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TOPIC

The Ministry of Internal Affairs and Communications (MIC) is working to create a fair, competitive environment for the mobile market.

1. Overview

Mobile phones are now people's daily necessities. At the same time, they play a role as an essential infrastructure that protects people's lives and property and support socio-economic activities. Therefore, society requires the realization of charges and services comparable to international users and easily understood by domestic users. Accordingly, it is necessary to create an environment where users can use low-cost and diverse services that meet their needs.

MIC has been making efforts to create a fair, competitive environment in the mobile market to realize low-cost and diverse services through fierce competition among operators. In October of last year, the Act on Partial Amendments to the Telecommunications Business Act (Act No. 5, 2019, hereafter referred to as the "Amendatory Act) came into force to completely separate communications charges and terminal device charges and to rectify the excessive enclosure of customers. Since then, MIC has been steadily executing the Amendatory Act. Furthermore, MIC organized a Working Group (WG) on Verification of Competition Rules (Chief Investigator: NIIMI Ikufumi, Professor Emeritus at Meiji University) under a Meeting for Telecommunications Market Validation (chaired by OHASHI Hiroshi, Professor, Graduate School of Economics, Faculty of Economics, University of Tokyo). Since then, the WG has been examining the effects of measures taken by the Amendatory Act and the impact of the Amendatory Act on the mobile market.

Recently, the WG has completed its 2020 Report on Verification of Competition Rules. Furthermore, discussions have been in progress at related expert study groups, including MIC's Study Group on Calculation of Access Charges (chaired by TSUJI Masatsugu, President and Professor at Kobe International University), which completed the fourth report in September, 2020.

In addition to the enforcement of the Amendatory Act and these reports, MIC considered various people, businesses, and experts' opinions received at an opinion exchange meeting held on October 8, 2020, by TAKEDA Ryota, Minister for Internal Affairs and Communications, and mobile phone users. Then MIC had made this action plan from the perspective of clarifying the matters that MIC should work on to create a fair, competitive environment for the mobile market.

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2. Outline of Action Plan for Creating a Fair, Competitive Environment for the Mobile Market

MIC has been promoting the charge reduction and diversification of services through competition among operators in the mobile market. The basic approach of the government is to continue developing a fair, competitive environment. However, in addition to creating a competitive environment among operators, efforts must enable users to understand and select the ones necessary and appropriate for them from various operators and their rate plans and services and select and change operators as easily as possible.

Under this idea, this action plan sets the following three indivisible pillars as comprehensive measures based on the report mentioned above. The action plan describes the concrete contents of each pillar that should be worked on from now on.

- 1 Achieving easy-to-understand and convincing charges and services from the perspective of enabling users to deepen their understanding of the current state of the market and services and select plans that meet their needs.
- 2 Promoting fair competition among operators from the perspective of promoting the charge reduction and diversification of services through competition among mobile network operators (MNOs) and mobile virtual network operators (MVNOs).
- 3 Smooth switching among operators from the perspective of allowing users to freely select a variety of services and plans realized through competition and change operators in the smoothest feasible way.

1. [First pillar] Achieving easy-to-understand and convincing charges and services

To attain the first pillar, MIC will accomplish the following items: (1) Steadily enforcing the Amendatory Act (for the complete separation of communication charges and terminal charges), (2) Correcting misleading notations (e.g., “down payment” problem), (3) Further promoting consumers’ understanding (with mobile phone portal site construction), and (4) Vitalizing the terminal distribution market that will deal in used terminals as well.

As an effort towards (3), in December 2020, MIC opened a provisional mobile phone portal site. It summarized information contributing to selecting services to enable people to select services meeting their needs more smoothly, followed by the official version of the portal site since April 2021. In the future, MIC will strive to enhance the content of the portal site further.



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2. [Second pillar] Promoting fair competition among operators

To attain the second pillar, MIC will accomplish the following items: (1) Further reducing access charges for data (a 50% reduction in 3 years), (2) Further reducing voice service wholesale charges, (3) Promoting effective use of frequencies, and (4) Promoting mobile infrastructure sharing.

3. [Third pillar] Smooth switching among operators

To attain the third pillar, MIC will accomplish the following items: (1) Steadily enforcing the Amendatory Act (for the prohibition of excessive period restraint), (2) Improving the usage environment for mobile number portability (MNP), (3) Studying the realization of email address portability for the carriers' email service, (4) Promoting SIM unlocking, (5) Promoting the embedded subscriber identity module (eSIM), and (6) Verifying fixed- and mobile-set discounts.