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| **Expert Group on the International Telecommunication Regulations****Third meeting – Geneva, 17-19 January 2018** |  |
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|  | **Document EG-ITRs-3/4-E** |
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**Contribution by KDDI (Japan)**

REVIEW OF THE 2012 INTERNATIONAL TELECOMMUNICATION REGULATIONS

1. KDDI submitted to the last EG-ITRs a contribution jointly with Bell Mobility, America Movil, BT, AT&T, Verizon. This contribution is summarized in Document EG-ITRs 2/20-E as follows:

**3.8 Contribution EG-ITRs 2/9 from Bell Mobility, KDDI, América Móvil, BT, AT&T, Verizon - Review of the 2012 International Telecommunication Regulations**

Based on the collective operational experience of the Sector Members noted above, the ITRs are no longer applicable to or relevant in today’s highly competitive international telecommunications market. Most, if not all, international traffic exchanged by the companies globally is done so through commercially-negotiated agreements. To their knowledge, there are very few countries that continue to rely on the ITR-based accounting rate regime, and such traffic accounts only for less than 1% of global traffic flows. The emergence of multiple competing private-sector operators in each country has resulted in a competitive landscape that does not require any treaty instrument like the ITRs. Furthermore, in response to questions from Member States regarding the potential challenges arising from the implementation of the 2012 ITRs, the Sector Members have not experienced any practical obstacles in this regard.

The Japanese government submitted its contribution as well. It is summarized in Document EG-ITRs 2/20-E as follows:

**3.9 Contribution EG-ITRs 2/11 from Japan - Japan's views on the review of ITRs**

Japan conducted the questionnaire survey on the ITRs and received answers from 12 Japanese operators. Regarding “obstacles by the implementation of the 2012 ITRs”, there is no obstacles or challenges for them. Regarding “conflict between 2 sets of ITRs”, they have not experienced or do not foresee any potential or actual conflicts. Regarding “applicability of the 2012 ITRs”, ITRs are not relevant to today’s international telecommunication services provided by them because they use commercial agreements. Japan think the substantial value of the ITRs is impaired in today’s competitive telecommunications markets in Japan and where Japanese operators do business. The ITRs should not be revised frequently. Operators will feel deeply insecure until new ITRs are completed. This insecurity will interfere with operators in investments, long-term business plans, or business expansion. Japan believe the ITRs should not hinder operator’s business activity.

1. Though KDDI’s position has not changed since the last EG-ITRs, KDDI would like to point out following things.

・KDDI participates actively in the study of ITU-T SG3. It is a very useful forum to discuss the regulatory and economic issues of telecommunications. It is held periodically and conducted in a flexible manner to produce Recommendations. Recommendations can take in to account more rapidly changes than ITR.

・In the last EG-ITRs, taking into account “new trends” was indicated. However, KDDI, a private operator, is of the view that “new trends” should be considered as just one of the elements for entire business judgement. Therefore, it is not advisable to solely highlight it.

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