

A Letter to the U.S. and Japanese Governments

Jointly presented by
The American Chamber of Commerce Japan and Keidanren

As we see growing demand for inclusive economic growth, industries in the United States and Japan view partnership and leadership to address issues impacting the Digital Economy as critical to spurring continued job creation and economic prosperity in our two countries. Promoting the Digital Economy is essential not only for new service sectors, but also to reinvigorate traditional business sectors such as manufacturing and others that are integrating digital technology into their core practices. Government initiatives and international trade agreements must embrace this reality for sustained growth and prosperity.

Therefore, we urge both governments to

A. Make the Digital Economy a core agenda item at the upcoming dialogue between Vice President Pence and Deputy Prime Minister Aso, and enhance the bilateral dialogue on the Internet Economy between the U.S. and Japan,

B. Energize the Digital Economy under U.S.-Japan leadership, including expansion of the free flow of data and development of a safe, secure and trusted Internet.

The Digital Economy now drives growth in almost every economic sector and in businesses of all sizes. Digital tools and innovation driven by data increase efficiencies, and promote competition and consumers' access to content, goods and services. In order to ensure that both countries prosper from the benefits of the Digital Economy, both the U.S. and Japanese governments must take steps to address potential obstacles to a safe, secure, and trusted Internet.

Accordingly, the U.S. and Japan should promote international cooperation in support of innovative economic platforms and businesses. Cooperation between the U.S. and Japan – both leaders in the Digital Economy – is essential to this goal. To that end, we call on the U.S. and Japanese governments to make the Digital Economy a core agenda item of an enhanced U.S.-Japan Policy Cooperation Dialogue on Internet Economy, while addressing key challenges below.

Ensure free flow of data

The Digital Economy is dependent on the free flow of data across borders. Moves are underway in many countries around the world, including emerging economies, to create new regulations and controls on the international flow of data. The U.S. and Japan should lead efforts to oppose such barriers to data flows, which discourage economic development and act as barriers to trade. The U.S. and Japanese governments should work together to promote free cross-border data flows in bilateral, regional, and international fora, including G7, G20, APEC, and the WTO. Ensuring that any new or modernized trade agreement to which either country is a party will include provisions supporting digital trade and the free flow of data as the two countries have agreed bilaterally is one of the important ways that the U.S. and

Japan can demonstrate leadership in the Digital Economy. We also strongly encourage both governments to continuously support the international initiative of the APEC Cross-Border Privacy Rules (CBPR) framework.

Develop a safe, secure and trusted Internet

While the risk of cyber threats has been mounting, economic and social infrastructure has been increasingly reliant on the Internet and, therefore, it is becoming even more vital to maintain a safe, secure and trusted Internet. For this purpose, the U.S. and Japan need to play a seminal role in addressing concerns and take the lead internationally in developing a safe, secure and trusted Internet while ensuring the ongoing involvement of private sector and other stakeholders that have been included in Internet-related public policy discussions. We hope to see the U.S. and Japanese governments continue the U.S.-Japan Cyber Dialogue. In addition, the private sector partnership on cyber security measures needs to be strengthened to adequately address technology developments. Accordingly, we hope to see aligned and balanced voluntary frameworks that preserve flexibility and innovative approaches in implementation and enhance the power of the Internet, while making it safe, secure, and trusted.

The U.S. and Japanese economies have been evolving toward a mutually complementary relationship that makes the most of the strengths of each country. To fully embrace such a complementary relationship, the Digital Economy should be a key aspect of a U.S.-Japan economic dialogue. The promotion of free cross-border data flows and a safer, secure and trusted Internet are high priorities for both countries to benefit from the Digital Economy.

Recognizing the importance of the robust U.S.-Japan relationship, we submit this first letter as indication of our strong support for future cooperation and collaboration. We look forward to working together to address emerging challenges.