

**Recommendations
of the
EU-Japan Business Dialogue Round Table
to the Leaders of the EU and Japan**

Berlin, 3 - 4 June 2007

**Working Party 3
Information & Communication Technologies (ICT)**

3-EJ-1. Broad discussion on Next Generation Networks

By development and utilization of Next Generation Networks with advanced technologies allowing more QoS and Security, it is expected that social issues, such as aging society, nursing/medical care, unemployment, crime/disaster prevention, and energy/environmental issues will be addressed, and the development of a dynamic society will be promoted.

Therefore, both authorities should have wide cooperation to accelerate early introduction of Next Generation Networks. Specifically, promotion of R&D for the core technology of Next Generation Networks, and enhanced cooperation for standardization and interoperability assurance in international organizations should be strengthened. Furthermore, required measures are policies to promote utilization of various broadband services with Next Generation Networks, such services as remote medical care, telework, nursing/medical care, home security, e-learning, and entertainment, and an environmental framework in which open collaboration will be facilitated among various industries.

3-EJ-2. Promotion of ICT innovation protecting the natural environment

It is imperative for us to reduce CO₂ emissions and others to contribute to the environmental preservation. Promotion of ICT innovation considering natural the environment by practical use of energy-efficient technologies and also permeation of them should be viewed as essential. The EU and Japan should promote R&D of the energy-efficient technologies, widely utilize them as environment-protecting products and apply the products to innovative systems, including ITS and telework, for energy saving. For the purpose of magnifying the effect to the environment, both authorities can share their experiences and have dialogues about their activities.

As discussed above, both authorities should promote R&D of energy-efficient technologies and energy saving through field trials of the technologies. In light of international cooperation, it would be highly valuable for both authorities to lead dialogues on this issue and proactively share the results of the trials in a global arena.

3-EJ-3. Cooperation on ensuring reliability and stability of ICT infrastructure

Ensuring reliability and robustness of ICT infrastructure, particularly public systems, is a globally shared challenge, since a problem with them has a world-scale negative impact. We welcome that both authorities are already aware of the problems of Information Security as a common issue and are taking related initiatives, but we also think that there is still room for improvements in terms of international cooperation. National implementation can be enhanced by other nations' efforts, since the networks are borderless.

Therefore, both authorities are expected to closely communicate, such as sharing their latest policies, and cooperate to define and take necessary actions against problems that require immediate international cooperation, such as Denial of Service attacks.

3-EJ-4. New systems and policies in preparation for promotion of digital contents

As ICT evolves, the way contents are produced, distributed and utilized is largely changing. Through various developments in response to those changes in the Digital Era, the market of contents is expected to expand significantly. We expect both authorities to keep on engaging in regulatory improvements that consider a balance of rights between copyright owners and users, for further promotion of utilization of digital contents. As for a levy system, it is expected to update it to form a more reasonable system which would be based upon the current and potential capability of ICT technologies. Therefore, the levy should be limited or phased out, with a view to wider deployment of technologies to protect copyright. We expect that the legal framework of the levy system will be fundamentally rethought in the Council for Cultural Affairs and reach a concrete conclusion in Japan, and consideration about systemic reforms will be continued in the EU.

Meanwhile, IPR violations remain of high concern in some Asian territories, despite increasing efforts in recent years, by both local governments and trade partners, to tackle counterfeiting and piracy. Continuous efforts by both Europe and Japan to fight against IPR violation and ensuring effective enforcement of intellectual property rights, including capacity building of countries concerned, should remain a priority of their collaborative initiatives to protect copyrights of digital contents.

As stated above, the levy should be limited or phased out, with a view to wider deployment of technologies to protect copyright. To tackle counterfeiting and piracy, both governments should strengthen their initiatives to protect copyrights of digital contents, considering sound market expansion.

3-EJ-5. Self-regulation regarding protection of children - a responsible approach

All types of content are being distributed via mobile and broadband internet services. A responsible approach for content providers, internet and mobile service providers to protect viewers, in particular children and teenagers, against inappropriate content is "self-regulation". Numerous corporate and national

initiatives do already deliver safer use of content by children. It is of utmost importance to empower parents with information and tools to facilitate their oversight. Awareness-raising campaigns informing parents and educational material targeted at children on the safe use of the new media or the possibility for parents to customise the access to content of their children are issues addressed by existing codes of conduct. Another option is to classify content according to national / societal standards regarding decency, appropriateness and the legislation already in place. Self-regulation is a future-proven approach for the protection of children, as it allows reacting within a short time frame on technical and societal developments. It also has the advantage of being very efficient, as the industry which has been involved in drafting codes of conducts or other types of self regulation does feel strongly committed to achieve the agreed results.

Therefore, we invite the European Institutions and the Japanese authorities to continue to play a facilitating role regarding the development of self-regulation in order to ensure protection of children.

3-EJ-6. Relationship of regulation and investment

The telecommunications industry is changing significantly in response to developments in the sector as new types of competitors, new business models and user expectations for innovative services arise. New broadband technologies will offer an additional benefit to the consumer and can potentially lead to long-term sustainable competition, if consumers can access broadband through competing platforms. For that to happen, we need to ensure the best conditions for investment and stimulate the emergence of truly infrastructure-based competition.

The substantial investment needed in network transformation carries high economic risks due to increasing competition and uncertain future demand, as well as high regulatory uncertainty regarding the burden of long-term ex-ante price and access regulation and its impact on the profitability of the investment. The regulatory environment should provide incentives for network investment, allowing proper return on ICT investment. In this regard, policy-makers play a key role in determining the future of ICT investments.

Japan and Europe should create a favourable business and investment climate to face the new challenges arising from the changing market conditions.

3-EJ-7. Conformity requirements and assessments of ICT equipment

It is vital to ensure the international flow of ICT equipment. As the ICT sector is a global, competitive and dynamic industry in a permanent state of evolution, the fluidity of trade flow is required to offer services and competitive ICT equipment. Self-declaration of conformity should be adopted as a principle requirement of conformity assessment. Conformity requirements and assessment procedures should be harmonized to avoid multiple testing and the fragmentation of the markets providing a level playing field for manufacturers both in the EU and Japan.

Both authorities should ensure a level playing field for Japanese and European manufacturers in reference to conformity requirements and assessment.

3-EJ-8. Market access for ICT equipment vendors

Only when the barriers to market access of ICT equipment are abolished, can the ICT sector boost economic growth and productivity gains. It is of common interest for the ICT industry of both Japan and the EU to safeguard the success of the Information Technology Agreement (ITA). In recent years, and in light of continuous technological developments, concerns about the increasing degree of discrepancies in interpretation of product coverage of the ITA by some ITA signatory countries have arisen. It is desirable that ITA Member Countries agree on a periodical review of the ITA to ensure that technologically sophisticated versions of Information Technology products continue to receive duty-free treatment. ITA Member Countries should be moving in the direction of providing more, not less, market access opportunities for Information Technology products, independent of the current state of play of the Doha Development Round.

Both authorities should work towards a regulatory environment that would encourage open and affordable access to ICT equipment markets. The EU authorities should take actions to prevent and redress the imposition of duties on certain multifunctional and/or enhanced products*, reflecting the basic principle of the ITA, which aims at the promotion of continued technological innovation and industrial development through improvement of market access on Information Technology products.

* For example: Multifunction printer, LCD computer monitor, Digital Camera, Set-top-box