

**Final Joint Statement of the Second Japan/US/EU Trilateral  
ICT–Electronics Associations Meeting  
March 29, 2006**

Information and communication technologies are converging at rapid rates to create new opportunities and benefits for consumers. Just as rapidly, increasingly globalized economies are converging, growing and flourishing. Technology and globalization have joined together to radically reshape the world. In order to further the contributions of high-technology to human development and global economic growth, business and industry the leading associations representing European, Japanese and U.S. information technology, communications and consumer electronics industry met March 28<sup>th</sup> and 29<sup>th</sup>, 2006 to discuss the opportunities and challenges facing the industry sector.

U.S. and international company representatives and staff from the Consumer Electronic Association (CEA), the Information Technology Industry Council (ITI), the European Information, Communication and Consumer Electronics Technology Industry Association (EICTA), and the Japan Electronics and Information Technology Industry Association (JEITA) met to discuss a set of common issues facing their member companies around the world and lay the groundwork for collaborating as organizations to address these issues.

The four areas the meeting focused on were Environmental Policy; Intellectual Property Protection; Trade Related Issues; and International Technical Standards. Collaboration on these common challenges expands the market for all participants and allows companies in the industry to focus on their core competencies of designing, producing and distributing high technology products. Greater access to high technology products increases the opportunities and benefits available to consumers worldwide.

Following is a brief summary of the issues discussed and the recommendations adopted at the Second Japan/US/EU Trilateral ICT–Electronics Associations Meeting.

**Environmental Policy:**

The IT/electronics industry is committed to minimizing the environmental impact of electronics products over their entire life cycle, and recognizes that a coordinated global approach to identify strategic opportunities for pollution prevention, energy and resource conservation and end-of-life product management is advisable. Industry-led standards and leadership is the preferred way to achieve these global approaches, but where environmental regulation exists, it should enable and support a comprehensive and environmentally-sensitive approach within the context of the global marketplace.

To achieve this broad goal, industry must work to ensure that there is adequate sharing of information and coordination at a global level with regard to end-of-life strategies and developments, hazardous substances, and energy use and design so as to achieve global approaches that limit unnecessary regulation, are consistent with WTO

principles and are not used as non-tariff barriers, and promote innovation and growth for the IT/electronics community

With regard to energy efficiency in particular, industry recognizes that demand for energy, including electricity, continues to be a major topic around the world. As governments consider programs and policies that support the efficient use of energy, the electronics industry must guard against ill-conceived regulations and mandatory standards imposed by governments that could stifle innovation and have adverse impacts for consumers and manufacturers. Governments must recognize and support innovation and the pursuit of voluntary initiatives which are the keys to energy efficiency progress in the electronics industry.

Realistic solutions and initiatives for energy efficiency in the electronics industry can best be reached through a government-industry partnership that thoroughly analyzes the facts to determine what is best for energy conservation, innovation, consumers and high tech manufacturers. Since voluntary standards contain aspirational elements they should not be used to regulate products. With these considerations in mind, several principles are crucial for governments focusing on energy efficiency policies related to electronics: harmonization of international requirements; flexibility in requirements to promote performance-based, holistic approaches; cost-effectiveness of energy efficiency approaches; measurable outcomes; recognition of product differentiation; transparency; and self-certification for compliance.

In sum, the electronics industry supports voluntary, market-oriented programs and initiatives, including industry-led standards, which highlight and sustain energy efficiency in the electronics industry. The electronics industry opposes government-imposed regulation and standards that stifle innovation, reduce consumer choice, and limit product features and services.

The Japanese delegation explained the J-Moss regulations in Japan to the associations gathered at the Trilateral.

The Japanese, US and European industry associations agreed to:

- Form an energy efficiency working group among the 3 regions (US, EU, Japan), chaired by CEA, to continue this dialogue:
  - Consider industry-led initiatives to help educate consumers about energy efficiency and inform consumers about energy consumption/conservation, not only in stand-by mode, but in operating mode as well, for electronics.
  - Develop public messaging explaining the contribution to energy efficiency of the deployment and use of ICT/and CE technologies.
  - Support an open, inclusive, cohesive and coordinated approach to energy efficiency issues within industry standards setting bodies and promote internationally harmonized voluntary standards relating to energy efficient electronics.
  - Cooperate on international standardization for the TV power consumption measurements

- Engage with governments to avoid government-mandated energy efficiency regulations and standards that hinder innovation, reduce consumer choice, and limit product features and services.
- Engage with governments to avoid mandatory standards based on the criteria of voluntary programs, such as Energy Star. The integrity and success of such programs could potentially be undermined by such standards.

#### Regarding Recycling of End of Life Products

- Support activities that promote cost-effective and environmentally efficient collection, recycling and recovery systems for end-of-life electronics.
- Support global coordination efforts to eliminate barriers to the movement of end-of-life products in order to increase responsible recycling of electronics.
- Promote the harmonization of environmental regulations to ensure that this industry can satisfy one consistent set of standards in the global marketplace.
- Promote Joint Industry Guide (JIG) throughout the global supply chain particularly in Asia.
- Also focusing on Asia, and China in specific, seek harmonization of end-of-life recycling and hazardous substances approaches.

#### **Trade Related Issues:**

The global ICT/electronics industry believes in balanced, open and fair trade, in zero tariffs and zero non-tariff barriers, world-wide, in a multilateral, rules-based trading system affording maximum access to markets with the minimum of barriers. Industry applauds the WTO members who have made the Information Technology Agreement such a success. The ITA reduced the cost of ICT products and brought benefits to all countries that signed it. The ITA did not cover most consumer electronics products and, in light of rapid technological development and the increasing degree of convergence, there is a need to expand the ITA to cover CE products, and to establish a mechanism to ensure that there is no erosion of the scope of the ITA and that it keeps up to date with technological advances. We support the World Trade Organization and the Doha Development Agenda negotiations as the best way to expand global trade liberalization in goods and services.

While tariffs are an obvious obstacle to market access, non-tariff barriers (NTBs) need to be addressed in multilateral negotiations as they have the potential to erode any benefits achieved through tariff elimination. The diversity of technical requirements and certification schemes and lack of transparency is a significant burden and international solutions would bring a welcome simplification. NTBs undermine benefits achieved through tariff elimination, for example, by delaying time to market, limiting design flexibility and causing unnecessary administrative costs to manufacturers.

The high-tech industry favours eliminating tariffs on a full array of high-tech products in chapters 84, 85 and 90 of the World Customs Organization's Harmonized Code relating to information technology, telecommunications and

media products, while allowing for limited exceptions and/or phased in implementation for limited products. This can be accomplished either by launching a new round of sectoral negotiations on electronics, through the WTO's Non-Agricultural Market Access talks or by expanding product coverage of the ITA.

Since the Tokyo Trilateral Meeting 2005, we have agreed on common objectives for the Doha Round and coordinated a global industry message. Moving forward the associations agreed to:

- Continue to strengthen messaging to our own governments on industry priorities in the Doha Round and make the IT/electronics sector a priority for the NAMA negotiators.
- Continue to reach out to international industry and governments to build consensus among WTO Members that the ITA needs to be expanded/revised and a broader range of IT/electronics products need to be duty free.
- Redouble our efforts to encourage WTO Members to agree to sectoral negotiations in NAMA and build "critical mass" (e.g. US, EU, JP, Korea, Singapore, China, Malaysia, India, Brazil).
- Redouble our efforts to build our public profile on these issues. To find and promote data that promotes a strategic message on the benefits to consumers, benefits to economies of the countries by creation of growth and wealth, on convergence in our industries and that supports IT/electronics for development and the benefits of IT/electronics deployment in economies to support momentum for NAMA sectoral negotiations or ITA expansion.

#### **International Technical Standards:**

Industry must promote the global growth of consumer electronics and information technology markets by cooperating on technical standards related matters. Standards are at the foundation of the global ICT economy. They create value, aggregate markets and facilitate technology diffusion.

One common industry goal is the achievement of a global conformity assessment regime. As an example, the EU allows for "Supplier's Declaration of Conformity (SDoC)" in which suppliers of designated equipment are able to declare conformity to technological standards upon release of their products on the market. This has streamlined the time and efforts needed for certification, cut costs, and spread the benefits of self-declaration to many businesses. In addition, its implementation has improved the services provided by conformity assessment bodies and lowered their prices for testing and certification. The ICT industry also encourages regulators to seek alignment of principles for product approvals. The aim should be to allow manufacturers to use the route of 1-1SDoC for gaining approvals in the different markets.

The regulatory approaches of leading industrial countries shape the corresponding regimes of other countries. Therefore it is important that these countries apply consistently the best practices.

Governments are currently exploring or actually establishing unique, national or regional, IT accessibility policies. Many of these represent divergent, and conflicting accessibility guidelines for public procurement. The use of regulation to improve technological accessibility will be most effective when it is globally "harmonized" and

embodies a consistent set of expectations and objectives.

Finally, the global ICT industry should cooperate to reduce the number of redundant homegrown Chinese standards by facilitating Chinese adoption of internationally recognized ICT standards and participation in the international voluntary standards community.

Associations agreed to continue their cooperation in the Global Industry Standards Alliance (GISA), a collaboration among CEA, EICTA , ITI and JEITA to link policy objectives with the standards discussions.

On accessibility the 4 associations agreed to:

1. Support the adoption of globally-harmonized open standards that are able to accommodate technological advances efficiently and place responsibilities on all interested parties, e.g. web developers, service providers, network operators, technology providers, end users, and governments.
2. Drive international standards harmonization efforts
  - a. At the JTC 1 Special Work Group on Accessibility
  - b. In conjunction with the EU standards mandate and e-Accessibility Communication
  - c. In conjunction with the update of Section 508 in the US
  - d. In conjunction with the new JIS X8341-1, 2, 3 in force as of May/June 2005 in Japan
  - e. Through the global adoption of W3C WCAG 2.0
  - f. Through the global adoption of the revised ISO 9241-171
3. Promote effective conformance systems, including an option for Supplier's Declaration of Conformity (SDoC), that account for and leverage existing best practices, that account for an understanding of the perspectives of the regional and global marketplace, that promote international trade and are consistent with WTO TBT principles, and that encourage conformance while not stifling innovation.

China:

1. Establish a trilateral action plan among our associations to encourage Chinese industry to appreciate the value of globally recognized standards. Agree on priority issue areas of common interest in China standards (e.g. increasing participation in international standards, etc.) and develop a global industry message.
2. Promote active participation in a broad range of international standardization activities, including in both de jure and de-facto standards bodies, as the best way to influence technologies and promote innovation.
3. Identify Chinese companies seeking to pursue international (versus domestic Chinese) standards and become more globally focused. Build alliances if appropriate with those companies.
4. Begin building strategic alliances with Chinese industry by discussing those priority standardization issues of interest to the Chinese and global ICT/CE industry.

Global Conformity Assessment:

- Support the use of International Standards for performing conformity assessment and increase the awareness and capacity of developing countries in these areas.

- Promote good regulatory practices that make extensive reference to the use of International Standards and advocate their complementarity with regulations.
- Promote the adoption of solutions which increases compatibility with world markets.
- Support free trade agreements in order to eliminate technical obstacles to trade, such as the reference to common standards.

**Intellectual Property Protection:**

Intellectual property must be protected with a system that balances the needs of content creators, consumers and equipment producers. New technological protection measures provide content right holders with the ability to control the exploitation of their works in digital form. Some new technologies also enable rights holders to collect charges depending on types of use.

New developments in digital rights management allow consumers to use lawfully acquired content and discourage unlawful digital reproduction. Under typical levy systems, a “levy” or established assessment is imposed based on the price of devices and /or blank recording media that might be used to copy protected works, whether or not the device or media is actually used for that purpose. Levy schemes such as these undermine the incentive to develop new technologies to protect works and invest in new businesses that pay royalties to rights holders. The current levy system should be abolished in the near future.

Despite the best endeavors of companies and governments, damages due to counterfeit products are increasing. Furthermore, as individual economies are increasingly globalized, counterfeit products have entered the market on a worldwide scale. Highlighting the damage caused by counterfeit products, a report by the China State Council announced that the Chinese market accounts for counterfeit products valued at \$25.6 billion in 2002. Cooperative activities leveraging the strengths of companies, associations and governments are necessary to stop the continuing damage to the industry caused by counterfeit products.

Actions

: Levy System

We believe that our industry should make more effort and cooperate more closely to establish a system in which the protection and exploitation of digital content are adequately balanced. At this meeting, we have agreed to continue working on these action plans in a timely and effective manner on the basis of, and consistent with, each association’s activities and progress.

- We should encourage a system in which protection and exploitation of digital content are adequately balanced. The world electronics and information technology industry, participating associations and their member companies, should cooperate to promote the development of new business models which do not rely on levy systems, and in which all players, including consumers, manufacturers and content creators, can enjoy the benefit of technological developments in the digital product, network, and content arenas.

- We should cooperate to encourage our respective governments not to extend the range of levy systems and to stay out of the business of setting technology mandates.
- We should support the activities of each association to reform the existing levy system and to abolish it in the near future.
- We should encourage marketplace arrangements that make use of technologies to provide appropriate protection to rights owners.

: Distribution via the Internet and fixed and mobile broadband networks

- We believe that our industry should make more effort and cooperate more closely to make an environment in which digital content can be distributed effectively via the Internet and fixed and mobile broadband network.
- We should study on the proper legal and technical environment for such distribution.
- We should encourage the development of a system in which protection and user exploitation of digital content are adequately balanced relating to these new business schemes.
- We should encourage our respective governments to cooperate to provide a harmonized legal system while supporting DRM technologies

: Counterfeit

We believe that our industry should make more effort and cooperate more closely to take countermeasures against counterfeiting in consideration of the current situation. We would like to propose the following action plans to solve the problems stemming from counterfeit goods, in a timely and effective manner on the basis of, and consistent with, each association's activities and progress. Obviously supporting to the governments of the countries where counterfeiting goods are manufactured can be effective to improve the condition in their countries.

- We should exchange information about our own anti-counterfeiting activities among us.
- We should discuss the possibility of cooperative activities among us, such as an enlightenment for the citizens and government officials of the countries where counterfeiting good are manufactured, a request for the governments of these countries to promote adequate protection of the intellectual property, a support for our respective governments to promote multilateral government-level cooperation.
- We should confirm the representative at each association to discuss the cooperative activities among us.