

Technology Development at NTT East

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Enhancing optical IP services and improving customer services

For several years now, the number of subscribers to broadband services has been increasing dramatically due to lower rates and expanded content. In April, B-FLET'S services surpassed two million subscribers, marking the genuine arrival of the optical-fiber era of Internet access. NTT East is working on various developments to enhance B-FLET'S services and reduce costs. For example, Hikari Denwa*, a B-FLET'S-based IP (Internet protocol) telephony service, is beginning to spread rapidly thanks to its low price and the convenience of using one's existing phone number. It includes value-added services such as "Double Channel," which enables a single subscriber to make two calls at the same time on the same line, and "My Number," which provides subscribers with up to five phone numbers. These two services are becoming major products for multi-generation homes and homes that double as business premises.

The dramatic growth in B-FLET'S services requires extensive back-office functions to support the provision of high-quality customer services. NTT East is working to improve the service order system so that the installation day can be decided immediately when a customer applies for B-FLET'S service and to improve the operation system so that optical communication lines can be opened in large numbers. February marked the opening of the Hikari Support Center to respond to system faults, provide setup counseling, and quickly find solutions to customer inquiries and requests. This support scheme will be expanded to all service areas over time.

Towards the fulfillment of NTT Group's Medium-Term Management Strategy

This plan, announced in November 2004, calls for 30 million subscribers to optical IP services by 2010. NTT East will construct a next-generation network (NGN) to accommodate this number of users. NGN field trials are scheduled to be held for about one year to identify technical problems and evaluate user

needs. Calls for participation in these trials will be made to many parties including information-appliance vendors and service providers, and various issues dealing with the provision of services for diverse applications will be addressed in conjunction with NTT (the holding company).

With fixed-mobile convergence services already starting to be provided in parts of Europe and Korea, Japan is also studying these services in earnest and discussing phone-number formats. NTT East will promote early development with an eye to commercialization. Communications-broadcasting convergence is expected to lead to, amongst other things, IP-based retransmission of digital terrestrial broadcasts, but technical issues such as efficient transfer and priority control of IP broadcast traffic must be solved. NTT East will promote early studies on appropriate systems and schemes.

Finally, to stay true to its brand motto of "safe and reliable," NTT East unceasingly performs technology evaluations to maintain high levels of network reliability and service quality. We will continue to promote the development of new technologies to ensure that the company is always appreciated and trusted by its customers.

* *Hikari* means light and *denwa* means telephone in Japanese.

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