

**November 16, 2000****NTT Viewpoints on the Draft of the Initial Report  
by the Telecommunications Council**

The draft of the Council's initial report was just released today. NTT accordingly plans to offer a more in-depth opinions response at some future date, after it has had time to study the draft report in full detail.

The informationcommunications market in Japan has been shifting from telephone services to the Internet, and competition in the meantime has spilled across national borders onto the global stage. A major transition is also under way in network infrastructure, from the metal lines of the traditional telecommunications monopoly to a new, competition-powered fiber-optic networks. In light of these trends and developments, NTT believes the time has come for a fresh policy on competition. Our views with respect to the Council report are outlined below.

- i. Many of the issues taken up by the report have much to do with the traditional domestic telephone market; conversely, inadequate attention appears to have been devoted to NTT's position on the urgency of measures that could promote high-speed Internet services in a market of increasingly global-scale competition.
- ii. NTT has long underlined the need for broad-based measures in deregulation that are consistent with the trend toward increasing competition. However, the Council report explicitly recommends that the NTT Group be more-tightly regulated.
- iii. We feel a sense of incongruity to the report's recommendations for a framework of the deal between NTT's managerial decisions on such issues as equity relationships within the NTT Group and deregulation and other legal measures.

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