

Telecommunications Business Sub-Council, Telecommunications Council

Summary of Minutes (74th Meeting)

1. Date and Time

Friday, March 30, 2007, 14:00 to 15:53

2. Location

Special Conference Room 1, 8th floor

3. Attendees (honorifics omitted)

(1) Council Members

Akira Negishi (Chair), Yoshinori Sakai (Vice-Chair), Nobuko Takahashi, Masatsugu Tsuji, Mikio Tokai, Miki Nagata, Yusuke Yasuda (a total of seven members)

(2) Council Secretariat

Matsumura (Assistant Manager of the General Affairs Division, Information and Communications Policy Bureau)

(3) MIC Representatives

Mori (Director-General of the Telecommunications Bureau), Sakurai (Director-General of the Telecommunications Business Department), Samura (Director of General Affairs Division, the Telecommunications Bureau), Suzuki (Director of the Telecommunications Policy Division), Imagawa (Senior Planning Officer of the Telecommunications Policy Division), Taniwaki (Director of the Tariff Division), Ninomiya (Senior Planning Officer of the Tariff Division), Watanabe (Director of the Telecommunication System Division), Miyamoto (Director-General of the Numbering Plan Office)

4. Agenda

(1) Consultations

a. Regulatory Frameworks Pertaining to Telecommunications Numbers for Introducing Fixed-Mobile Convergence (FMC) Services

(Consultation No. 1158 of September 29, 2006)

Having deliberated on the matter based on the study results reported by the Telecommunications Number Committee, the sub-council submitted a report as per its earlier draft.

[Summary]

The sub-council deliberated on the regulatory frameworks pertaining to telecommunication numbers for early realization of future FMC services, including the target FMC services, the numbers to be made available for FMC services and their range, and the requirements for providing FMC services.

b. Development of the Interconnection Rules Pertaining to Review, etc., on the Collocation Rules

(Consultation No. 1161 of October 20, 2006)

Having deliberated on the matter based on the study results reported by the Interconnection Committee, the sub-council submitted a report as per its earlier draft.

[Summary]

Aiming to develop necessary provisions for the interconnection rules in response to the shift from PSTN to IP-based networks as well as the changes in the market structure due to the advancement of broadband systems access, comprehensive research has been carried out reviewing specific interconnection rules, such as collocation rules, by considering the proposals of the related carriers.

c. Review of the Guideline for Use of Utility Poles, Ducts, Conduits, etc. Owned by Public Utilities

(Consultation No. 1164 of January 26, 2007)

Having deliberated on the matter, the sub-council submitted a report, which stated it is appropriate to amend the guideline as per the draft and also provided the following advice:

- The government should hold, as needed, follow up meetings with related parties to identify issues related to proper implementation of the guideline.

[Summary]

- 1) The “principle of efficiency” should be added to the principles for providing facilities.
- 2) Provisions to simplify and improve efficiency of the routine and cyclical application procedures for the use of facilities should be added.
- 3) Provisions to simplify and improve efficiency of other procedures should be added.

In regard to the three points mentioned above, the Guideline for Use of Utility Poles, Ducts, Conduits, etc.

Owned by Public Utilities should be reviewed.

d. Authorization of Changes to Interconnection Tariffs Concerning Category I Designated Telecommunications Facilities of NTT East and NTT West (Revision of the FY2007 interconnection charges, etc. based on the Long-Run Incremental Cost Method)

(Consultation No. 1165 of February 26, 2007)

Having deliberated on the matter based on the study results reported by the Interconnection Committee, the sub-council submitted a report, which stated that it is appropriate to authorize the changes as per the consultation, together with the following requests:

<Requests>

- If the interconnection charge is reduced for FY2007, telecommunications carriers' interconnection charges will decrease, while the contribution to the universal service fund system is likely to increase in FY2007 by seven (7) yen per month per number (on the basis of authorization in FY2006). Considering telecommunications carriers have already asked users to bear the costs of contributing to the universal service fund system, it is appropriate to avoid to the utmost extent any increase to the user burden.
- Accordingly, the rules to calculate the compensation amount for the next year and onward should be promptly reviewed to suppress any increase to the burden on users. It is desirable to review the method of calculating the compensation concurrently with the review of the NTS costs of interconnection charges for fixed telephone services, as they are closely related to each other, and then take necessary measures.
- The ongoing review of the universal service fund system should be accelerated to the utmost extent with the aim of reaching a prompt conclusion.
- Respective telecommunication carriers should consider suppression to the utmost extent of any increase to the burden on users in regard to contributions to the universal service fund system.

[Summary]

In response to the MIC ordinance to partially amend the Rules for Interconnection Charges, which was promulgated and enforced on February 7, 2007 (MIC Ordinance No. 9 of 2007), the interconnection tariffs of NTT East and West should be changed as to the interconnection charges calculated with the Long-Run Incremental Cost (LRIC) method. To that end, the provisions on interconnection charges for FY2007 calculated with the new model should be developed.

(2) Report from MIC

Specific measures to improve the efficiency of the universal service of Nippon Telegraph and Telephone East Corporation and Nippon Telegraph and Telephone West Corporation, and implementation of measures to improve the efficiency of Category I public telephone services of these companies

MIC reported on this matter.

[Summary]

Regarding NTT East and West, MIC reported on the following four points:

- 1) Efficiency improvement plan for the universal service-related costs of the facility user sections in FY2007
- 2) Facility maintenance costs related to repair or failure of Category I public telephones
- 3) Number of Category I public telephone units installed per message area (MA)
- 4) FY2007 business plan for support bodies for the universal service and user inquiries regarding the universal service fund system