U.S.-Japan Internet Economy Private Working Group Joint Statement

A Call to Facilitate the Greater Flow and Utilization of Global Data

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In March 2014, the private sectors of both the United States and Japan issued a joint statement[1] strongly urging the continued cooperation of the U.S. and Japanese governments to support the free flow of cross-border data as essential to driving innovation.

This April saw the participation of government, citizens, academics, civil society, and technical experts in the "NETmundial Initiative" - a global multistakeholder forum in which Internet Governance principles were offered as part of a roadmap for the future of the global Internet. In May, the United Nations Commission on Science and Technology for Development (UNCSTD) held its 17th annual meeting, at which starting with the Internet Governance Forum (IGF) process, the milestones and achievements made since the 2005 World Summit on the Information Society were considered from the standpoint of the upcoming 2015 comprehensive review.

Amidst the growing policy discussion, countries throughout the world have placed greater emphasis on protecting data security by requiring that data be held locally, setting rules for secure storage, and mandating locally based service personnel. The U.S. and Japanese private sectors view these actions with concern from the perspective of maintaining the free flow of data. These demands for localization will impede development of new services and risk the integrity of stored data – diminishing the value of such services to consumers and harming further opportunities for innovation.

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[1] U.S.–Japan Internet Economy Industry Working Group Joint Statement 2014 (March 11, 2014). http://www.accj.or.jp/en/about/committees/committee-materials/doc_view/487-usjapan-internet-economy-industry-forum-joint-statement-2014

Perspectives on the International Telecommunication Union (ITU) Plenipotentiary Meeting

The 2012 World Conference on International Telecommunications (WCIT) revealed significant differences in positions on Internet governance by the participating countries. The outlook for this year's ITU meeting on Internet policy is also challenging. The Internet is an indispensable tool for industry and its continued stable operation must not be endangered. The U.S. and Japanese governments must work together to ensure that policy discussions are not driven by political or diplomatic strategies and take the initiative to encourage newly industrializing nations, in particular, to give weight to economic factors based on an appropriate multistakeholder consensus.

Specifically, to ensure continued leadership on the Internet, the U.S. and Japanese governments must work to reduce to a minimum the involvement and oversight of national governments in cross border flows of data and data sovereignty. Additionally, they should support a reliance on self-regulation and development and work to remove barriers to a private sector leadership of global Internet governance.

As occurred at the WCIT meeting, attempts by some countries to restrict the Internet for security and national sovereignty reasons are examples of excessive national intervention and should be avoided.

Perspectives on the IANA Transition

In March 2014, the United States National Telecommunications and Information Administration (NTIA) announced its intention to transfer the control of the Internet Assigned Numbers Authority (IANA) functions from the Internet Corporation for Assigned Names and Numbers (ICANN) to the global multistakeholder community.[2] The U.S. and Japanese private sectors support the transition process under the four principles[3] outlined by the NTIA and believe that this should be done through the multistakeholder process not under government direction.

The transfer of IANA control also highlights two key factors which portend a new era in the Internet governance process. The first is the

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[2] March 14, 2014—"NTIA Announces Intent to Transition Key Internet Domain Functions" (http://www.ntia.doc.gov/press-release/2014/ntia-announces-intent-transition-key-internet-domain-name-functions)

[3] The Four Principles: (1) Maintain and strengthen the multistakeholder process. (2) Ensure the security, stability, and resilience of the Domain Name System (DNS). (3) Address global consumers' demands and expectations with respect to IANA services. (4) Maintain a free and open Internet.

transfer of the supervision of IANA's core functions and the emergence of a new administrative structure. The second is the recognition of the maturity of the multistakeholder process that may develop from the study of the transfer of this authority to ICANN with multistakeholder involvement.

This transition process is occurring in the midst of a significant review of the ICANN accountability process and other structural reforms. It is important that that this process be undertaken without excessive haste and with appropriate discussion of the critical factors at play. The significance of the IANA transition process not only requires close cooperation between the United States and Japan bilaterally at the government level, but also proactive and coordinated participation in this process globally.

Cybersecurity

The joint statement issued by the U.S. and Japanese industry in March 2014 called for both governments to address the creation of a concrete system for collaboration on cybersecurity issues. To further strengthen its own system, a new cybersecurity bill was submitted to the National Diet by the Japanese government. Adoption of this bill will strengthen economic and technical cooperation between the United States and Japan in this area. We urge both governments to continue to demonstrate leadership in promoting international cooperation on cybersecurity issues.

Protecting Personal Information

The U.S. and Japanese governments are currently developing policies that balance personal information protection with promoting greater utilization of data.[4] Encouraging the greater utilization of cross-border data is strongly beneficial and the two governments need to continue to show leadership in discussing and adopting rules for the protection of personal data within APEC and other forums. The United States and Japan must strive to develop consistent and interoperable rules in cooperation with the multistakeholder process and based on industry self-regulation. The private sectors of both countries strongly urge such a balanced approach between protection and utilization of data and want this to serve as a model in the global context.

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[4] In June 2014, the Japanese government announced a significant set of proposed revisions to its Personal Information Protection Law and introduced a roadmap for adopting these reforms during the 2015 Diet session.

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The U.S. and Japanese private sectors also take the opportunity within this joint statement to present the attached document, "Examples of the Economic Impact from Greater Utilization of Cross-Border Data." These examples illustrate how the free flow and utilization of data has propelled innovation on a global scale. We are confident these examples will further deepen the understanding of the benefits that the free flow of data offers consumers and users in the Asia-Pacific region and globally.

We urge that the U.S. and Japanese governments recognize how the constructive development of the Internet Economy can offer effective solutions to the many issues that are facing the global community. The policy issues surrounding the Internet are an important element of national diplomacy and there is a need to build a unified and comprehensive implementing framework. We strongly desire that the U.S. and Japanese governments build an effective system for cooperation in this area and take the lead in the international discussion on the future of Internet governance.