



EUROPEAN BUSINESS COUNCIL IN JAPAN
THE EUROPEAN (EU) CHAMBER OF COMMERCE IN JAPAN

TELECOMMUNICATIONS CARRIERS

ISSUES AND RECOMMENDATIONS



INSTITUTIONAL REFORM



Institutional Reform

YEARLY STATUS REPORT: No Progress

- ❑ The EBC believes that it is inappropriate for the Government of Japan to act as both the regulator and a major shareholder in the Japanese telecommunications sector.
- ❑ Currently, however, MIC continues to enjoy wide-ranging statutory powers of intervention and control.
- ❑ The issue of independence was raised by the previous Government, but so far no discussion has taken place under the current Government.



Institutional Reform

YEARLY STATUS REPORT: No Progress

- ❑ The EBC recommends the creation of an independent government committee as an independent regulatory authority, with a mandate to monitor regulation and business practice within the communications sector from a consumer perspective.
- ❑ The EBC cannot emphasise enough that best practice globally has shown an independent regulator to be the preferred model.



Institutional Reform

RECOMMENDATION

- ❑ An independent, well-resourced and empowered telecommunications regulatory authority should be established with a pro-competitive mandate that measures its success in terms of a market that provides choice and enables the rapid introduction of innovative new services as well as reliable and cost-effective basic telecom/other services. To be independent, members should be selected from outside the Government and the committee should report directly to Parliament, and not to the MIC.





DATA PROTECTION FOR BIG DATA



Data Protection for Big Data

YEARLY STATUS REPORT: New Issue

- ❑ With vast amounts of personal data being sent between servers daily, authorities have realised that there is a need to regulate this area.
- ❑ The EBC is keen to contribute to the policy debate, believing that any changes should be straightforward and practical.
- ❑ Regulation should strike a careful balance between protecting individual privacy and creating an environment that supports innovation of new products and services driving economic growth and employment in Japan.



Data Protection for Big Data

RECOMMENDATIONS

- ❑ New obligations on data processors should be clear and any definitions must provide clarity.
- ❑ The authorities should avoid overly complex regulation that could inadvertently lead to increased cost and so off-set the advantages of offering data processing.
- ❑ Any new regulation should also provide a balanced approach to minimise the inherent conflict between privacy for individuals and the need for companies to use information.
- ❑ Special focus is needed on international transfers of data to make certain that data flows are not “stopped” at the border, while at the same time introducing best practice to make certain that data are kept safe.





FAIR COMPETITION



Fair Competition

YEARLY STATUS REPORT: Some Progress

- The EBC believes it is of utmost importance to follow fair competition principles based on global practices.
- These principles will ensure that future discussions on fair competition rules will be successful.

Fair Competition

RECOMMENDATIONS

- The Japanese Government should ensure the transparency and efficiency of the regulatory process, including providing adequate time for consultation.
- The Japanese Government should introduce open and simple licencing procedures with minimum service and regulatory obligations.
- Incumbent carriers should be obligated not to discriminate on price or other conditions between their own businesses and those of competitors and to provide suitably separated published accounts.

Fair Competition

RECOMMENDATIONS

- ❑ There should be transparent control by the regulator of access to the radio frequency spectrum, to physical rights of way and to the numbering plan.
- ❑ There should be proactive regulatory oversight of the implementation of any schemes for “equal access” and number portability to support newcomers to the market.
- ❑ To help avoid unfair cross-subsidisation, operators with significant market power should keep transparent, publicly available, separate accounts.

