

US-Japan Internet Economy Private Working Group Joint Statement
A Call to Facilitate the Greater Flow and Utilization of Global Data
September 16, 2014

In March 2014, the private sectors of both the United States and Japan issued a joint statement¹ strongly urging the continued cooperation of the US 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 IGF (Internet Governance Forum) 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.

Perspectives on the 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 flow of data and data sovereignty. Additionally,

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

they should support a reliance on self-regulation and development and work 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 Numbers Assigned Authority (IANA) functions from the Internet Corporation for Assigned Names and Numbers (ICANN) to the global multistakeholder community². The U.S and Japanese private sectors support the transition process under the four principles³ 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 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 US 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.-Japan 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.

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) maintaining a free and open Internet.

Protecting Personal Information

The U.S and Japanese governments are currently developing policies that balance personal information protection with promoting greater utilization of data⁴. 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 U.S 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.

The U.S-Japan 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.

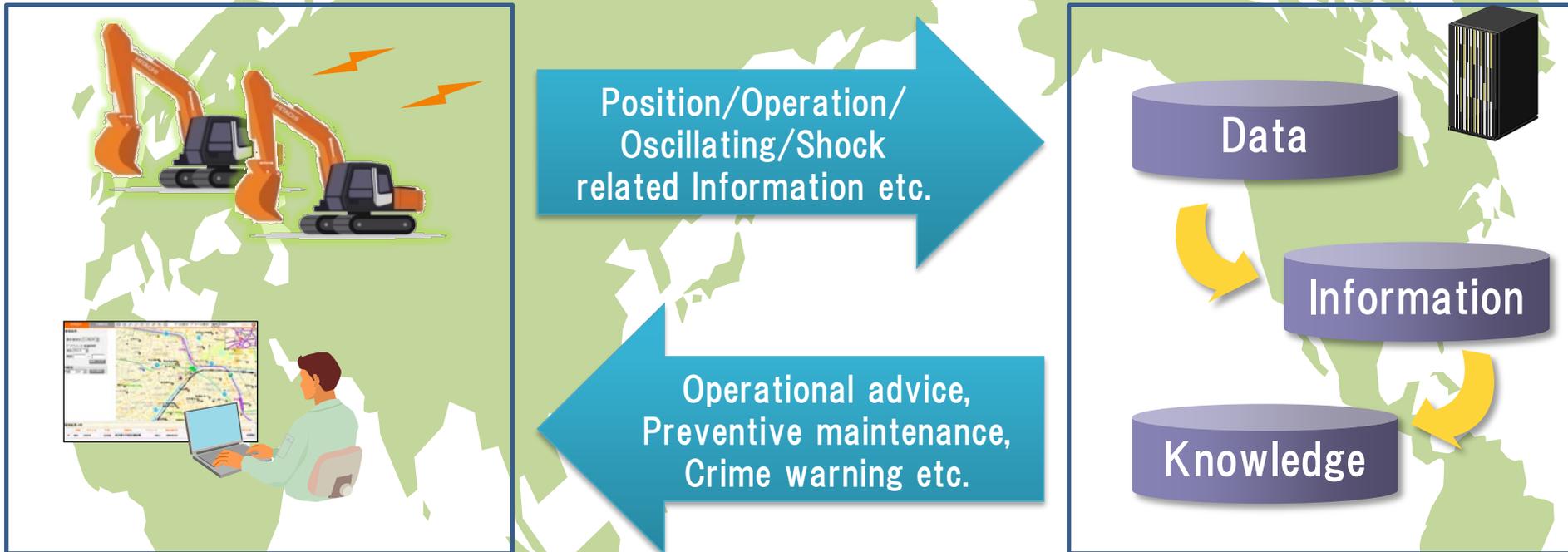
We urge that the US and Japanese governments recognize how the constructive development of the Internet Economy can offer effective solutions to the many issues that are facing the global community. The policy issues surrounding the Internet are an important element of national diplomacy and there is a need to build a unified and comprehensive implementing framework. We strongly desire that the US 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.

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.

Remote Supervision of Construction Machinery

(Hitachi Construction Machinery Co., Ltd.)

Outline: Operation related information on the construction machinery which works all over the world are collected. The analysis results are efficiently reflected in the productivity improvement in the field, and operation and product modification.

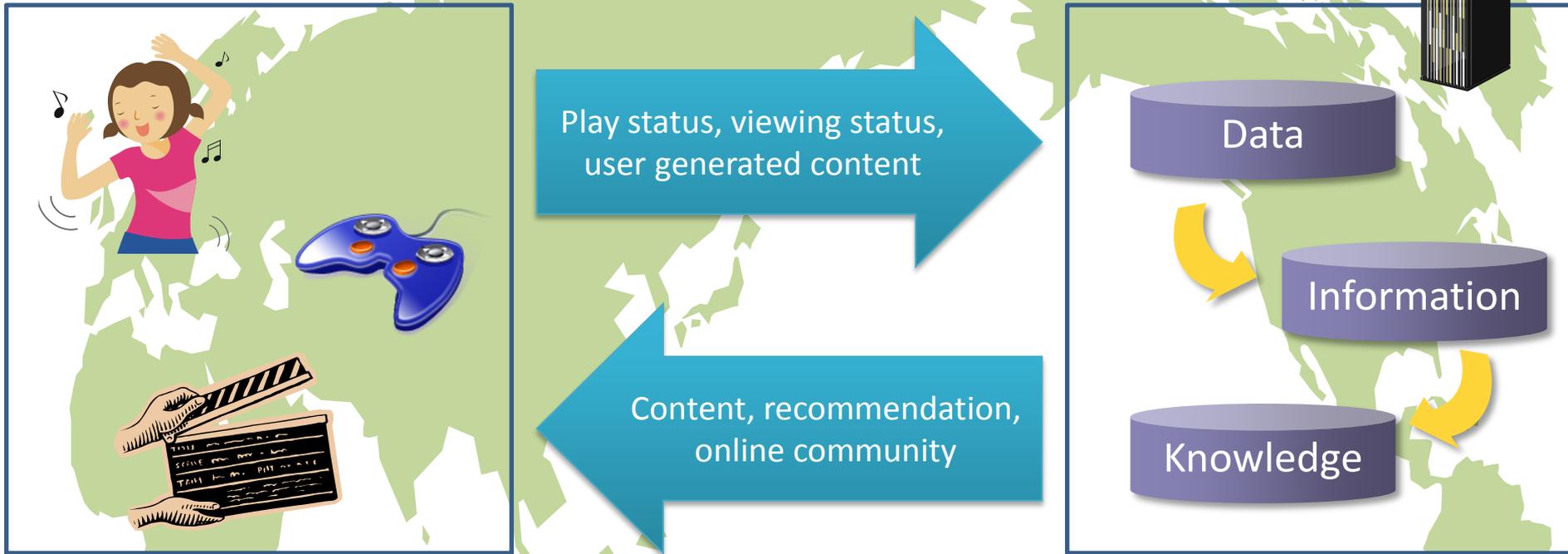


Effect on the field side : Productivity improvement,
Reduction of cost for maintenance and Accident related response

Effect on the service side : Improvement of technology and product,
Acquisition of know-how, Marketing

Entertainment Platform

Overview: deliver tailor-made wow experience by leaning taste of each user



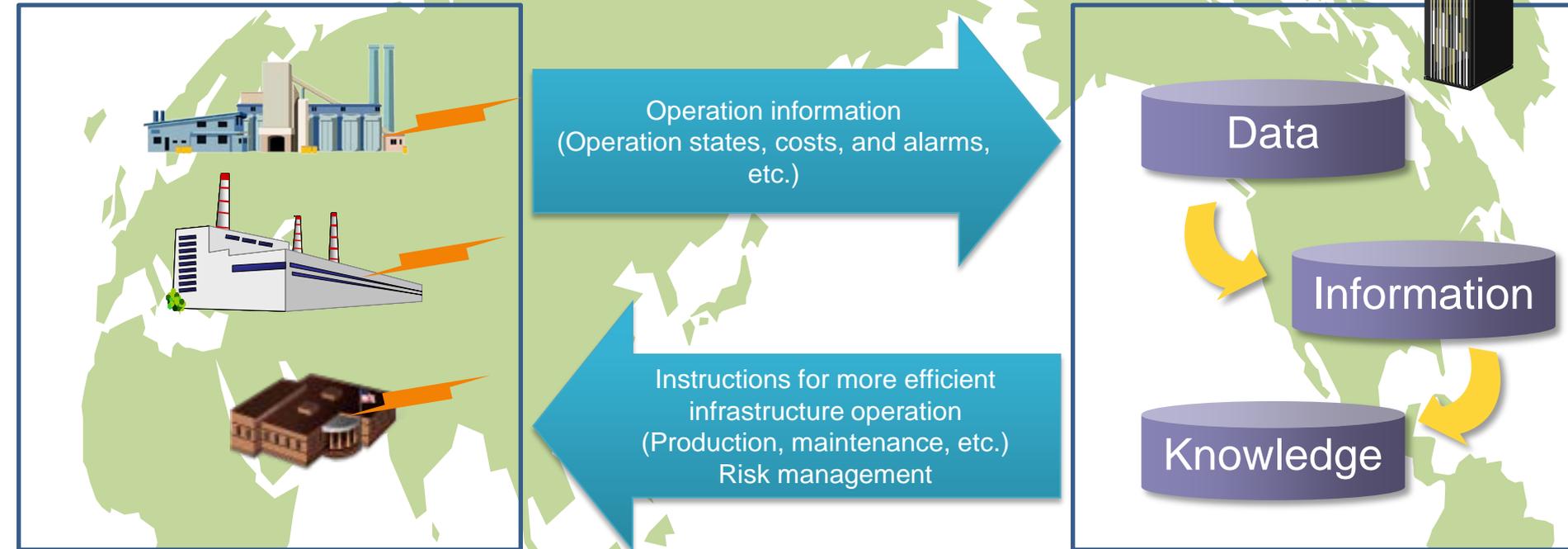
Benefit on user: wow experience, self-publishing, interaction with friends

Benefit on service provider: trend analysis, creation of new services, marketing

Operation & Maintenance of Overseas Plants and Sites

<Outline>

- ❑ Centrally collect operation data (operation states, costs, and alarms, etc.) of overseas plants and sites located in various countries.
- ❑ Utilize the know-how obtained through data analysis for more efficient operation at each site (optimization of production, maintenance, and investment, etc.) and for proactive risk management.



Effects on field side: Improvement of productivity, contingency planning for disaster

Effects on service side: Accumulation of operation know-how through centralized data analysis and management, optimization of operation at each site

Cultivating Greenhouse Strawberries in India Real-world test by NEC Corporation

Outline: This system supports greenhouse strawberry cultivation in India. It enables local cultivators to measure and record greenhouse environmental data, which can also be monitored remotely from Japan. Cultivation experts in Japan assess this data and provide advice and recommendations, promoting overall productivity enhancements.

India

Greenhouse Management Office



Tablet PC

Application

Greenhouse

EC/pH meter



Data logger



Tablet PC

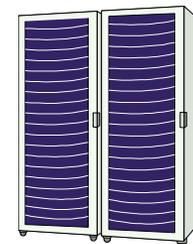
Application

Greenhouse internal environment
(Temperature, humidity, solar insolation, EC/pH levels of soil and water).

Cultivation advice

Japan

Cloud server



Cultivation experts



Data monitoring and advice

NEC Solution Innovators



Master data management
System maintenance

Effect and results for India:
Productivity improvement, acquisition of Japanese cultivation technology.

Effect and results for Japan:
Accumulation of overseas cultivation expertise.

Export Value-Added Japanese Food

Export high quality Japanese food frozen by special freezers that maintain freshness. Establish food safety and security using ICT.



Sales and inventory management



Distribution and temperature control



Recipe sharing



Sales, inventory, logistics quality, recipe and ingredients data

Traceability and branding information, etc.



Supply unprocessed food



Produce and supply processed food



Distribute marketing information using social media

User Benefit: stable supply of high quality, high value-added food

Provider Benefit: increased exports of high margin products

Remote Monitoring of Freezers

Operational data of freezer equipment is monitored for preventive maintenance and black box access detection. This enables improved customer service and protection of advanced technical information.



Uptime, internal temperature, error data, black box access

Operation / maintenance advice, preventive repair, faster failure identification



Data management (Cloud)



Monitoring and analysis



Maintenance



User support

User Benefit: reduce freezer downtime and maintenance cost

Provider Benefit: establish new income source, protect advanced technology

Analytics on Electronic Vehicle battery related information

<Outline>:

Collect evaluation and functional data of EV batteries in Japan and US

Analyze the above data to develop high performance battery and improve services



Battery related data :
Vehicles data, capacity,
temperature, electrical
current value, etc

Improvement of service,
etc.



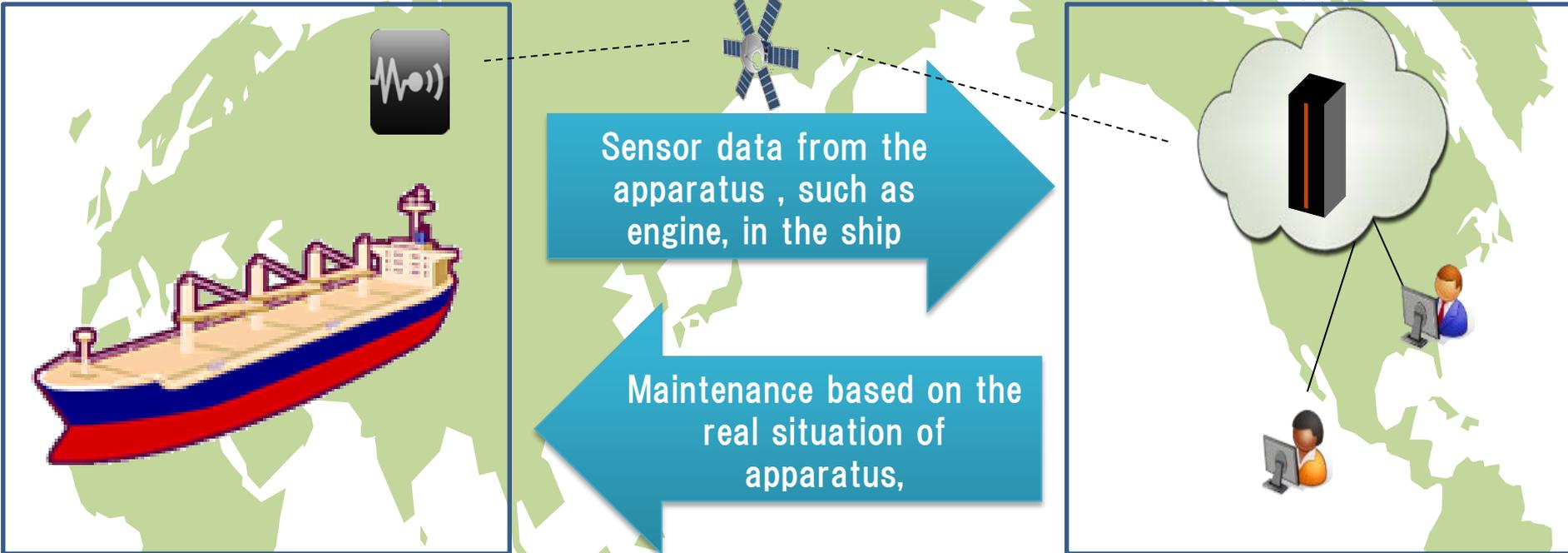
Effects on field side : Improvement of service quality and development of more effective battery in the future

Effects on service side : Obtaining accumulated info. To contribute future product and technology development

Efficient maintenance of large ship

<Outline>

Collect the sensor data from the apparatus in the ship of a large ship navigating the world to realize preventive and efficient maintenance

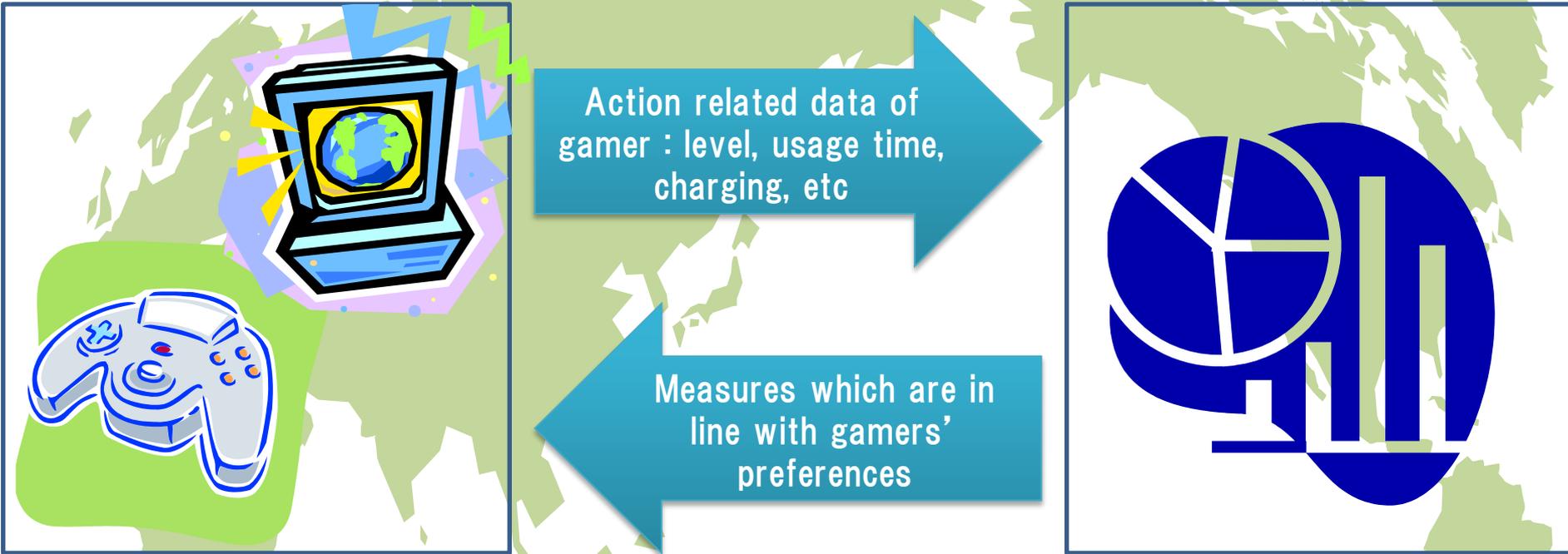


Effects on field side : Secure safe service of the ship and lower costs of maintenance

Effects on service side : Offer of the ship's class service of the highest quality

Action analysis of gamers

<Outline> Collect data and analyze actions of social gamers to respond in line with each Gamers' preferences in short period



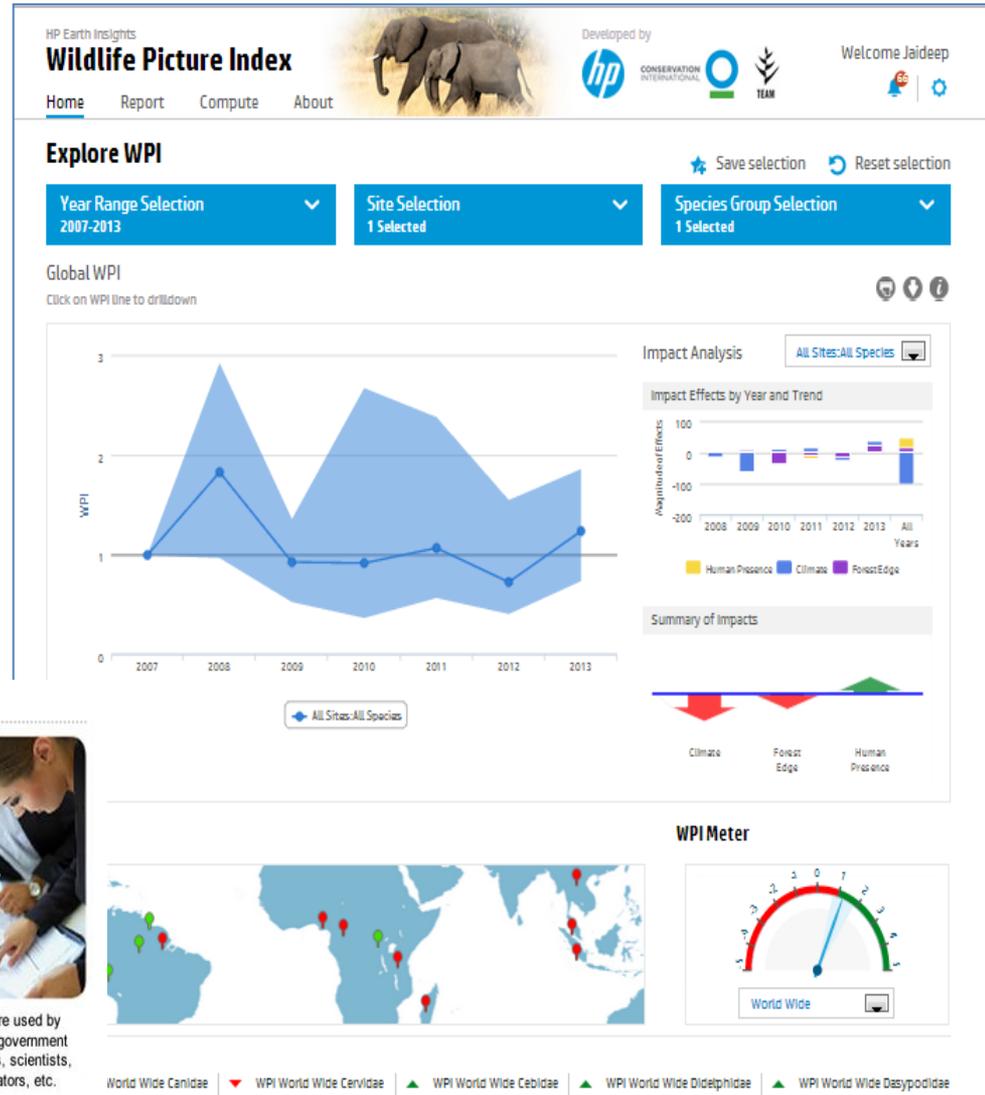
Effects on field service: Provide one to one measure/ game in line with his/her preference in timely manner

Effects on service: Improve productivity of analysis. Contribute to sales increase

HP Earth Insights - Wildlife Picture Index System

A system of engagement serving as an early warning system for conservation efforts

The conservation efforts of an animal are possible by collecting data in real time across the border, and analyzing big data.



How TEAM Works



TEAM Monitoring Sites

Data are collected according to standardized protocols

Mobile technology facilitates data collection in the field

Data are transferred and stored in servers and databases

Data are disseminated globally in near-real time using advanced technologies

Data are used by NGOs, government agencies, scientists, educators, etc.

Cross Border Data Flows: Financial Services

As but a few examples, CBD Flows Critical for:



Regulatory Compliance: Regulators expecting strong *global* routines around monitoring of fraud and high-risk transactions. Requires cross-border data sharing.

- JPM Chase/Madoff sanctions: at its core, penalty for failure to assess, communicate, and manage high risk customers consistently across businesses and jurisdictions
- AML compliance. Account monitoring must be shared with other jurisdictions or risk inability to connect the dots, creating blind spots to potentially suspicious activity.



Sound Lending Practices: Credit Risk Management/Prudential Lending. Sharing of credit bureau and account performance data needed for assessing credit risk, managing account credit lines, and complying with prudential norms.



An Integrated Regional Financial Services Market: Credit and Insurance Portability. Cross border data sharing needed to facilitate financial services for globally mobile labor force.