Broadband Competition Policy in Japan

November 4, 2011

Ministry of Internal Affairs and Communications

JAPAN
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1. Telecommunication Market in Japan
2. Competition Policy
3. Functional Separation
4. Roll-out of Broadband
Subscribership: The Number by Services

Number of telecommunication service subscribers
- The number of fixed telephone service subscribers decreased to approx. 70% over the ten years.
- On the other hand, the number of mobile phone subscribers increased approx. two fold.

Number of broadband subscribers by type
- The number of FTTH service subscribers exceeded over half of the number of all broadband service subscribers (June 2009).
- On the other hand, the number of DSL service subscribers decreased to less than ten million (March 2010).

(Units: 10K contracts)

Note 1: Starting at the end of June 2004, the number of subscriptions for which reports were received based on provisions in the Regulations on Reporting of Telecommunications Business have been tabulated; prior to this, the number of subscriptions for which reports were received arbitrarily from business operators were tabulated.
Note 2: With regard to IP phones, the number of telephone numbers with 050 and 0AB-J that are used by final users is listed.

Note: The number of subscriptions for which reports were received based on the Regulations on Reporting of Telecommunications Business was tabulated (Before the end of March 2004, the number of subscriptions for which reports were received arbitrarily by business operators was tabulated.)
Market Share of Telecom Carriers (End of March 2011)

Share of Subscribers, etc. by Service (End of June 2011)

Subscriber of telephone

- NTT East/West Approx. 81%

IP Telephone

- Softbank BB, KDDI, etc.
- NTT East/West
- NTT Communications Approx. 58%

Broadband

- Softbank BB, eAccess, etc.
- NTT East/West Approx. 34%
- KDDI (au)
- Softbank Mobile
- PHS, etc.

Cellular Phone, PHS

- NTT DoCoMo Approx. 47%

<Reference>
Share by Number of Lines (End of March 2011)

- NTT East/West 99.9%
- Copper cable

- NTT East/West Approx. 86%
- All cables

- NTT East/West Approx. 77%
- Optical fibre

※ Share of main Telecom carriers
Shift from Copper Cable to Optical Fibre

- As the number of FTTH subscribers accounts for more than half of all broadband service subscribers, FTTH in Japan has been developing ahead of other countries.
- As to ultra high-speed broadband, although the infrastructure coverage rate accounts for approx. 93%, the subscription rate remains at approx. 38%.
- FTTH market share of NTT East and West accounts for approx. 75%, and tends to increase.

International Comparison of BB market

<table>
<thead>
<tr>
<th>Country</th>
<th>Coverage</th>
<th>Penetration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan (2011.6)</td>
<td>Approx. 93%</td>
<td>Approx. 38%</td>
</tr>
<tr>
<td>USA (2010.12)</td>
<td>54%</td>
<td>39%</td>
</tr>
<tr>
<td>UK (2010.12)</td>
<td>21%</td>
<td>6%</td>
</tr>
<tr>
<td>France (2010.12)</td>
<td>8%</td>
<td>6%</td>
</tr>
<tr>
<td>Germany (2010.12)</td>
<td>94%</td>
<td>88%</td>
</tr>
<tr>
<td>Korea (2010.12)</td>
<td>16%</td>
<td>30%</td>
</tr>
</tbody>
</table>

Current Status of Broadband in Japan

Ultra High-speed Broadband Infrastructure

- Elimination of remaining 7% undeployed area, and improvement of subscription rate are issues.

Penetration

(As of 2011.3)

- Coverage: Approx. 93%
- Penetration: Approx. 38%

Competition in FTTH Market

- Market share of NTT East/West is increasing.

Transition of NTT share

<table>
<thead>
<tr>
<th>Year</th>
<th>FTTH</th>
<th>ADSL</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001.9</td>
<td>6%</td>
<td>93%</td>
</tr>
<tr>
<td>2011.6</td>
<td>55%</td>
<td>5%</td>
</tr>
</tbody>
</table>

Competition of FTTH Market

<table>
<thead>
<tr>
<th>Operator</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>NTT East/West</td>
<td>74.5%</td>
</tr>
<tr>
<td>KDDI</td>
<td>8.8%</td>
</tr>
<tr>
<td>Affiliates of Power Companies</td>
<td>9.2%</td>
</tr>
<tr>
<td>Others</td>
<td>5.1%</td>
</tr>
</tbody>
</table>

(As of 2011.6)
1. Telecommunication Market in Japan
2. Competition Policy
3. Functional Separation
4. Roll-out of Broadband
Outline of Japanese Telecom Competition Policy

Transition in Competition Policy in Response to Changes in Network Structure and Competitive Environment

From monopoly to competition

From 1985
- Introduction of market principles
- Implementation of Telecommunications Business Act
- Privatization of NTT

From 1997
- Reorganization of NTT (1999)
- Introduction of asymmetric regulations
- Establishment of interconnection rule (Fixed)
- Deregulation of new entries
- Abolition of supply-demand adjustment provision
- Abolition of foreign investment regulations in general (1998)
- Deregulation of business operation rules
- From approval to ex ante notification of charges (1998)

From 2001
- Strengthening of asymmetric regulations
- Establishment of interconnection rule (Mobile)
- Introduction of prohibited activity regulation※
  ※ Prohibition of unfairly advantageous/disadvantageous treatment to specific telecommunications carriers, etc.
- Deregulation of the business scope of activities of NTT East & West
- Establishment of USF mechanism (2002)
- Setting up of Telecommunications Business Dispute Settlement Commission

From 2004
- Deregulation of entry regulations
- Abolition of permission system
  → Introduction of registration and notification system
- [Abolition of service regulations in principle]
- Abolition of price and tariff regulations
- [Guarantee of consumer rights]
- Obligation to explain important matters, etc.

From 2010
- Response to the growth of mobile telecommunications
  - Establishment of interconnection accounting (mobile)
  - Strengthening of function of Dispute Settlement
- [Ensuring of equivalence of NTT East & West and competitors, etc.]
- Functional separation of NTT East & West (2011)
- Requirement of appropriate supervision of subsidiaries by NTT East & West (2011)
- Deregulation of procedure regarding business regulation on NTT East & West (2011)

PSTN

Change in Network Structure

Broadband/IP
(Number of broadband subscribers: Approx. 35M as of June 2011)

Mobile
(Number of mobile phone and PHS subscribers: Approx. 125M as of June 2011)

*Population in Japan: 128M as of March 2010

Transition in Competition Policy in Response to Changes in Network Structure and Competitive Environment

From 1985
- Introduction of market principles
- Implementation of Telecommunications Business Act
- Privatization of NTT

From 1997
- Reorganization of NTT (1999)
- Introduction of asymmetric regulations
- Establishment of interconnection rule (Fixed)
- Deregulation of new entries
- Abolition of supply-demand adjustment provision
- Abolition of foreign investment regulations in general (1998)
- Deregulation of business operation rules
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From 2010
- Response to the growth of mobile telecommunications
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- Deregulation of procedure regarding business regulation on NTT East & West (2011)
Outline of Asymmetric Regulations

**Fixed Telecommunications Market**

- **Telecommunications carriers installing Category I designated telecommunication facilities**
  - Category I designated telecommunication facilities
    - Access lines
      - (More than 50% share)
        - (Copper cable, Optical fiber)
  - Access Lines and related telecommunications facilities
    - (NGN, PSTN, etc.)

- **Regulation of lending facilities to other carriers**
  - Authorization of interconnection tariff
  - Development of interconnection accounts
  - Notification of plan for change or addition of function

- **Service regulations**
  - Notification of tariff for designated telecommunications services
    - (FTTH, Dedicated service)
  - Price cap regulation for specified telecommunications service
    - (Voiceover copper lines, etc.)

- **Prohibited activity regulations**
  - Prohibition of abuse of information obtained through interconnection
  - Prohibition of unfairly advantageous treatment to specific carriers
  - Prohibition of undue interference to equipment manufacturers, etc.
  - Firewall with specified carriers
  - Equal treatment in interconnection and consignment

**Mobile Telecommunications Market**

- **Telecommunications carriers installing Category II designated telecommunication facilities**
  - Category II designated telecommunication facilities
    - Access lines
      - (More than 25% of share)
    - Base station lines and related mobile telecommunications facilities

- **Regulation of lending facilities to other carriers**
  - Notification of interconnection tariff
  - Development of interconnection accounts

- **Service regulations**
  - Applied as necessary in case of exceeding 25% of share on revenue basis

- **Prohibited activity regulations**
  - Prohibition of abuse of information obtained through interconnection
  - Prohibition of unfairly advantageous treatment to specific carriers
  - Prohibition of undue interference to equipment manufacturers, etc.
Efforts to Promote Broadband in Japan

Japanese government aims for all households in Japan to enjoy ultra high speed BB by around 2015, and the ICT Task Force conducted a review. ICT Task Force summarized some measures to promote broadband in December 2010:

- Start discussion immediately about review of interconnection charge for optical subscriber lines.
- Take measures to enforce subsidiaries to comply with the anticompetitive practices (such as misuse of information related to interconnection business).
- Review the necessary systems and rules, as much as the fairness of competition allows.
- Discuss methods such as strict information blocking, feasible monitoring system, etc. in addition to current rules.
- Start a discussion about openness of NGN promptly, for various content, etc. provided by various businesses.
- Review the necessary systems and rules, as much as the fairness of competition allows.
- Add optical IP phones with an affordable price equivalent to subscriber phones as the universal service, avoid duplicative investment in both copper and optical.

Fixed Communications Market
- Bottleneck Facilities Using Department
  - Subscriber Phone, IP Phone (ADSL, FTTH)
- Bottleneck Facilities Operating Department
  - PSTN, NGN
  - Copper cable, Optical fibre

Mobile Communications Market
- Mobile phone carrier
  - Promotion of facility based competition
  - Wireless Broadband
  - Consider a system with characteristics of an auction system for spectrum reallocation at an early stage, etc.

Content Distribution Provider, etc.
## The Basic Policy of the 'New Broadband Super Highway' initiative

- MIC issued the ‘Basic Policy’ in accordance with the final report of the ICT Task Force, etc. (14 Dec. 2010)
- It includes the submission of partial amendment of related laws (such as implementation of functional separation) to the Diet and comprehensive evaluation within the first 3 years of the implementation of the system.

1. The issues pointed out in the final report at the joint subcommittee will be dealt with as follows:

   a. Regarding implementation of the functional separation, measures against the integrated management with the subsidiaries, etc. and making the scope of activities flexible, the specifications shall be clarified immediately and the amendment bill of the related law will be submitted to the next ordinary session of the Diet. - Partial amendment of the Telecommunications Business Act and the NTT Act.

   b. The specific discussion of the review of the calculation methods for the interconnection charge for optical subscriber lines starting FY2011 shall start immediately in order to come out with a definite plan this fiscal year. This process will be conducted with the Ministry of Internal Affairs and Communications and NTT to lower the charge.

   c. To set up a definite plan within the next year, an arrangement shall be made immediately for the Ministry of Internal Affairs and Communications, telecommunications carriers and internet service providers, etc. to discuss issues related to unbundled functions/services of the Next Generation Network (NGN) and migration to the IP networks, which should include implementation methods and responsibility for the cost.

   d. With regard to contribution of transition cost of existing spectrum users by wireless broadband operators, an amendment bill of the related law will be submitted to the next ordinary session of the Diet in order to found a system which makes use of the characteristics of an auction system. - Partial amendment of the Radio Law.

   e. With regard to new wireless systems, such as IMT-Advanced, discussions on the introduction of an auction system used in several foreign countries will be started quickly (with the aim of reaching a conclusion so that the related law can be amended before the introduction of the new wireless systems).

2. We will have comprehensive evaluations regarding effectiveness/appropriateness of the measures contained in the final report at the joint subcommittee as well as continuous annual checks, in terms of the following points of view, within the first 3 years of the implementation of the system:

   - Status of compliance with regulations at NTT EAST/WEST
   - Tendency of low price or market share, etc.
   - Status of effort regarding the 'New Broadband Super Highway' initiative, etc.

3. We need to discuss measures further for the 'New Broadband Super Highway' initiative if the initiative seems to not be progressing as judged by comprehensive evaluations. In particular, when the environment for fair competition is not ensured sufficiently, we need to discuss measures such as further openness of bottlenecked facilities, and strengthening firewall regulations, including structural separation/separation of equity links to create the fair competition environment.
**Efforts based on the ‘Progress Schedule’**

<table>
<thead>
<tr>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>①</strong> Promotion of deploying infrastructure in undeployed areas</td>
<td>Submission of bill</td>
<td>Request of budget/tax Budget use/tax application</td>
<td>(Request of budget/tax Budget use/tax application)</td>
<td>Within the first 3 years of implementation</td>
</tr>
<tr>
<td><strong>②</strong> Promotion of competition policies</td>
<td>1) Review for openness of infrastructure (such as poles and conduits) Start</td>
<td>Summary</td>
<td>2) Efforts for wireless broadband (Spectrum reallocation, etc.) Start</td>
<td>(Revision of Telecommunications Business Act/NTT Act) Enforce</td>
</tr>
<tr>
<td></td>
<td>(Revision of Radio Act) Enforce</td>
<td>Study of an auction system</td>
<td>Approval of new entrant</td>
<td>(Implementation of spectrum reallocation)</td>
</tr>
<tr>
<td></td>
<td>Consultation of tariff change</td>
<td>Report New charge from FY2011</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>③</strong> Promotion of utilization of ICT through regulatory reform</td>
<td>Openness of NGN/discussion of issues for migration to IP NW Start</td>
<td>(Interim report)</td>
<td>Summarize</td>
<td></td>
</tr>
<tr>
<td><strong>④</strong> Assuring equal opportunity of use of bottleneck facilities</td>
<td>Functional separation, measures against the integrated management, flexibility of the scope of activities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Submission of bill</td>
<td>Enforce</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(Revision of Telecommunications Business Act/NTT Act)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>⑤</strong> Review of universal service system</td>
<td>1) Optical IP phone as the universal service Jan</td>
<td>Mar</td>
<td>2) Review on broadband access as the universal service</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Consultation of revision of ordinance Report Optical IP phone as the universal service</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>⑥</strong> Responses to future market change</td>
<td>Discussion of SMP regulation Start</td>
<td>Summarize</td>
<td></td>
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</table>

Comprehensive evaluations regarding effectiveness/appropriateness of the measures contained in the final report of the ICT Task Force.

Within the first 3 years of implementation.
Improvement of Environment to Promote Broadband

- How to carry out competition policy and smooth migration of PSTN, amid the migration to optical IP networks, progress of mobility, development of an upper-layer market, such as a content-distribution market, etc., should be discussed from the viewpoint of promoting broadband, based on the ‘Basic Policy’ and ‘Progress Schedule’ issued in Dec. 2010.
- MIC consulted the Information and Communications Council in March 2011, and expects a report this year.

Information and Communications Council

Agendas
1. Competition policy to promote broadband
2. Smooth migration of PSTN to IP network

Committee for Competition Policy to Promote Broadband
1. Competition policy to promote broadband
   (1)Promotion of facility-based competition through openness of infrastructure (such as poles and conduits)
   (2)Promotion of service-based competition through openness of NGN (Next Generation Network)
   (3)Promotion of Competition in the mobile market
   (4)Measures to evaluate/secure a fair competition environment considering future changes of market environment, etc.

Committee for Smooth Migration of PSTN
2. Smooth migration of PSTN to IP network
   (1)User protection related to migration of the PSTN to IP network (discontinued services and the effect, measures to be taken from the viewpoint of user protection)
   (2)Countermeasures taken by operators related to migration of the PSTN to IP network (discontinued interconnection functions and the effect, measures to be taken from the viewpoint of operators’ countermeasures), etc.
Based on the results of the call for proposals and interviews with the carriers, etc., “Committee for Competition Policy to promote Broadband” has been conducting discussions and examinations on the: 1) promotion of service-based competition through openness of NGN (Next Generation Network); 2) promotion of competition in the mobile market; 3) Promotion of facility-based competition through openness of infrastructure (such as poles and conduits); 4) Measures to evaluate/secure a fair competition environment considering future changes of market environment, etc. We expect to receive a recommendation by the Information and Communications Council by the end of this year.

### Point of issue in the deliberation

1. **Promotion of service-based competition through openness of NGN (Next Generation Network)**
   - Openness of the connecting function of relay stations
   - Openness of the connecting functions of local stations
   - Current status of service competitions in access lines
   - Openness of communication platform functions
   - Criteria for decision-making regarding unbundling on the occasion of openness of NGN
   - The ways in which carriers hold consultations in the midst of transition of networks.

2. **Promotion of competition in the mobile market**
   - Openness of the network layers
   - Openness of the platform and terminal layers

3. **Promotion of facility-based competition through openness of infrastructure (such as poles and conduits)**
   - Simplification and improved efficiency of procedures for the use of poles and conduits, etc.
   - Handing of optical indoor wiring for condominiums
   - Response to areas where lines are laid underground
   - Further openness of mobile phone towers, etc.

4. **Measures to evaluate/secure a fair competition environment considering future changes of market environment, etc.**
   - The ways in which the environment of fair competition is verified
   - Framework of competition rules in view of the changes in the market environment in the future
Based on the results of calling for proposals and interviews with the carriers, the “Committee for Smooth Migration of PSTN” has been conducting: 1) the ways in which users are protected during the migration from telephone network (PSTN) to IP network; 2) the ways in which carriers respond to the migration from the PSTN to IP network. We expect to receive a recommendation by the Information and Communications Council by the end of this year.

On 2 November 2010, NTT East and West announced “Regarding the migration of PSTN – Overview –”.

[Main content]

- Start migration from the PSTN to IP network around 2020, and expect to finish by around 2025.
- Make an announcement of services whose provision will be terminated with the migration, and implement measures by allowing for a sufficient get-acquainted period from now on.
- Regarding the IP network currently connected via the PSTN switching system, make a proposal to create consensus among concerned carriers with an eye to realising connection between relevant IP networks.

Point of issue in the deliberation

**① General concept**

- The future of the network after the migration of the telephone network
- Regarding the migration plan announced by NTT East and West
- The way in which agreement is reached by concerned parties

**② Response to users**

- Efforts to smooth out the transition
- Reasonability of type of service to be maintained or abolished
- Issues pertaining to services to be maintained and abolished after the migration

**③ Response to carriers**

- Maintenance of competitive environment in PSTN
- Promotion of competitive environment in NGN
- The whole concept of hub function * in the IP network
- Realisation of number portability system in the IP network

* The function that enables indirect connection between other carriers by way of the networks of NTT East and West
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Overview of the Revision of the Telecommunications Business Act and
the Act on Nippon Telegraph and Telephone Corporation, etc.

Overview of Revisions

(1) Amendment to the Telecommunication Business Act

(Requirement of appropriate supervision of subsidiaries by NTT East & West)
✓ In order to effectively curb anticompetitive practices (such as the abuse of information related to interconnection) by telecommunications carriers installing Category I designated telecommunications facilities (= NTT East and West), their appropriate supervision of subsidiaries shall be mandated.

(Functional Separation of NTT East & West)
✓ In order to ensure fair competition between telecommunications carriers installing Category I designated telecommunications facilities and other telecommunications carriers, the development of a framework which ensures appropriate management of information obtained through the business activities of interconnection, such as through functional separation of the facility department and the sales department, shall be mandated.

(2) Amendment to the Act on Nippon Telegraph and Telephone Corporation, etc.

(Deregulation of Business Restriction on NTT East & West from Approval to Prior Notification)
✓ In order to promote competition amongst telecommunications carriers, the current approval system for NTT EAST and NTT WEST regarding their additional telecommunications business activities operated by using facilities, human resources, etc. which are maintained in order to operate regional telecommunications business (e.g., providing IP communication services across prefectures) shall be shifted to a prior notification system.

Implementation Date, etc.

(1) These amendments shall go into effect within a period not exceeding six months from the date of promulgation (1 June 2011). The implementation date shall be provided by cabinet order.

(2) When three years have elapsed since the implementation date of these amendments, the government shall review the status of enforcement and undertake further revision if necessary.
For further assurance of equal access to the bottleneck facilities of NTT East & West, the firewall between the facility department and the sales department, etc. was strengthened by such means as (1) establishing an exclusive facility department, (2) appointing a chief information manager on interconnection in the facility department, (3) establishing a monitoring department on interconnection affairs.
Outline of Functional Separation of NTT East & West

- Development of compliance rules
- Enforcement of training

Facility department

○ Chief Manager of Facility department
  - Appointed from the board members
  - Having a role of Chief Information Manager
  - Managing information relating to interconnection

Management Systems for Interconnection Information

- Strict access authority
- Record of access to information

Prohibition of working for other departments concurrently

Physical separation of offices

Prohibition of using interconnection information for other purposes

Record of business operation, etc.

Monitoring department

Report

Board of Directors

Sales department, etc.

Other Providers

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### Current Status of Broadband (Availability)

#### Area Coverage by Households (Estimation)

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<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ultra-High-Speed Broadband</strong>&lt;sup&gt;※1&lt;/sup&gt;</td>
<td>83.5%</td>
<td>86.5%</td>
<td>90.1%</td>
<td>91.6%</td>
<td>92.7%</td>
</tr>
<tr>
<td><strong>Broadband</strong>&lt;sup&gt;※2&lt;/sup&gt;</td>
<td>— (95.2 %)</td>
<td>— (98.3 %)</td>
<td>99.7 %</td>
<td>99.9 %</td>
<td>100 %</td>
</tr>
</tbody>
</table>

Area Coverage is calculated by dividing the number of households to which broadband service is available (which is estimated from operators’ information) by the total number of households.

※1 Ultra-High-Speed Broadband is defined as FTTH and cable internet providing a download speed higher than 30Mbps.

※2 Broadband is defined as FTTH, DSL, cable internet, 3.5th generation mobile phone, local WiMAX and FWA. As there is no data on 3.5th generation mobile phones, until the end of March 2008, the Broadband area coverage rate is described as “—”. Area coverage percentage in () is calculated by dividing the number of households to which broadband service except for 3.5th generation mobile phones is available by the total number of households.

※3 As of the end of March 2011, the number of households in which Ultra-High-Speed Broadband is available is 49.45 million and the number of households in which Broadband is available is 53.34 million.
Collaboration Model between the Public and Private Sectors for the Establishment of Broadband Networks in Rural Areas

- The national government provides financial support for local governments constructing broadband networks with the grant program (1/3 of the total constructing cost).
- Local governments make those broadband networks available to the private sector by means of the IRU scheme, and the private sector provides broadband access services to users.
- About 80% of broadband projects in rural areas have adopted this scheme.

![Diagram](image-url)

- **National Government**
  - Financial Support (1/3 of the total cost)

- **Local Governments**
  - Charge for use of broadband infrastructure
  - Broadband Infrastructure

- **Private Sector (Telecom Careers)**
  - Charge for broadband service
  - Broadband access service

- **End users (Inhabitants, etc.)**
Support Measure for deploying Infrastructure in undeployed areas, etc.

Overview

For the purpose of accelerating the realisation of the “New Broadband Super Highway” initiative, by which ultra-high-speed broadband service is provided to all households by around 2015, the national government provides financial support for part (one third) of the cost of the project to local governments, etc. that will deploy ultra-high-speed broadband infrastructure with the premise that they will introduce public application in the field of education and medical care, etc. (Planned amount for the FY 2011: 2.4 billion yen)

Support deployment of infrastructures united with utilisation by autonomous bodies

- Among regions where ultra-high-speed broadband is not made available, this financial support targets the projects that include disadvantaged regions, such as depopulated areas, far-off places, isolated islands, etc.
- In order to promote the use of infrastructure to be prepared by the project, the project is based on the premise of introduction of public application, such as medical service, education, etc.

Mechanism

Minister of Internal Affairs and Communications → Local government, etc. → Private carriers → Users

1. Application for certification of project plan (*)
2. Certification
3. Issue one third of the project cost for the deployment of infrastructure of ultra-high-speed broadband for the purpose of educational/medical care
4. Loan of ultra-high-speed broadband infrastructure
5. Provision of ultra-high-speed broadband infrastructure

Network

General household → Public facilities (Schools and medical institutions, etc.) → Ultra-high-speed broadband (Optical fibre) → Station bldg. of telecommunication carrier

(* Certified based on the revised Act on Temporary Measures concerning Telecommunications Infrastructure Improvement
In April 2001, for the purpose of promoting the deployment of the optical fibre network, etc. by telecommunication carriers, “The Guidelines on the Use of Poles and Conduits, etc. Owned by Public Utilities” were formulated, indicating the standard treatment of lending procedures of infrastructures owned by the public utilities, such as poles and conduits.

Based on requirements of carriers so far, the guidelines have been revised 5 times.

**Outline of the Guidelines**

**1) Target of the Guidelines**
- Owner of facility: Telecommunication carrier, power company, railroad company
- Carrier: Certified telecommunication carrier
- Facility:
  - Facilities available for installing lines, such as poles, conduits, cable tunnels, tunnels and other lines
  - Mobile phone towers, etc.

**2) 4 principles on providing facilities**
- Principle of fairness
- Principle of nondiscrimination
- Principle of transparency
- Principle of efficiency

**3) Lending procedures, etc.**
- Survey answer period: Report answer of yes or no regarding provision within 2 months as a rule.
- Reason for refusal of lending: Stipulate cases when there is no open section, technological criterion is not applicable, etc.
- Lending period: 5 years as a rule

**Revision history of the Guidelines**

<table>
<thead>
<tr>
<th>Year of revision</th>
<th>Revision outline</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>Added provision regarding bundling relating to pole coattachment</td>
</tr>
<tr>
<td>2003</td>
<td>Added provision regarding common use of support lines and provision of installation of steel cross arms</td>
</tr>
<tr>
<td>2004</td>
<td>Added provision on obligation of making effort to answer to inquiries on available period, and notification of reasons for refusal of common use of support lines</td>
</tr>
<tr>
<td>2007</td>
<td>Added provision on principle of efficiency and simplification of procedures for routine / repetitive use of facilities related to optical drop cables, etc.</td>
</tr>
<tr>
<td>2010</td>
<td>Added “mobile phone towers, etc.” to the target facility for installation of mobile phone base stations</td>
</tr>
</tbody>
</table>