

Global Forum 2003

# Paradigm Shift

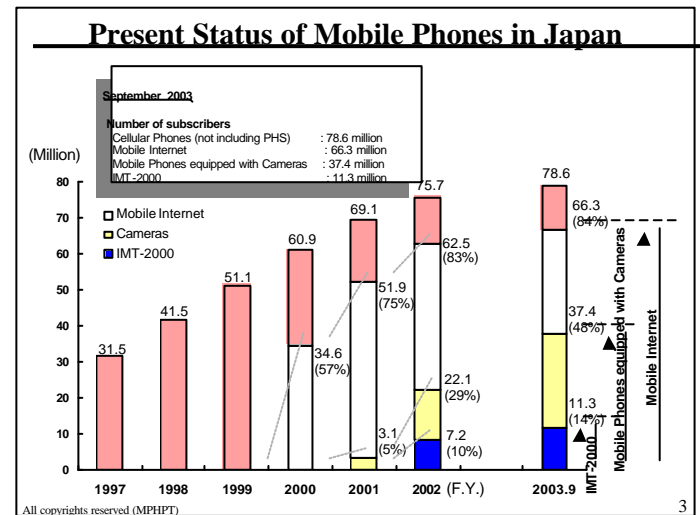
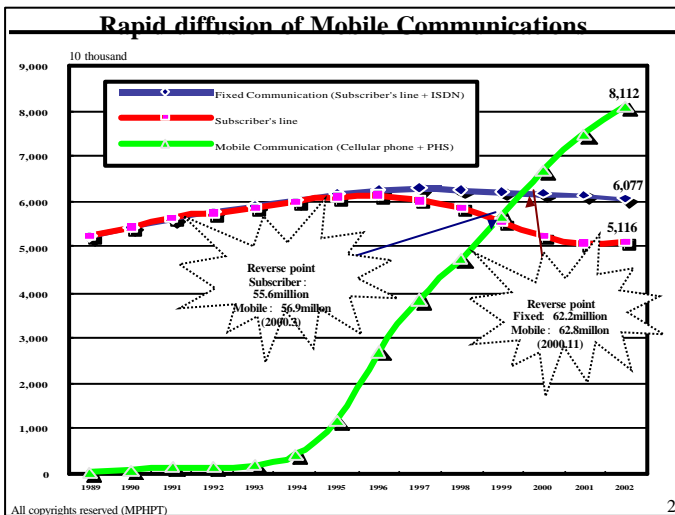
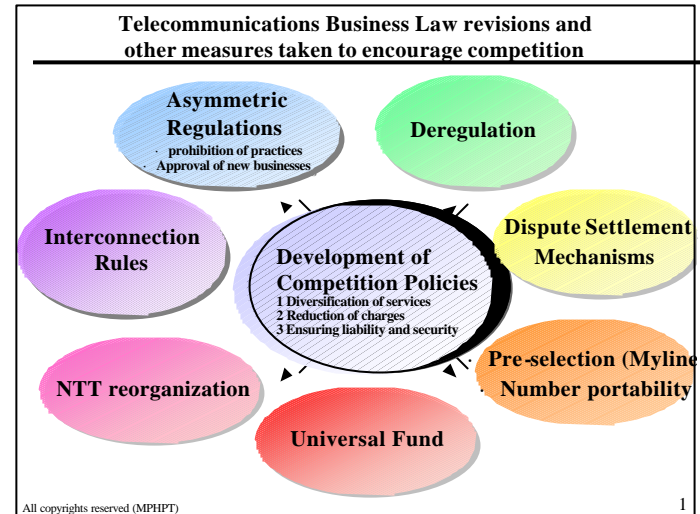
- Toward Broadband and the IP Age -

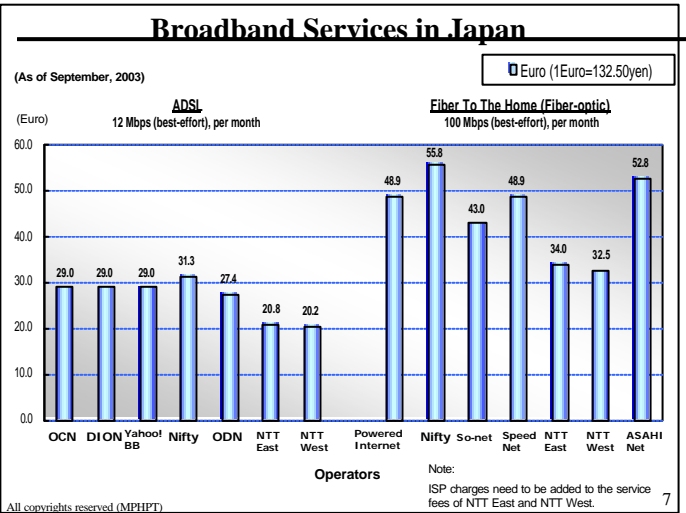
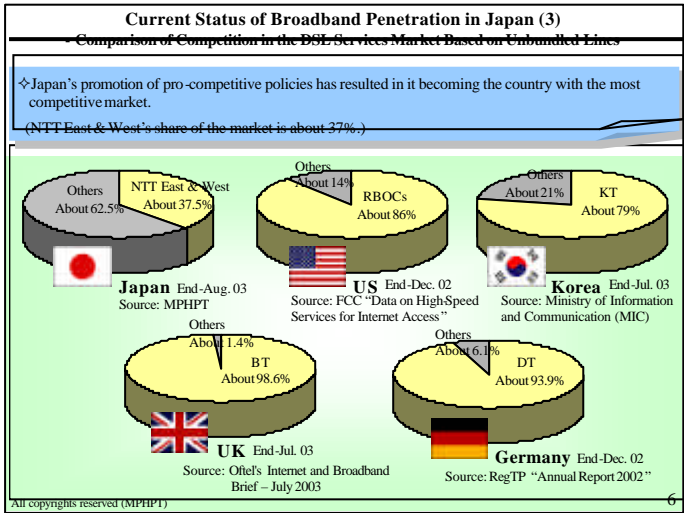
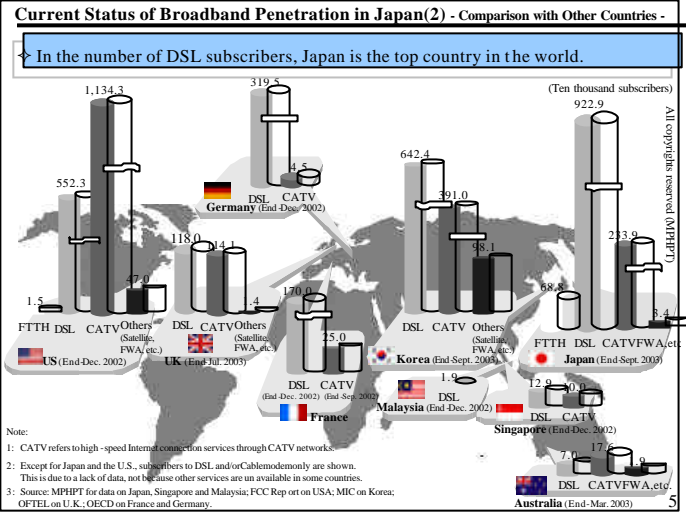
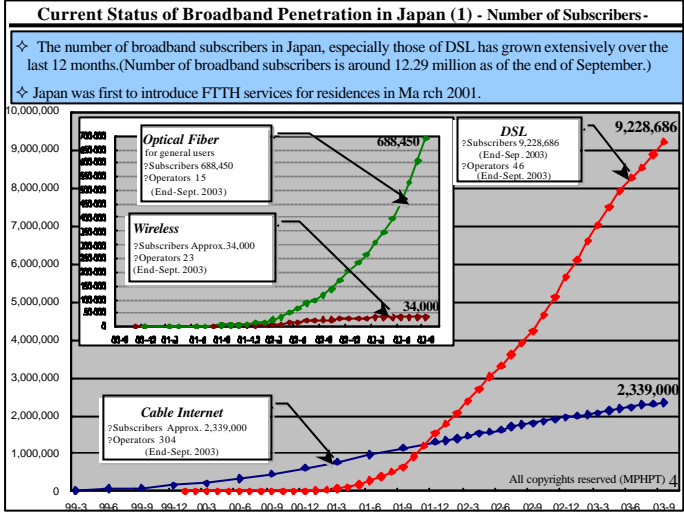
**SUZUKI Shigeki**

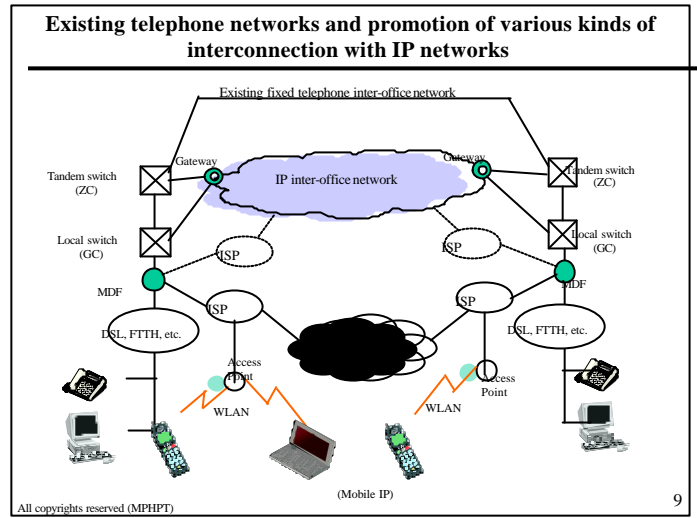
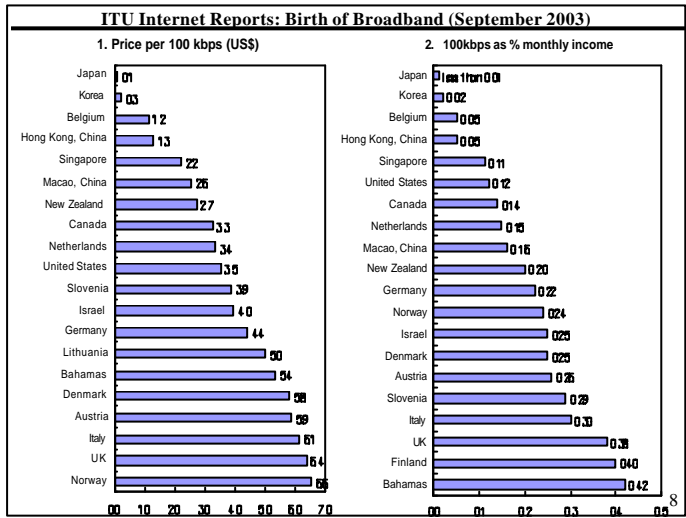
Ministry of Public Management, Home Affairs,  
Posts and Telecommunications, JAPAN

<http://www.soumu.go.jp/english/Index.html>

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### Present Status of IP Telephone Market

It is estimated that around 50% of the 12.3 million broadband users in Japan are already using IP telephones.

#### 1. IP to IP services

Between subscribers of the same carrier or among the affiliated carriers: Free of charge

Major Carriers' Alliances:

- KDDI/Japan Telecom/TTnet/eAccess and others
- NTT Communications/Nifty/SCN and others
- Fusion Communications and others
- Softbank BB

#### 2. IP to PSTN services

Call to public telephone network: (e.g.) 7.5 yen/3 min. (Softbank BB: Uniform rate is applied within Japan.)  
8.0 yen/3 min. (NTT Communications, Nifty and others.)  
cf. Softbank BB is applying the same rate to calls from Japan to the U.S. (7.5 yen/3 min.)

#### 3. PSTN to IP services

Call from PSTN to IP network provided by NTT East and West: Nationwide rate is applied irrespective of distance.  
(e.g.) 10.4 yen/3 min. (to NTT-ME)  
10.5 yen/3 min. (to Softbank BB, Fusion Communications, Pala Networks)  
10.8 yen/3 min. (to NTT Communications, KDDI Japan Telecom, PoweredCom)

### Prospects for IP Telephony Deployment

#### Traffic over Subscriber Lines in Japan

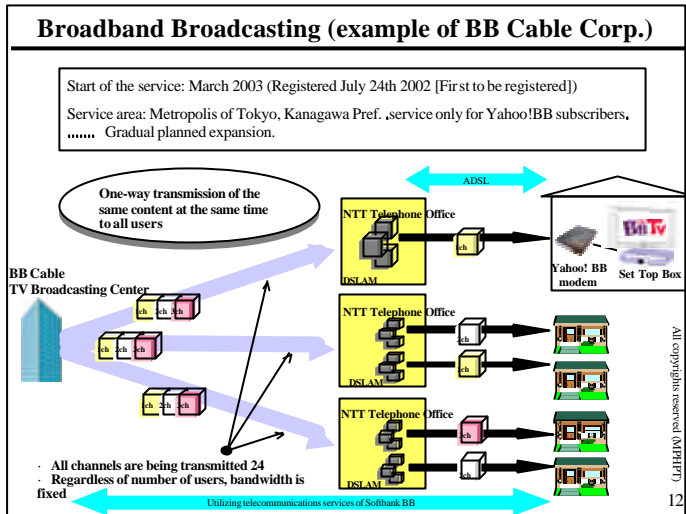
In decline after peaking in FY2000

Note: FY2002 data are the sum of the second half of FY2001 and the first half of FY2002.

#### ITU (International Telecommunication Union) forecasts that:

International IP telephony traffic will rise to 40% of all international traffic by 2004 as opposed to the 3% figure of 2000.

[Ratio of International VoIP Telephony Traffic]



- ### Change to IP Network
1. Fee  
 Metered Rate → **Flat Rate**  
 (traffic sensitive to length of time and distance)
  2. Access to Connection  
 Dial-Up → **Always-Connected**
  3. Service  
 Voice, Fax (Individual services)  
 → **Integration of Voice, Data, Image and Video**
  4. Speed, Volume  
 Narrowband ... → **Broadband...** .. **Ultra-broadband**  
 (54K or 64K) ... (8M,12M, 20M,) ,(100M,)
  5. Diversity of Connection Combination  
 Wire or Wireless → **Wire and Wireless** (terrestrial and satellite) ...
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- ### Role of Private Sector and Government
1. Private Sector
    - .New Business by Private Initiative  
 (e.g.) vertical integration of infrastructure, communication services, application and contents
    - . Convergence and/or Integration of Services  
 (e.g.) Information, Telecommunications, Broadcasting and Consumer Electronics, etc.
  2. Government
    - .Incentives for promotion of Network  
 (e.g.) Cost recovery for new investment in Ubiquitous Network
    - .New Competitive Regulation  
 (e.g.) Layered Competition Model,  
 Amendment to the Telecommunications Business Law, etc.
    - . Convergence and/or rebuilding of Regulatory Policy (including IPR, etc.)
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