

# Competition Policy in the Broadband and IP Era



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# Background of Consideration

## ■ Diffusion of High-Speed Broadband

	No.of Users	Service Availability	
		2007.9	2011.3 (target)
FTTH	10.5 mil	85%	90%
xDSL	13.5 mil	96%	100%
CATV	3.7 mil		
Total	27.1 mil		
cf. Total Households	51.7 mil		

: super-high-speed broadband  
 : broadband

## ■ Commercialization of NGN Service

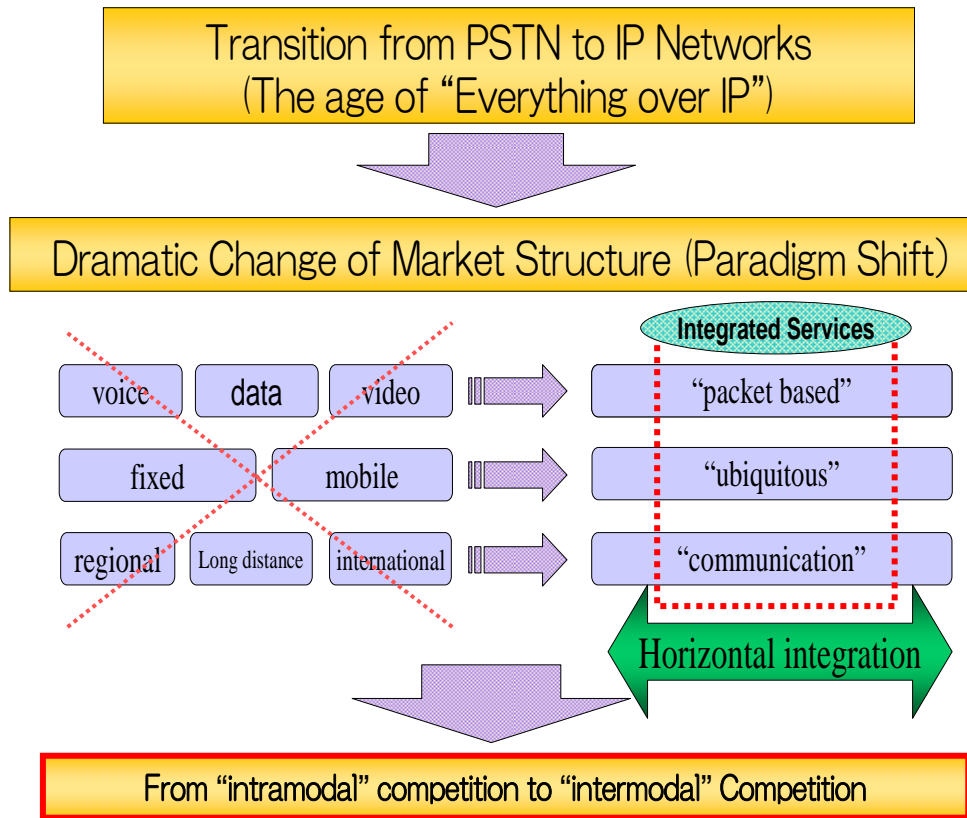
To begin around March 2008

# Changes in Market Environment

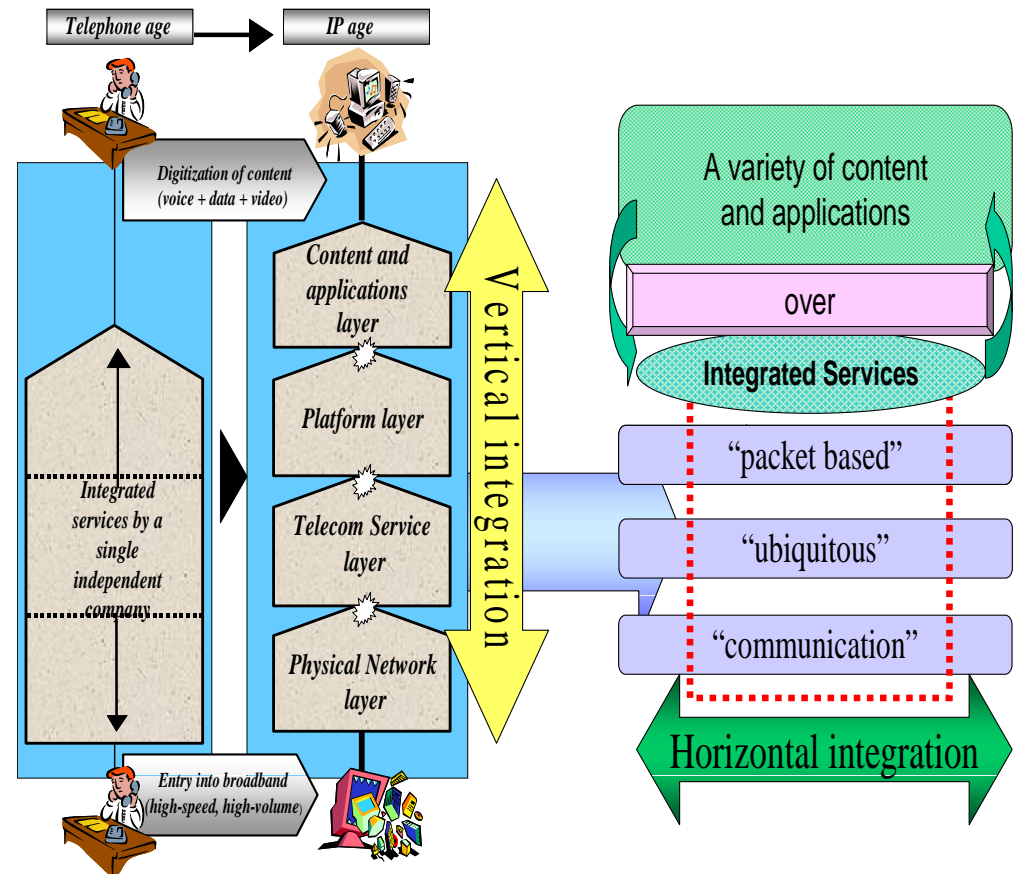
## Changes in competitive environment

- (1) Progress of broadband deployment
- (2) Development of horizontal market integration
- (3) Development of vertical market integration

### 【Development of horizontal market integration】



### 【Development of vertical market integration】

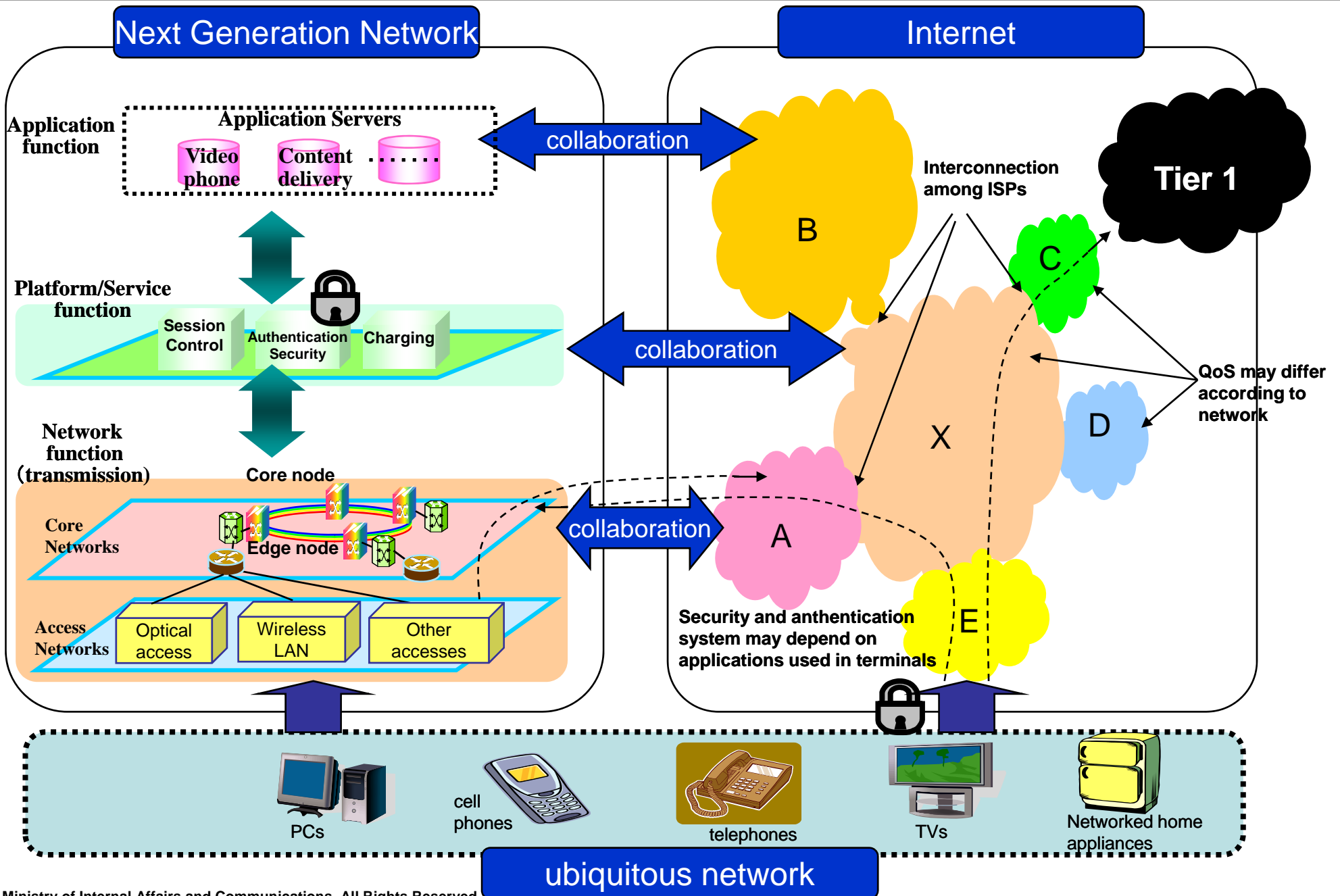


# Characteristics of Communication Markets in the Broadband and IP Era

- Broadband services enabled video transmission to homes by telecommunications networks
- Internet Protocol enabled provision of wide range of services including video services with single network (Horizontal and Vertical integration)
- Internet Protocol expanded utilization of multiple access ways by a terminal (Horizontal integration)
- Horizontal integration enhanced possible emergence of New Layer services, especially on the Platform layer
- Best effort services may result in severe network congestion

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## Issues to be Tackled

### ■ Avoid excessive strengthening of dominant carriers' position

- ☞ Easier entry to video services eg. Content/Broadcasting
- ☞ Easier provision of wider range of services
- ☞ Possibility of joint dominance between fixed and mobile services

### ■ Facilitate emergence of new Layer Services

Especially on the Platform layer

### ■ Avoid (excessive) congestion and maintain fair use of networks

### ■ Smooth transition from PSTN to NGN/IP

# New Competition Promotion Program 2010

- Road map for comprehensive review of competition rules across all broadband markets that will be implemented by early 2010s
- Purposes of the Program  
Transparency, Flexibility, Promptness
- Review each year/Comprehensively review in 2010

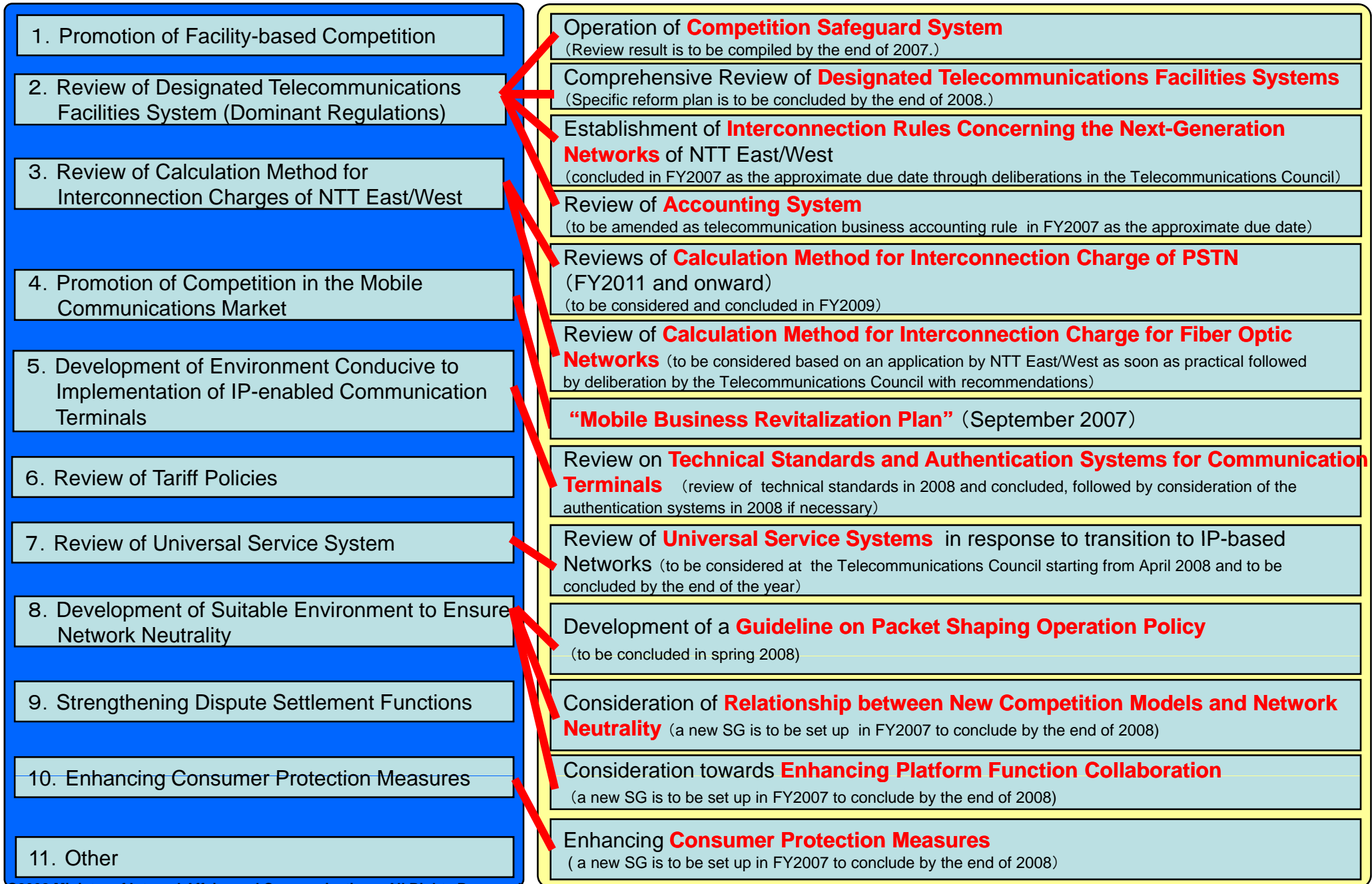
## Cf 2010

Eliminate broadband-zero areas (u-Japan policies)

Status of NTT will be considered and concluded

Comprehensive legal framework including telecom and broadcasting will be concluded





# New Competition Promotion Program 2010

To avoid excessive strengthening of dominant carriers' position

- Review of Designated Telecommunications Facilities System (Dominant Regulation)
- Development of Suitable Environment to Ensure Network Neutrality(\*)
  - ☞ Consideration of equal access to networks
- Promotion of Facility-based Competition
- Promotion of Competition in the Mobile Communications Market(\*)

# New Competition Promotion Program 2010

To facilitate emergence of new Layer Services

- Development of Suitable Environment to Ensure Network Neutrality(\*)
  - ☞ Consideration towards Enhancing Platform Function Collaboration
- Promotion of Competition in the Mobile Communications Market(\*)
- Development of Environment Conducive to Implementation of IP-enabled Communication Terminals

# New Competition Promotion Program 2010

To avoid (excessive) congestion and maintain fair use of networks

- Development of Suitable Environment to Ensure Network Neutrality(\*)
  - ☞ Consideration of equitable cost distribution of networks
  - Development of a Guideline on Packet Shaping Operation Policy

# New Competition Promotion Program 2010

## Smooth transition from PSTN to NGN/IP

- Review of Calculation Method for Interconnection Charges of Dominant Carriers (NTT East/West)
- Review of Tariff Policies
- Review of Universal Service System

# New Competition Promotion Program 2010

## Other issues

- Strengthening Dispute Settlement
- Enhancing Consumer Protection Measures
- Others

*Thank You !*

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