

Govt Likely To Press DoCoMo To Open Up Mobile Network

TOKYO (Nikkei)--The Communications Ministry is expected to urge NTT DoCoMo Inc. (9437) to open up its cellular phone network as requested by Japan Communications Inc. (9424).

A proposal presented by the ministry to its dispute settlement panel Friday calls on DoCoMo to lease its network to Japan Communications through an interconnection deal, under which usage fees are disclosed. DoCoMo has insisted on a wholesale format, in which such fees are not made public.

In July, Japan Communications asked the ministry to settle the dispute, the first arbitration case in Japan over opening a mobile communications network. The panel will by year-end likely reach a decision in line with the ministry's proposal.

Last year, Japan Communications developed a notebook computer card that lets users connect to the Internet using either PHS (personal handyphone system) or cell phone networks, whichever offers the better signal. The mobile virtual network operator, or MVNO, entered into negotiations with major cellular service firm DoCoMo so that it could launch the new service.

In the past, KDDI Corp. (9433) has leased its network to such firms as Secom Co. (9735) and Toyota Motor Corp. (7203), doing so under wholesale deals in these two cases since there were capital ties between the firms. Should the dispute settlement panel side with Japan Communications, this would be the first time that a network is opened up through the interconnection method in Japan. (Continued on Page 2)

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The ministry believes that wider use of the more transparent format will lead to lower fees and make it easier for MVNOs to enter the market.

The ministry said Friday that it has set up an MVNO support center where specialists will offer such firms advice on legal and regulatory issues. It hopes that an increase in MVNOs will lead to offerings not currently available from existing major telecom companies, such as online gaming and stock quotation services.

(The Nikkei Saturday morning edition)