

Summary of Minutes of the Eighth Round Table Conference on the Neutrality of Networks

1. Date and time: Wednesday, September 19, 2007, from 15:00 to 16:20
2. Location: Special Conference Room No.1, 8F, Ministry of Internal Affairs and Communications
3. Attendees:
 - (1) Members (Honorifics omitted)
Takanori Ida, Hiroshi Esaki, Yoshinori Sakai, Minoru Sugaya, Nobuko Takahashi, Toshihiko Hayashi (Chairperson), Hiroyuki Morikawa
 - (2) Ministry of Internal Affairs and Communications
Terasaki (Director-General for Policy Planning), Takeuchi (Director-General of the Telecommunications Business Department), Ando (Director of the General Affairs Division), Taniwaki (Director of the Telecommunications Policy Division), Furuichi (Director of the Tariff Division), Ninomiya (Senior Planning Officer of the Tariff Division), Kurose (Director of the Computer Communication Division), Takeuchi (Director of the Telecommunications Systems Division), Takachi (Senior Planning Officer of the Telecommunications Policy Division)
4. Agenda (Draft report)
 - After the Secretariat explained Document 8-1, "Draft report of the Round Table Conference on the Neutrality of Networks," and Document 8-3, "Outcome of the view solicitation for the draft report and its interpretation," the members held a free discussion.
 - The main points are outlined below.
 - (Member)
It says in the second paragraph of page 33 that "the administrative authority is requested to continue efforts to gain a more detailed understanding of traffic." It gives the impression, however, that telecommunication providers actually operating must without exception cooperate by submitting data about traffic. I would ask you to replace the phrase with a better one if you can find one.
 - (Ministry of Internal Affairs and Communications)
We will reconsider the phrase, since we must avoid placing an additional load on the providers concerned.
 - (Member)

The report says that, first of all, NGN and the Internet will be kept separate. Does the general idea used in chapter 2 refer not only to the Internet but also NGN? Is it correct to say that NGN is specifically referred to for the first time in chapter 3?

(Ministry of Internal Affairs and Communications)

That's correct, chapter 2 does not make a distinction between the existing Internet and NGN, but the emphasis is on the existing Internet.

(Member)

When you refer to the connection rule for NGN in chapter 3, did you intend it to include not only the optical access system service but the Internet and telephones as well?

(Ministry of Internal Affairs and Communications)

We intentionally wrote it to include the access network.

(Member)

The difficult issue of QoS of end-to-end communication is referred to in the paragraphs under "NGN connection rule" on page 37 and "Deliberation of the measures to protect users" on page 64. I'm guessing the ultimate aim is to work out how to ensure the QoS of end-to-end communication from the point of view of the user. Am I right in understanding that the process is divided into two stages, where in the first stage potentially problematic cases will be considered according to the connection rule, and, if problems are found, measures will be taken in the second stage?

(Ministry of Internal Affairs and Communications)

Yes. The topic of ensuring QoS of end-to-end communication was raised by SoftBank Group on page 30 of Document 8-3. Then, on page 37, there are additional points which must be noted about how QoS control of end-to-end communication will be enabled in NTT East and West's NGN network, but the entire QoS of communication between two end-users will not be ensured if another network is used. Furthermore, there is a discussion on page 64 about whether any measures must be taken from the viewpoint of consumer protection because of the fact that QoS is not ensured for end-to-end communication.

(Member)

Does ensuring QoS include auditing ISPs?

(Ministry of Internal Affairs and Communications)

We have received a lot of public comments on the subject of auditing. We have discussed the possibility of certifying the performance of each ISP to give it a market value, which will then act as a market mechanism to raise the performance of ISPs in general. The statement concluded that a careful deliberation was required in light of the effect it will have on concerned parties.

(Member)

Page 33 refers to “Deliberation of systems, such as responding to copyright issues.” Is this linked to promoting caching in local IX?

(Ministry of Internal Affairs and Communications)

Yes. The fact the cached contents are copyrighted has long been pointed out in discussions about caching contents in local IX. That is why we have addressed the issue in the current version.

(Member)

Is this subject also under discussion by the P2P Network Experiment Council?

(Ministry of Internal Affairs and Communications)

The P2P Council is conducting various kinds of experiments, including experiments related to caching in local IX.

(Member)

This problem is not confined to local IX. ISPs have similar problems, so I suggest “etc.” be put in after “caching in local IX.”

(Ministry of Internal Affairs and Communications)

Okay.

(Member)

Regarding the discussion about the “Basic direction regarding the review of specified telecommunication facilities system” on page 59, we can get a good idea about the future direction of the specified telecommunication facilities system because market dominance was broken down into patterns of those derived from the bottleneck status and those derived from oligopolistic status based on the scarcity of electric waves, and the restrictions will be based on these patterns. On the other hand, it was revealed as the result of such clarification that—with reference to the public comments made by our competitors—when more restrictions related to connection and behavior are placed on NTT East and West as providers that have the specified telecommunication facilities, the number of management strategies that are not competition neutral has increased. This has become outstanding in the transition to NGNs and when the access network was made optical (for example, using outsourcing subsidiaries. See “KDDI” on page 48 of Document 8-3.) Therefore, I feel the presence of NTT Communications is growing in terms of the planning of actual NGN services, and think that measures should be taken to prevent unfair restrictions being placed on NTT’s management strategies, after the dominance of the entire group up to 2010 has been reviewed. Otherwise it may be unfair in terms of competition if restrictions are only placed on NTT East and West because of their bottlenecks. NTT East and West have so far had unnecessary restrictions placed on them, which may have delayed the improvement of infrastructure that could be used by everyone, such as the deployment of optical fibers in rural areas. This could

be because the potential of the entire group has not been fully utilized, due to the restrictions that prevented their expansion. It might be better to consider how to enable the full realization of the potential of the entire NTT Group.

(Ministry of Internal Affairs and Communications)

As you see on page 54, the fair competition requirements placed on the NTT Group in the past included those placed on an ad hoc basis. So, it was determined to take the position that improvement of the entire framework should be considered as a general rule when the restrictions aimed at preventing dominance included in the Telecommunication Business Law are reviewed, but the details of should be carefully deliberated.

(Member)

The Round Table Conference would like to recommend that that point be reflected in future policies.

(Member)

Various approaches are available found for band control and pay-as-you-go fees. The essential point is to understand the status first so that there is no incongruity. However, because this concerns a detailed description of the profits of the concerned parties, it is expressed in very technical language that will only be understood by experts.

(Ministry of Internal Affairs and Communications)

This tends to be true, but I think we will have played a useful role if a guideline for band control is considered by, for example, groups concerned as a result of this report.

(Member)

The draft report of this conference has a lot of good points, and I was impressed by the number of comments from individuals regarding band control and additional charges.

(Member)

As for band control, it is important that the rule be flexible, rather than requiring ISPs to make a uniform rule.

(Ministry of Internal Affairs and Communications)

Based on the opinions we received, we recognize that it is too early to make a uniform rule while network structures and traffic are changing. Yet, the benefit principle should be applied as a rule and we do not prevent charging heavy users extra. We stated that reasonable grounds are required for each case, but we do not intend to make a particular uniform rule on the said grounds for the moment.

(Member)

The concept of the report is clear and well organized. While it is not the purpose of this conference, I wonder if this can also be applied to the concept of communication by means other than NGN and the Internet, such as multimedia broadcasting.

(Ministry of Internal Affairs and Communications)

The aim is that sound competition will be ensured through diverse combinations created by opening the interface between networks as well as opening the interface between communication networks in different modes. This report is based on the idea of opening the interface between layers.

(Member)

It says on page 53 that market dominance by upper layers over the communication layer should be comprehensively verified in terms of the legal regulation related to the merging and cooperation of communications and broadcasting. What do you mean by the phrase “should be comprehensively verified”?

(Ministry of Internal Affairs and Communications)

In the Telecommunication Business Law, we are thinking of the dominance from the communication layer—or starting from the communication layer—to the upper layers, while the dominance from the upper layers to lower layers is not covered by the law and the general discipline of the Anti-Trust Law is to be applied to those cases. Upon the enforcement of the Information Communication Law in the future as a result of the merging of communications and broadcasting, and if the area beyond the framework of the existing Telecommunication Business Law falls under one business area, the dominance from the upper layers to lower layers may be recognized as a discipline. This is the reason why we stated that in the report.

(Member)

Do you mean that the concept may change after a comprehensive verification is undertaken because of the fact that providers of media services, which will be discussed in terms of legal regulation in relation to the merging and cooperation between communication and broadcasting, may enter the market in the future?

(Ministry of Internal Affairs and Communications)

Yes.

(Member)

We find on page 41 “the address space of IPv4 will be depleted at the beginning of 2010”. In a recent report, however, we find data showing that the depletion will be in 2010. Should the expression be updated?

(Ministry of Internal Affairs and Communications)

As for IPv4, the Research Study Group on the Smooth Transition of the Internet to IPv6 is currently at the stage of organizing certain concepts regarding the forecasting of depletion. Thus, this report just referred to the expected depletion, and does not reach an official conclusion.

(Member)

I think that this kind of expression is better, because the market may be disconcerted if the deadline is set too early. It is important to get across the point that prompt transition is encouraged to ensure that end users feel secure. The important point is what should be offered to end users in a neutral manner.

(Member)

As end users are satisfied with IPv4, it seems there are no incentives to work towards the transition to IPv6. If it is expected that the addresses will be depleted, shouldn't everyone, including consumers, be aware of the risks?

(Member)

We would appreciate getting a variety of opinions for the study group on IPv6 transition.

(Member)

Issues related to copyright have been raised as problems that would prevent the smooth distribution of content. Discussions have been held regarding the distribution of terrestrial digital broadcasting, such as those that conclude it should be distributed over the IP network because of the high cost of distributing content to areas where reception is poor using satellites. Can you use an expression that conveys that idea? Is there a problem in regard to copyright processing?

(Ministry of Internal Affairs and Communications)

I think the issue of the copyright processing of the IP multicast of the terrestrial digital broadcasting and that of cache servers are slightly different. The issue of copyright in the act of caching has been discussed but rarely addressed. It is necessary to make local IX to disperse the load carried by networks, and here we would like to address it as an issue in those terms. We understand that the copyright processing issue will come up regarding the IP multicast of the terrestrial digital broadcasting as a business-based issue.

(Member)

The issue of caching and copying also appears in the case of the terrestrial digital broadcasting. The issue of neutrality regarding the distribution channel of information is discussed in terms of how transport can be implemented in a neutral manner, but it is difficult to proceed with the matter further.

- It was decided that the Chairman would modify the report based on the above discussions, and that the Secretariat would compile the final draft.

5. Others

- This Round Table Conference was closed with this session (the eighth).
- The Ministry of Internal Affairs and Communications is expected to promptly publish the

report based on the statements made at this conference on the *Ministry of Internal Affairs and Communications* Web page.