

## Summary of Minutes of the Seventh Round Table Conference on the Neutrality of Networks

1 Date and time: June 20 (Wed), 2007, from 10:30 to 12:00

2 Location: Conference Room No.1, 1F Lower Building, Ministry of Internal Affairs and Communications

3 Attendees:

(1) Members (Honorifics omitted)

Takanori Ida, Kiyohisa Ohta, Nobuko Takahashi, Toshihiko Hayashi (Chairperson), Toshihiro Matsumura

(2) Ministry of Internal Affairs and Communications

Mori (Director-General of the Telecommunications Bureau), Sakurai (Director-General of the Telecommunications Business Department), Taniwaki (Director of the Tariff Division), Ninomiya (Senior Planning Officer of the Tariff Division), Samura (Manager of the General Affairs Division), Suzuki (Director of the Telecommunications Policy Division), Ohashi (Director of the Computer Communications Division), Watanabe (Director of the Telecommunications Systems Division), Imagawa (Senior Planning Officer of the Telecommunications Policy Division)

4 Agenda (Draft report)

After the Secretariat explained the draft report based on Documents 7-1 and 7-2, free discussion was conducted among the members. Below is the outline of the main comments of the members in the discussion.

[Main discussions]

(Member)

As for the basic direction regarding the review of the designated telecommunication systems (p.54) when the market power is broken down into patterns of those derived from the bottleneck status and those derived from oligopolistic status, and if market power is recognized in each of those, will the connection restriction and behavior restriction be applied differently from conventional restrictions? In the future, not only network layers but also platform layers will become important, which makes certification/charging and handling of user IDs essentially necessary for various players to provide services. As FMC develops, the conventional restrictions appear to need changes.

(Member)

Are the three principles of the neutrality of networks stated on page 5 limited to the Internet only, or do they cover all networks? Do they also apply to future FMC and the current cellular network?

(Member)

The subject of the three principles of the neutrality of networks is the consumer, while the term “user” is found in the report. Does this “user” strictly stand for the consumer? Does it include network users and stakeholders?

(Member)

As for the fairness of owing costs as shown in the roadmap on page 61, I think that responses to the issues mainly regarding the Internet and the fairness in using it are mainly the problems of NGN. Is it correct that matters such as “Study on the ISP QoS certification system” and “Development of a guideline for band control” which are found as the items of the fairness in owing cost also correspond to NGN?

(Member)

It is said that the “consumer” term is a wider concept than the term “user”, but it is rather the other way around. It appears that “consumer” comes to mean narrower as the object of protection. In this regard, I believe that there can be no problem if we use the term “consumer” to include the one before entering into a contract.

(Member)

It says on page 59, “where to consult is not easy to figure out”, and thus it seems that the responsibility of operators will be more definite if the term “claim” is used instead. “Consultation” does not define who should respond: telecommunication operators or third-party agencies.

(Member)

From page 41 to page 42, we find explanations about the requirements for fair competition and the approval of application tasks upon the reorganization of the NTT Group. It is difficult to check the accounting information and actual transaction status in detail, however, since their services are aggregated to or outsourced to outsourcing subsidiaries and the particular operators involved as a result of NTT East and West having accomplished the management efficiency improvement. If the restrictions are to be loosened, it seems that the administration must understand the accounting information and actual transaction status in order to complement this. Otherwise, it is feared that competitors may become doubtful.

(Member)

As stated in page 58, when an operator having a global power exists in the upper layer as the Internet is loosening borders, how will things change where it is difficult for the upper layer to

appear in front due to the dominant restriction? It could be managed under the Anti-Trust Law, but it must be noted that problems exist, such as international conflicts may occur.

(Member)

We find “it is necessary to deepen deliberation” on page 59, but we see the term “desirable” for measures. It is necessary to make sense. The sale of financial products appears to be cited abruptly, and I think that some explanation is needed, such as “the information is one-sided”.

[Handling of the draft report]

It was decided that the draft report is to undergo the public comment procedure after the Secretariat makes necessary revisions based on the today’s discussion and gaining the approval of the members.

5 Others

The next (8th) meeting is expected to be held in September.

The details of the next meeting are scheduled to be posted on the Ministry of Internal Affairs and Communications Web page.

End