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Federal Communications Commission
Office of the Secretary

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C

In the Matter of)	
)	IB Docket No. 02-324
International Settlements Policy Reform)	
International Settlement Rates)	IB Docket No. 96-261
)	

REPLY COMMENTS OF THE GOVERNMENT OF JAPAN

The Government of Japan (GOJ) hereby submits its reply comments in the above-docketed proceeding. GOJ filed comments in this proceeding on January 13, 2003, wherein it set forth its positions on FCC's Benchmarks Order and "Foreign Mobile Termination Rates."

In our comments of January 13, we requested that, as for "Foreign Mobile Termination Rates," the US Government not deal unilaterally with international settlement rates, which should be decided on a commercial basis, nor should it deal unilaterally with mobile interconnection charges, which is a domestic issue for each country. We are deeply concerned that several of the comments submitted to this proceeding stated that FCC should apply Benchmark rates to calls terminating on foreign mobile networks. Since GOJ has raised its objection to the FCC's Benchmarks Order itself from the outset, GOJ accordingly considers that FCC should not apply Benchmark rates to calls terminating on foreign mobile networks.

We are encouraged by many of the commenters, including the US carriers, stating that each country's regulator, nor the FCC, is the most appropriate agency to address mobile termination rates and that FCC should not intervene. Therefore, GOJ

¹ GOJ has stated in its January 13 comments that it has raised its objection to the FCC's Benchmarks Order since its introduction based on the following reasons: it could become a de facto entry barrier to the US market (Several US carriers affiliated with Japanese carriers had acquired the US Government's approval, but entry was actually obstructed.); the US Government is unilaterally setting the settlement rates in relation to entry control, which should be decided on a commercial basis, and its conformity to the WTO Agreements is open to question. GOJ has also stated that the setting of the international settlement rates is already fully competitive without such a safeguard as the Benchmark policy. Consequently, GOJ concluded that the Benchmark rate regime should be abolished.

requests that the FCC take these comments into serious consideration and abstain from taking unilateral action.