

## 2. Case of Disputes No.3 and No.4, 2011 (Application: June 9, 2011)

### 1) Progress

June 9, 2011	SoftBank Telecom Corporation (SBTM) filed applications for mediation against Nippon Telegraph and Telephone East Corporation (NTT East) and Nippon Telegraph and Telephone West Corporation (NTT West).
June 28, 2011	The Commission appointed the mediation commissioners.
July 15, 2011	NTT East and West submitted a written reply.
July 27, 2011	The mediation commissioners heard opinions from both parties.
August 29, 2011	The mediation commissioners heard opinions from both parties.
September 22, 2011	The mediation commissioners heard opinions from both parties.
February 20, 2012	NTT East and West reported to the Commission that an agreement had been reached.
February 21, 2012	SBTM reported to the Commission that an agreement had been reached.  The mediation process concluded.

### 2) Summary

NTT East and West had been charging 1,200 yen per line for jumper work to connect their dry copper lines to SBTM subscriber switching equipment, whereas the companies were charging 1,000 yen per line for jumper work pertaining to the opening of their own subscriber phone lines and similar connections. Regarding the price difference, NTT East and West stated that dry copper is used for ADSL services in addition to dedicated phone lines, and in cases where a connection cannot be established between NTT central office equipment and the modem in a user's home to provide ADSL services (unconnectable link), the companies waive the installation fees. To make up for these installation fees provided for free, NTT East and West add the amount to installation fees in cases where communication connections are established.

SBTM, however, had requested NTT East and West to reduce jumper work charges for dedicated phone lines of interconnecting carriers to 1,000 yen per line, because the problem of not being able to establish communication connections does not arise with jumper work for dedicated phone lines. SBTM had negotiated with the companies on several occasions since May 2009, but as the negotiations proved to be unsuccessful, SBTM filed applications for mediation.

### 3) Result of mediation

All parties agreed that NTT East and West would establish a new pricing tier of 1,000 yen per line, subject to the conditions below, for dry-copper jumper work in addition to

its present pricing tier of 1,200 yen per line and that the new pricing tier would apply to SBTM.

1. NTT East and West shall bill SBTM for jumper work charges pertaining to SBTM dry copper.
2. NTT East and West shall carry out system modifications in order to establish the pricing tier of 1,000 yen per line, and SBTM shall bear the costs for the system modifications. (In the case that carriers other than SBTM wish to qualify for the new pricing tier, the additional carriers shall share in covering system modification costs.)
3. Costs pertaining to system modifications shall be paid on a monthly basis as a network improvement fee.
4. The system modification method shall be the method presented by NTT East and West during the mediation process.
5. SBTM shall ensure operations without filing applications for unconnectable links.
6. NTT East and West and SBTM shall complete the necessary procedures to start system modifications by the end of February 2012.
7. NTT East and West shall start system modifications in March 2012.
8. NTT East and West shall implement the new 1,000-yen pricing tier for jumper work in September 2012.