribed in Article 4 shall be calculated according to the following formula.

Rate base pertaining to functions prescribed in Article 4 = (Net value of fixed assets of relevant facilities, etc. × (1 + the proportion of deferred assets + the proportion of investments, etc. + the proportion of supplies) + Working capital) × Cost calculation period

(3) The net value of fixed assets of relevant facilities, etc. set forth in the preceding paragraph shall be calculated, in the case pertaining to functions set forth in Article 33, paragraph (5) of the Act, based on the net value of fixed assets in the statement showing where fixed assets belong in Form 2 of Appended Table 3, and in the case pertaining to other functions, based on the book value in the statement showing where fixed assets belong in Form 3 of Appended Table 2 of the Rules for Interconnection Accounting. However, the net value of fixed assets of relevant facilities, etc. with functions prescribed in the proviso of Article 8, paragraph (2) shall be calculated based on a reasonable prediction of the book value in the statement showing where fixed assets belong in Form 3 of Appended Table 2 of the Rules for Interconnection Accounting and the actual values for the amount of communications traffic, etc.

(4) The proportion of deferred assets, the proportion of investments, etc., and the proportion of supplies set forth in paragraph (2) shall be calculated based on the actual values, respectively, of the proportion of deferred assets and investments and other assets (limited to those that are essential to the management and operation of Category I designated telecommunications facilities and from which no profits are expected) to the fixed assets for telecommunications business in the Category I designated telecommunications facilities management department described in Form 2 of Appended Table 2 of the Rules for Interconnection Accounting, and of the proportion of supplies to the fixed assets described in Form 1 of Appended Table 2 of

the Rules for Telecommunications Business Accounting, excluding the investments and other assets described in the same Form.

(5) The amount of working capital set forth in paragraph (2) shall be calculated according to the following formula. However, in the case pertaining to functions set forth in Article 33, paragraph (5) of the Act, the term “Category I designated facilities management and operation cost for relevant facilities, etc. (except the amount equivalent to depreciation, loss on retirement of fixed assets, and tax and public dues)” shall be deemed to be replaced with “Category I designated facilities management and operation cost for relevant facilities, etc. (except the amount equivalent to depreciation, communications facilities usage charges, and fixed assets tax).”

Working capital = Category I designated facilities management and operation cost for relevant facilities, etc. (except the amount equivalent to depreciation, loss on retirement of fixed assets, and tax and public dues) × (Average number of days from the provision of functions set forth in Article 4 to the collection of interconnection charges pertaining to said functions / 365 days)

(6) The borrowed capital ratio set forth in paragraph (1) shall be calculated based on the actual value of the proportion of liabilities to the total liabilities and shareholders' equity.

(7) The borrowed capital interest rate set forth in paragraph (1) shall be the weighted average of the interest rate of bonds and borrowings (hereinafter referred to as “liabilities with interest”) and the equivalent interest rate of liabilities other than liabilities with interest, with respect to the respective ratios of liabilities with interest and liabilities other than liabilities with interest to the total liabilities.

(8) The interest rate of liabilities with interest set forth in the preceding paragraph shall be calculated based on the actual proportional value of the amount pertaining

to liabilities with interest included in non-operating expenses to liabilities with interest.

(9) The equivalent interest rate of liabilities other than the liabilities with interest set forth in paragraph (7) shall be the value for which the nature of said liabilities and the yield reasonably expected in managing safe assets are taken into consideration.

Article 12 (Own Capital Cost)

(1) The amount of the own capital cost pertaining to functions prescribed in Article 4 shall be calculated according to the following formula. Own capital cost = Rate base pertaining to said functions \times Capital ratio \times Return on equity

(2) The capital ratio set forth in the preceding paragraph shall be obtained by subtracting the borrowed capital ratio set forth in paragraph (1) of the preceding Article from 1.

(3) The return on equity set forth in paragraph (1) shall be a reasonable value with its upper limit set to the mean value of the expected return on equity for the past three years (except the year when the average interest rate of low-risk financial products (risk: referring to the risk more likely to occur than normally predicted; hereinafter the same shall apply) is higher than the average return on equity of major companies in other industries) calculated according to the following formula, or the average return on equity of major companies in other industries for the past five years, whichever is lower.

Expected return on equity = Average interest rate of low-risk financial products + $\beta \times$ (Average return on equity of major companies in other industries - Average interest rate of low-risk financial products)

(4) The value β set forth in paragraph (3) shall be a reasonable value based on the numerical value measured based on the fluctuation of the actual return on equity of the carrier compared with the fluctuation of the actual return on equity of major

companies with the similar value in other industries taken into consideration.

However, this does not preclude the stock price being used instead of the actual return on equity.

(5) Notwithstanding the provisions of paragraph (3), in the case where the Category I designated facilities management and operation cost is calculated according to the formula listed in Article 10 paragraph (1) (limited to the case where the amount equivalent to the residual value needs to be paid when relevant facilities, etc. are removed), the return on equity set forth in paragraph (1) shall be a reasonable value with its upper limit set to the mean value of the average interest rate of low-risk financial products for the past three years or the average return on equity of major companies in other industries for the past five years, whichever is lower.

Article 12-2 (Adjustment Amount)

The adjustment amount pertaining to functions prescribed in Article 4 shall be calculated according to the formula prescribed in the following items for the cases listed in the respective items.

(i) Cases where functions are deemed to fall under Article 8, paragraph (2), item (i) and the cost of interconnection charges is calculated pursuant to the proviso of said paragraph, and cases where interconnection charges established based on said cost are changed:

Adjustment amount=0

(ii) Cases where functions are deemed to fall under Article 8, paragraph (2), item (ii) and the cost of interconnection charges is calculated pursuant to the proviso of said paragraph in cases other than those listed in the preceding item (limited to the case where the cost calculation period exceeds one year), and cases where interconnection charges established based on said cost are changed:

Adjustment amount = Expenses in the previous calculation period pertaining to said functions (the previous calculation period and the calculation period prior to the

previous one if the previous calculation period and the calculation period prior to the previous one are one year: hereinafter the same shall apply in this item) (the expenses in the previous year shall be calculated based on reasonable predictions) + Adjustment amount pertaining to said functions in the previous calculation period (the expenses and the demand pertaining to said adjustment amount shall be calculated based on the actual values) – Income pertaining to interconnection charges in the previous calculation period pertaining to said functions (the demand in the previous year shall be calculated based on reasonable predictions)

(iii) Cases where the cost of interconnection charges in the calculation period prior to the previous one is deemed to fall under Article 8, paragraph (2), item (i) and calculated pursuant to the proviso of said paragraph (except the case that falls under the preceding item):

Adjustment amount=0

(iv) Cases where the cost of interconnection charges in the calculation period prior to the previous one is deemed to fall under Article 8, paragraph (2), item (ii) and calculated pursuant to the proviso of said paragraph (limited to the case where the cost calculation period exceeds one year) (except the case that falls under item (ii)):

Adjustment amount = Adjustment amount in the previous calculation period according to the calculation of the expenses and the demand pertaining to said functions based on the actual values – Adjustment amount in the previous calculation period pertaining to said functions

(v) Cases where the cost of interconnection charges is calculated based on the assets and expenses of Category I designated telecommunications facilities for which accounts are maintained pursuant to the provisions of Article 6:

Adjustment amount=0

(vi) Cases other than those listed in the preceding items:

Adjustment amount = Expenses in the calculation period prior to the previous one

pertaining to said functions + Adjustment amount in the calculation period prior to the previous one pertaining to said functions – Income pertaining to interconnection charges in the calculation period prior to the previous one pertaining to said functions

(2) Expenses set forth in the preceding paragraph shall be the total amount of the Category I designated facilities management and operation cost, the borrowed capital cost, the own capital cost, and profit tax

Article 13 (Profit Tax)

(1) The amount of profit tax pertaining to functions prescribed in Article 4 shall be calculated according to the following formula.

Profit tax = (Own capital cost + (Amount of liabilities other than liabilities with interest × Equivalent interest rate)) × Profit tax rate

(2) The profit tax rate set forth in the preceding paragraph shall be the calculated value based on the total of the tax rate of corporate tax, business tax, and tax on other income.

Chapter V Establishment of Interconnection Charges

Article 14 (Principle of Establishing Interconnection Charges)

(1) Interconnection charges shall be determined so that the income pertaining to said interconnection charges coincides with the cost of said interconnection charges for the respective functions prescribed in Article 4.

(2) The amount of income pertaining to interconnection charges set forth in the preceding paragraph shall be obtained by the latest actual value of the amount of communications traffic, etc. for the respective functions of calculating said interconnection charges multiplied by said interconnection charges. However, if the cost of interconnection charges is calculated pursuant to the provisions of the Article 8, paragraph (2) proviso or Article 10, the reasonable predicted value of the future

amount of communications traffic, etc. shall be used instead of the latest actual value of the amount of communications traffic, etc.

(3) The system of interconnection charges shall be established as a reasonable one from social and economic perspectives with the circuit capacity, the number of circuits, the frequency of communications, the communications time, or the distance, etc. as a unit, taking how the Category I designated facilities management and operation cost pertaining to said interconnection charges is generated into consideration.

(4) The level of interconnection charges shall be established so that said interconnection charges may not cause unfair competition between a carrier and telecommunications carriers that interconnect their telecommunications facilities with Category I designated telecommunications facilities of said carrier.

Article 15 (Interconnection Charges for Terminal System Switching Functions, Etc.)

(1) Interconnection charges for functions set forth in row 2 of the table in Article 4 (except number portability functions, trunk port functions exclusively for local switches, and trunk port functions shared with local switches) and row 5 of the same table (except trunk port functions exclusively for tandem switches and trunk port functions shared with tandem switches) shall be established, taking into consideration, separately at least for functions of establishing communications channels and for functions of maintaining communications channels, the proportion of expenses for the part related to the respective functions to expenses for relevant facilities, etc. However, this shall not apply to cases where there are reasonable grounds.

(2) In the cases set forth in the preceding paragraph, interconnection charges for functions of establishing communications channels and interconnection charges for functions of maintaining communications channels shall be established with the frequency of communications and the communications time, respectively, as a unit.

In these cases, if there are reasonable grounds, other units, such as the number of communications bits, may be used in combination to establish interconnection charges.

Article 15-2 (Interconnection Charges for Number Portability Functions)

Interconnection charges for functions in row 2 of the table in Article 4 (limited to number portability functions) shall be established with the frequency of communications for which said functions have changed communications channels as a unit. However, if there are reasonable grounds that a telecommunications carrier that installs facilities for switching, etc. that directly accommodate fixed terminal system transmission line facilities acquires the amount of money equivalent to the amount of interconnection charges for said function from telecommunications carriers that should bear interconnection charges for said functions and pay interconnection charges for said functions to the carrier and such payment is ensured, interconnection charges may be established with the number of telecommunications numbers to identify the Category I designated terminal system transmission line facilities pertaining to said functions instead of the said frequency as a unit.

Article 16 (Interconnection Charges for Local Transmission Functions, Etc.)

Interconnection charges for functions in row 2 of the table in Article 4 (limited to trunk port functions shared with local switches), row 4 and row 5 of the same table (limited to trunk port functions shared with tandem switches), and row 6 of the same table (limited to functions commonly used for relay transmission) shall be established with the communications time as a unit. In these cases, if there are reasonable grounds, other units, such as the distance, may be used in combination to establish interconnection charges.

Article 16-2 (Interconnection Charges for Trunk Port Functions Exclusively for Local Switches, Etc.)

(1) Interconnection charges for functions in row 2 of the table in Article 4 (limited to trunk port functions exclusively for local switches; hereinafter the same shall apply in this Article), row 3-4 and row 5 of the same table (limited to trunk port functions exclusively for tandem switches; hereinafter the same shall apply in this Article), and row 6 of the same table (limited to functions exclusively for tandem switch connection and transmission; hereinafter the same shall apply in this Article) shall be established with the circuit capacity as a unit.

(2) In the cases set forth in the preceding paragraph, interconnection charges shall be established with their unit subdivided at least into one equivalent to 1,536 kilobits per second or less and one equivalent to 52 megabits or less for functions in row 2 and row 5 of the table in Article 4 and functions in row 3-4 and row 6 of the same table, respectively.

Article 17 (Interconnection Charges for Terminal Circuit Transmission Functions, Etc.)

(1) Interconnection charges for functions in row 1 of the table in Article 4 (except band-pass terminal circuit transmission functions), rows 3 to 3-3 and row 6 of the same table (except functions commonly used for relay transmission and functions exclusively for tandem switch connection and transmission), and row 6-2 and row 7 shall be established with the circuit capacity or the number of circuits as a unit. In these cases, if there are reasonable grounds, other units, such as the distance, may be used in combination to establish interconnection charges.

(2) Interconnection charges for functions in row 1 of the table in Article 4 (limited to band-pass terminal circuit transmission functions) shall be established with the number of circuits as a unit.

(3) In the cases set forth in paragraph (1), interconnection charges shall be established with their unit subdivided at least into one equivalent to 1,536 kilobits

per second or less in the case of the circuit capacity and one by the number of core wires in the case of the number of circuits for transmitting optical signals.

Article 17-2

Interconnection charges for functions in row 1 of the table in Article 4 (limited to band-pass terminal circuit transmission functions) shall be established by the amount obtained by dividing the total amount of the cost pertaining to Category I designated terminal system transmission line facilities calculated pursuant to the provisions of Article 7 and Article 8 (limited to those equivalent to telephone circuits for transmitting analog signals with part of said facilities not installed with circuits for transmitting optical signals; hereinafter the same shall apply in this Article) by the total number of circuits pertaining to Category I designated terminal system transmission line facilities.

Article 18 (Interconnection Charges Pertaining to Functions of Transmission, Etc. between Terminals)

Interconnection charges pertaining to functions in row 13 of the table in Article 4 shall be established with a unit equivalent to that of charges for telecommunications services provided using functions equivalent to said functions as a basis.

Chapter VI Records of the Amount of Communications Traffic, Etc.

Article 19 (Records of the Amount of Communications Traffic, Etc.)

(1) Any person who intends to keep records pursuant to the provisions of Article 33, paragraph (12) of the Act shall keep records for the respective functions prescribed in Article 4, in the case of the amount of communications traffic, in Form 1 of Appended Table 6 and, in the case of the number of circuits, in Form 2 of Appended Table 6.

(2) Matters specified by an Ordinance of the Ministry of Internal Affairs and Communications, set forth in Article 33, paragraph (12) of the Act, shall be those listed in Appended Table 7.

(3) Any person who intends to keep records pursuant to the provisions of Article 33, paragraph (12) of the Act shall keep records of matters set forth in the preceding paragraph according to Appended Table 8.

(4) Any person who intends to keep records pursuant to the provisions of Article 33, paragraph (12) of the Act shall do so as set forth in paragraph (1) and the preceding paragraph for the six months following the end of each business year and keep the results for three years. In this case, the records set forth in paragraph (1) and the preceding paragraph may be kept in electromagnetic forms (forms that cannot be perceived by human senses, including electronic forms and magnetic forms).

Chapter VII Recalculation

Article 20 (Recalculation Period for Interconnection Charges)

The period specified by an Ordinance of the Ministry of Internal Affairs and Communications set forth in Article 33, paragraph (14) of the Act shall be one year.

Article 21 (Recalculation of Interconnection Charges)

Any carrier shall report interconnection charges recalculated pursuant to the provisions of Article 33, paragraph (14) of the Act to the Minister for Internal Affairs and Communications, along with documents describing the explanation of the grounds for the calculation, immediately after the recalculation in the cases pertaining to functions set forth in Article 33, paragraph (5) of the Act, and within the seven months following the end of each business year in the cases pertaining to other functions (except integrated digital communications terminal circuit transmission functions in row 1 of the table in Article 4 and functions in row 13 of the same table).

Function classification

Details

1. Terminal circuit transmission functions

Band-pass terminal circuit transmission functions

Functions for transmitting communications through the use of Category I designated terminal system transmission line facilities (limited to those equivalent to telephone circuits for transmitting analog signals) (except functions for transmission using only part of the split band and those of transmission to and from base station facilities [those using radio waves for transmission to and from terminal facilities; hereinafter the same shall apply in this row])

Band splitting terminal circuit transmission functions

Functions for transmitting communications through the use of Category I designated terminal system transmission line facilities (limited to those equivalent to telephone circuits for transmitting analog signals) (limited to functions for transmission using only part of the split band)

Terminal circuit transmission functions for base station facilities

Functions for transmitting communications through the use of Category I designated terminal system transmission line facilities (limited to those equivalent to telephone circuits for transmitting analog signals) (limited to functions for transmission to and from base station facilities)

Optical signal terminal circuit transmission functions

Functions for transmitting communications through the use of Category I designated terminal system transmission line facilities (limited to circuits for transmitting optical signals [except transmission equipment, etc. installed, for example, for connection with terminal equipment on the subscribers' side and Category I designated facilities for terminal system switching, etc.]

Integrated digital communications terminal circuit transmission functions

Functions for transmitting communications through the use of Category I designated terminal system transmission line facilities (limited to circuits for transmitting optical signals) (limited to functions for transmitting codes, voices or other sounds, or images in an integrated manner mainly at the digital signal transmission speed of 64 kilobits per second as a unit using transmission equipment installed as an integral part of switching facilities installed in Category I designated local exchanges in the cases where said functions are used exclusively for reception on the users' side)

Other terminal circuit transmission functions

Functions for transmitting communications through the use of Category I designated terminal system transmission line facilities (except those equivalent to telephone circuits for transmitting analog signals and circuits for transmitting optical signals [except transmission equipment, etc. installed, for example, for connection with terminal equipment on the subscribers' side and Category I designated facilities for terminal system switching, etc.]) (except integrated digital communications terminal circuit transmission functions)

2. Terminal system switching functions

Local switching functions

Functions for switching communications through the use of Category I designated local switches

(except manual switching functions, and trunk port functions exclusively for local switches and trunk port functions shared with local switches in this row)

Signal controlled switching functions Functions for a Category I designated local switch to identify a specific telecommunications number and control said Category I designated local switches using signals transmitted via signal transmission line facilities

Priority connection functions Functions for registering, in a Category I designated local switch, the telecommunications number that identifies telecommunications facilities of a telecommunications carrier and of identifying the registered telecommunications number for priority connection to the telecommunications facilities of the telecommunications carrier designated in advance for each subscriber's line by said Category I designated local switch

Number portability functions Functions, in a Category I designated local switch, for identifying fixed terminal system transmission line facilities directly accommodated in facilities for switching, etc. installed by other telecommunications carriers (transmission line facilities, one end of which is connected to user's telecommunications facilities installed at a specific location) or facilities for switching, etc. installed by said other telecommunications carriers, by the telecommunications number used to identify

Category I designated terminal system transmission line facilities, in order to achieve number portability (user's ability to change the telecommunications carrier from which the user obtains telecommunications services without changing the telecommunications number used to identify the terminal system transmission line facilities pertaining to said user)

Trunk port functions exclusively for local switches

Functions, in the equipment that accommodates Category I designated trunk system transmission line facilities, etc. exclusively transmitting communications pertaining a specific telecommunications carrier in a Category I designated local switch, for editing the signals transmitted via said Category I designated trunk system transmission line facilities, etc.

Trunk port functions shared with local switches

Functions, in the equipment that accommodates Category I designated trunk system transmission line facilities, etc. installed between a Category I designated local switch and a Category I designated tandem switch (except those that exclusively transmit communications pertaining to a specific telecommunications carrier) in a Category I designated local switch, for editing the signals transmitted via said Category I designated trunk system transmission line facilities, etc.

3-1. Return communications channel establishment functions

Functions for identifying specific terminal system transmission line facilities accommodated in a Category I designated local switch and establishing a communications channel to said terminal system transmission line facilities by the telecommunications number used to identify terminal system transmission line facilities

3-2. Optical/electrical signal conversion functions

Functions for conversion between optical signals and electrical signals through the use of an optical/electrical signal converter installed in a Category I designated local exchange

3-3. Optical signal splitting functions

Functions for splitting optical signals into the user's telecommunications facilities side through the use of an optical signal splitter installed in a Category I designated local exchange

3-4. Functions exclusively for local switch connection and transmission

Functions, using trunk system transmission line facilities installed between a Category I designated local switch and telecommunications facilities of other carriers (including transmission equipment, etc. installed between a Category I designated local switch and telecommunications facilities of other carriers), for exclusively transmitting communications pertaining to said other telecommunications carriers (except functions exclusively for relay transmission Functions for transmitting communications between Category I designated local switches

4. Local transmission functions

5. Trunk system switching functions

Trunk switching functions

Functions for switching communications through the use of Category I designated tandem switches (except manual switching functions, and trunk port functions exclusively for tandem switches and trunk port functions shared with tandem switches in this row)

Trunk port functions exclusively for tandem switches Functions, in the equipment that accommodates Category I designated trunk system transmission line facilities, etc. exclusively transmitting communications pertaining to a specific telecommunications carrier in a Category I designated tandem switch, for editing signals transmitted via said Category I designated trunk system transmission line facilities, etc.

Trunk port functions shared with tandem switches Functions, in the equipment that accommodates Category I designated trunk system transmission line facilities, etc. installed between a Category I designated local switch and a Category I designated tandem switch (except those that exclusively transmit communications pertaining to a specific telecommunications carrier) in a Category I designated tandem switch, for editing signals transmitted via said Category I designated trunk system transmission line facilities, etc.

6-1. Relay transmission functions

Functions commonly used for relay transmission

Functions for transmitting communications through the use of Category I designated trunk system transmission line facilities, etc. installed between Category I designated local switches and Category I designated tandem switches (including transmission equipment, etc. installed facing each other at both ends of Category I designated trunk system transmission line facilities, etc.) (except functions for exclusively transmitting communications pertaining to a specific telecommunications carrier)

Functions exclusively for relay transmission Functions, equivalent to those to transmit communications using Category I designated trunk system transmission line facilities, etc. installed between Category I designated local switches and Category I designated tandem switches (including transmission equipment, etc. installed facing each other at both ends of Category I designated trunk system transmission line facilities, etc.), that exclusively transmit communications pertaining to a specific telecommunications carrier

Functions exclusively for tandem switch connection and transmission Functions, using trunk system transmission line facilities installed between Category I designated tandem switches and telecommunications facilities of other telecommunications carriers (including transmission equipment, etc. installed between Category I designated tandem switches and telecommunications facilities of other telecommunications carriers) for exclusively transmitting communications pertaining to said other telecommunications carriers (except functions exclusively for relay transmission)

Optical signal relay transmission functions Functions for transmitting communications through the use of Category I designated trunk system transmission line facilities, etc. (limited to circuits for transmitting optical signals [except transmission equipment, etc. installed facing each other at both ends of Category I designated trunk system transmission line facilities, etc.]

6-2. Routing transmission functions

Functions for switching and transmitting communications through the use of routers and transmission line facilities

7-1. Communications channel establishment and transmission functions	Functions for establishing communications channels and transmission through the use of telecommunications facilities with the communications channel establishment functions (except switching facilities) and transmission line facilities (except manually operated functions, and communications functions installed between facilities for switching, etc. installed in Category I designated local exchanges and routers installed by carriers in the building other than Category I designated local exchanges)
7-2. Data transmission functions	Functions for establishing communications channels and transmission through the use of cell relay equipment and transmission line facilities
8. Signal transmission functions	Functions for transmitting and switching signals through the use of signal transmission line facilities and signal tandem switches
9. Call-related database functions	Functions for number conversion or certification, etc. by connecting with the call-related database
10. Number directory assistance functions	Telecommunications number directory assistance functions
11. Manual switching functions	Functions for manually operated switching, etc. of communications

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|--------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 12. Pay phone functions | Functions for originating communications from pay phones or receiving communications via pay phones |
| 13. Functions for transmission, etc. between terminals | Functions equivalent to those used by telecommunications carriers that install Category I designated telecommunications facilities as an integral part in providing telecommunications services pertaining to transmission, etc. between terminals using said Category I designated telecommunications facilities |
| 14. Functions for providing clock functions | Functions for providing clock functions (signals for synchronizing telecommunications signals between telecommunications facilities) through the use of equipment for providing clock functions |

Relevant facilities

Category I designated terminal system transmission line facilities (limited to those equivalent to telephone circuits for transmitting analog signals) (except transmission equipment, etc. installed, for example, for connection with terminal equipment on the subscribers' side and Category I designated facilities for terminal system switching, etc.)

Category I designated terminal system transmission line facilities (limited to those equivalent to telephone circuits for transmitting analog signals and those comprising equipment to terminate telephone circuits at switches) (except transmission equipment, etc. installed, for example, for connection with terminal equipment on the subscribers' side and Category I designated facilities for terminal system switching, etc.)

Category I designated terminal system transmission line facilities (limited to circuits for transmitting optical signals [except transmission equipment, etc. installed, for example, for connection with terminal equipment on the subscribers' side and Category I designated facilities for terminal system switching, etc.]

Category I designated terminal system transmission line facilities (limited to circuits for transmitting optical signals) (including transmission equipment installed as an integral part of switching facilities installed in Category I designated local exchanges)

Category I designated terminal system transmission line facilities (except those equivalent to telephone circuits for transmitting analog signals) (including transmission equipment, etc. installed, for example, for connection with terminal equipment on the subscribers' side and Category I designated facilities for terminal system switching, etc.)

Category I designated local switches (including transmission equipment, etc. installed for connection with Category I designated terminal system transmission line facilities, Category I designated trunk system transmission line facilities, etc., and signal transmission equipment, respectively; however, excluding manually operated equipment)

I-interface subscriber module or its
equivalent facilities

Optical/electrical signal converter (limited to
the one installed in a Category I designated
local exchange)

Optical signal splitter

Trunk system transmission line facilities installed between a Category I designated local switch and telecommunications facilities of other carriers (including transmission equipment, etc. installed between a Category I designated local switch and telecommunications facilities of other telecommunications carriers)

Category I designated trunk system transmission line facilities installed between Category I designated local switches and Category I designated tandem switches (including transmission equipment, etc. installed facing each other at both ends of Category I designated trunk system transmission line facilities) and Category I designated tandem switches (including transmission equipment, etc. installed for connection with Category I designated local transmission line facilities, Category I designated trunk system transmission line facilities, or signal transmission equipment; however, excluding manually operated equipment)

Category I designated tandem switches (including transmission equipment, etc. installed for connection with Category I designated trunk system transmission line facilities, etc. and signal transmission equipment, respectively; however, excluding manually operated equipment)

Category I designated trunk system transmission line facilities, etc., that are installed between Category I designated local switches and Category I designated tandem switches (including transmission equipment, etc. installed facing each other at both ends of Category I designated trunk system transmission line facilities, etc.) and that installed between Category I designated local switches or Category I designated tandem switches and telecommunications facilities of other telecommunications carriers

(including transmission equipment, etc. installed between Category I designated local switches or Category I designated tandem switches and telecommunications facilities of other telecommunications carriers)

Category I designated trunk system transmission line facilities, etc. (limited to circuits for transmitting optical signals [except transmission equipment installed facing each other at both ends of trunk system transmission line facilities])

Telecommunications facilities with functions for establishing routers and transmission line facilities pertaining to said routers as well as communications channels installed as an integral part of them (except switching facilities)

Telecommunications facilities (except switching facilities) with functions for establishing communications channels

(except manually operated facilities) and transmission line facilities pertaining to said facilities for switching, etc.

Cell relay equipment and the transmission line facilities pertaining to said cell relay equipment

Signal transmission line facilities and signal tandem switches

Call-related database

Number directory assistance database and number directory assistance equipment

Category I designated facilities for terminal system switching, etc. (limited to those manually operated) and Category I designated facilities for trunk system switching, etc. (limited to those manually operated)

Pay phones

Facilities used by telecommunications carriers that install Category I designated telecommunications facilities, as an integral part in providing telecommunications services pertaining to transmission, etc. between terminals using said Category I designated telecommunications facilities

Equipment for providing clock functions