

Telecommunications Business Sub-Council, Telecommunications Council

—89th Meeting

Summary of Minutes

1. Date and Time

Thursday, March 27, 2008; 14:00 - 16:10

2. Location

Special Conference Room 1, 8th floor

3. Attendees (honorifics omitted)

(1) Sub-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) Secretariat

Watanabe (Assistant Director, General Affairs Division, Information and Communications Policy Bureau)

(3) MIC Representatives

Takeuchi (Director-General, Telecommunications Business Department), Taniwaki (Director, Telecommunications Policy Division), Takachi (Senior Planning Officer, Telecommunications Policy Division), Furuichi (Director, Tariff Division), Muramatsu (Senior Planning Officer, Tariff Division)

4. Agenda

(1) Reports to MIC

- a. Next-Generation Network Interconnection Rules (Consultation No. 1195 of October 26, 2007)

Having deliberated on the matter, the sub-council decided to adopt the draft report and submit it to MIC.

Summary

The MIC Minister consulted the sub-council on this matter at its meeting in October of last year. Following the study and deliberations at the Interconnection Committee, the sub-council compiled its draft report and invited public comment thereon from January 30

until February 28 this year. Based on the contributed comments, the Interconnection Committee studied the issue further and reported its study results today.

b. Authorization of Changes to the Interconnection Tariffs concerning Category I Designated Telecommunications Facilities of Nippon Telegraph and Telephone East Corporation and Nippon Telegraph and Telephone West Corporation (Revision of Interconnection Charges for Subscriber Optical Fiber Networks for FY2008 and Onward) (Consultation No. 1200 of January 15, 2008)

Having deliberated the matter, the sub-council reported to MIC, requesting that it should ensure following two points:

- 1) MIC should request NTT East and NTT West to modify the forecast demand for dark fiber and re-calculate the interconnection charges for subscriber optical fiber networks, as well as to modify the provisions concerning the handling of the system to adjust the discrepancy between forecast cost and actual cost;
- 2) Concerning the authorization of changes to the interconnection tariffs modified as mentioned in 1) above, MIC should request NTT East and NTT West to submit application to amend revision of changes to interconnection charges as soon as they receive MIC's request.

Summary

The interconnection charges for subscriber optical fiber networks (function of optical transmission access, etc.) were calculated for the seven-year period from fiscal 2001 through 2007 by using the future cost method. NTT East and NTT West intend to change their interconnection tariffs to set interconnection charges for fiscal 2008 and onward.

c. Authorization of Changes to the Interconnection Tariffs concerning Category I Designated Telecommunications Facilities of Nippon Telegraph and Telephone East Corporation and Nippon Telegraph and Telephone West Corporation (Revision of FY2007 and FY2008 Interconnection Charges based on Actual Cost Methods and Other Charges) (Consultation No. 1199 of January 15, 2008)

Having deliberated the matter, the sub-council decided to report to MIC that it is appropriate

to change the interconnection tariffs as per the consultation document.

Summary

MIC intends to revise fiscal 2007 and 2008 interconnection charges for dedicated lines and other lines to which the actual cost method applies, as well as charges for procedures, etc.

d. Authorization of Changes to the Interconnection Tariffs concerning Category I Designated Telecommunications Facilities of Nippon Telegraph and Telephone East Corporation and Nippon Telegraph and Telephone West Corporation (Revision of FY2008 Interconnection Charges Based on the Long-Run Incremental Cost Method, Etc.) (Consultation No. 1205 of February 28, 2008)

Having deliberated the matter, the sub-council decided to report to MIC that it is appropriate to change the interconnection tariffs as per the consultation document.

Summary

On February 8, 2008, the MIC ordinance to amend part of the Rules for Interconnection Charges and the MIC ordinance to partially amend the MIC ordinance to amend part of the Rules for Interconnection Charges were promulgated and enforced in part. In conjunction with these moves, MIC intends to make necessary changes to the interconnection tariffs of NTT East and NTT West, including revision of the fiscal 2008 interconnection charges to be calculated by the revised Long-Run Incremental Cost (LRIC) method.

(2) Reports from MIC

a. Specific Measures to Improve the Efficiency of Universal Service of Nippon Telegraph and Telephone East Corporation and Nippon Telegraph and Telephone West Corporation; and the FY2008 Business Plan of Universal Service Support Institution

MIC reported on the matter.

Summary

MIC reported on the following:

- Plan to improve the cost efficiency in fiscal 2008 at universal service facilities user

departments of NTT East and NTT West

- Fiscal 2008 business plan and the budget of revenues and expenditures of the universal service support institution

b. Operation of the Guideline for Use of Utility Poles, Ducts, Conduits, Etc., Owned by Public Utilities

MIC reported on the matter.

Summary

With regard to the Guideline for Use of Utility Poles, Ducts, Conduits, Etc., Owned by Public Utilities, which MIC developed in 2001, MIC reported the results of 2007 survey on leasing of utility poles, ducts, conduits, etc. It also reported that it would not revise the guideline this fiscal year.