

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

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**Working Party C
Innovation, Information & Communication Technologies**

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List of Abbreviations

Abbreviation	Meaning
APEC	Asia-Pacific Economic Cooperation
BRT	Business Round Table
EEN	Enterprise Europe Network
ETP	European Technology Platform
EU	European Union
FP	Framework Programme
GOJ	Government of Japan
ICT	Information and Communication Technology
ICS	Industrial Control Systems
IMCO	Internal Market and Consumer Protection Committee
ITA	Information Technology Agreement
ITR	International Telecommunication Regulations
ITU	International Telecommunication Union
JEUPISTE	Japan-EU Partnership in Innovation, Science and Technology
MEXT	Ministry of Education, Culture, Sports, Science and Technology
MoD	Ministry of Defence
NATO	North Atlantic Treaty Organization
NIS	Network Information Security
PFI	Private Finance Initiative
STI	Science, Technology and Innovation
SME	Small and Medium Enterprises
R&D	Research and Development
WCIT	World Conference on International Telecommunications
WTO	World Trade Organization

Introduction

ICT and Innovation

Global trade rules on ICT hardware and services need modernization to reflect latest technology developments and business models. The EU and Japan have a huge potential to influence international negotiations by taking harmonized action based on common principles on internet governance, cybersecurity, resilient ICT infrastructure, privacy protection, data utilization and cross-border data flows. Concrete action is required regarding the forced localization policies observed in some countries.

The EU and Japan face similar societal challenges such as aging populations and climate change. To address these difficult issues, governments can harness the innovation capacity of the private sector with a better R&D business environment. Facilitating bilateral R&D collaboration with participation of academia, public and private sectors will contribute to the creation of innovative products and services that can be deployed in both regions and also to the rest of the world.

Aeronautics

Europe's aeronautics industry is a major supplier to the world market. Japan also has many advanced technologies. Both are challenged by new entrants. In this context, joint technology and project development are necessary for both sides to maintain technological leadership and competitiveness. EU-Japan industrial cooperation exists in helicopters and aeroengines, but the potential is much greater. More government-led cooperation and continued support from both sides' authorities are needed to help the EU and Japanese aircraft industries bring to fruition the development of their relationship while meeting the EU's environment, social and safety requirements.

Space

Both the European and the Japanese space industries are major suppliers of space products. The global space market, however, is small with limited growth prospects. In a context of steadily diminishing budgets, cooperation and mutually open markets are the only way for both the EU and Japan to achieve their goals in space and for the EU and Japanese industries to keep their ranks in the global marketplace.

Defence industries

Cooperation between the Japanese and European defence industries is budding. Japan's new three principles on transfer of defence equipment, approved by the Cabinet on 1st April 2014, are a major step forward but should be complemented as soon as possible by clear and transparent procedures relating to arms export and joint development. The Act on Specially Designated Secrets enacted in December 2013 should not hinder industrial cooperation between Japanese and EU industries.

Railways

Railways are among the high-technology sectors where both the EU and Japanese industries are world leaders and can together continue setting world standards in the face of new competition from emerging economies. This can have deep implications for expanded cooperation in third-country markets. Safety is a particularly promising cooperation area that we hope can be promoted by both sides' Authorities.

Recommendations from both European and Japanese industries

ICT

WP-C / # 01* / EJ to EJ Cooperation for maintenance of an open, transparent internet

The BRT supports the past coordinated efforts on Internet Governance by both Authorities and expresses its utmost gratitude to the Leaders and Authorities of the EU and Japan for the leadership and efforts they have shown in relation to this issue. We request both sides' Authorities to continue cooperating in order to maintain an open and transparent online environment involving multi-stakeholders.

< Yearly Status Report >

In Feb. 2014, The European Commission released its communication "Internet Policy and Governance" on the EU's role in shaping the future of Internet Governance.

< Background >

Internet has become an indispensable social infrastructure to sustain flourishing citizens' life, innovation, and economic growth. The BRT acknowledges that several innovative services using internet have emerged under the multi-stakeholders governance mechanism. At WCIT 2012, revisions of ITRs were discussed by ITU member states. Different positions on governance among countries became obvious. In 2014, important meetings on internet governance are expected such as the Global Multistakeholder Meeting on the Future of Internet Governance in April in Brazil and the ITU Plenipotentiary Conference in October in the Republic of Korea.

WP-C / # 02 / EJ to EJ Cooperation for trade liberalization on ICT services**

The BRT has serious concerns that some countries are implementing forced localization policies. Both sides' Authorities are requested to take coordinated action against forced localization measures such as compulsory requirements of local facilities and subsidiaries for services provisioning, forced local technology transfers etc., when those measures are not necessary, are unfair, or obviously interfere with the rightful and un-hindered provisioning of services to the users.

The BRT also requests that both sides' Authorities intensively work on an ambitious and comprehensive trade liberalization policy of services over the internet with the purpose of facilitating cross-border business and data flows. This will help actors on all layers (infrastructure providers, operators and service providers) to thrive in synergy for the overall benefit of the final users.

< Yearly Status Report >

At the 21st EU-Japan summit held in Nov. 2013 in Tokyo. The EU and Japan emphasised the importance of enhancing cooperation in the current negotiations of Trade in Services Agreement.

< Background >

The ITA facilitated the global trade of IT products and contributed substantially to the global economy. In the ICT sector, services are an important component of business in addition to products. Global rules on digital services need modernization reflecting technology development and emerging business models.

WP-C / # 03 / EJ to EJ Continued efforts for swift conclusion of ITA expansion**

The BRT requests that both sides' Authorities set a near-term deadline for WTO talks and try to bring the current negotiations to expand the ITA to a successful conclusion. The BRT requests that, in the expanded ITA, compulsory and periodical review mechanisms be built in order to ensure that the ITA will always be kept up-to-date and reflect technological developments.

< Yearly Status Report >

Although several meetings were held in 2013 and serious efforts were made to finalize ITA expansion, negotiators were unable to reach a conclusion before the WTO Ministers meeting in Bali in Dec. 2013 due to certain objections.

< Background >

An ITA expansion would boost trade, remove uncertainties relating to product classification, and ensure technological developments across all economic sectors and public services. Both Japan and Europe will benefit from the development of a major industrial sector that is a driver, in virtually all other sectors and in public services, of productivity, innovation, job creation, improved competitiveness, and service quality.

Unlike the current ITA, which has not been updated since 1996, a built-in periodical review mechanism will enable additional categories of ICT goods to be traded duty free and will minimize the risk of current and future innovative technological developments giving rise to product classification uncertainties.

The BRT especially welcomes APEC's reaffirmation, on 7-8th October 2013 in Bali, Indonesia, of its swift conclusion of the WTO/ITA expansion. The BRT hopes that China, as the APEC 2014 host, will show a strong leadership and bring the WTO ITA expansion to a successful conclusion before the next meeting of APEC Ministers Responsible for Trade on 17-18th May 2014, Qingdao, China.

WP-C / # 04 / EJ to EJ Building a trusted, safe and robust online environment**

Trust, Safety and Robustness are key pillars expected for cyberspace and physical infrastructure supported by ICT.

The BRT appreciates that both Authorities are already working on joint initiatives on cybersecurity issues, and also encourages further cooperation between the EU and Japan on safe and robust infrastructure based on ICT.

Security of data, preventing unwanted damaging leaks, is a key growing issue, as more and more data go into clouds and are processed from it. A common frame of best practices related to protection from and adequate response to cyberattacks should be established by both Authorities.

Cooperation between critical infrastructure operators and ICT service providers is indispensable to address cyber threats. The BRT considers that security notification reporting should be applied only to critical infrastructure operators and that such a requirement should not be applied to enablers of internet services. In this context, the BRT supports the vote of the IMCO committee of the European Parliament to exclude enablers of internet services including cloud operators from the scope of the NIS Directive and clearly mentioned that HW/SW vendors are not covered in the scope of the NIS Directive.

Finally, due to the sometimes crucial role played by ICT in supporting and developing key lifelines (energy, transportation, etc.), a robust ICT sector is especially important. Considering the development and smartening of the infrastructures including Electricity Grid Transmission, the BRT recommends the Authorities to encourage the private sector to construct resilient and safe ICT infrastructures in order to both promote the development of new technologies and guarantee an adequate level of protection for critical infrastructures.

< Yearly Status Report >

The European Commission released its Cybersecurity Strategy "An Open, Safe and Secure Cyberspace" and Directive on Network and Information Security (NIS) in Feb. 2013.

In Mar. 2014, the European Parliament voted to give mandate to negotiate with the Council.

In Oct. 2013 the GOJ released its International Strategy on Cybersecurity Cooperation "j-initiative for Cybersecurity".

At the EU-Japan Summit held in Nov. 2013, summit leaders stressed the growing challenges to maintain a safe, open and secure cyberspace in promoting economic and social development.

On 3 Dec. 2013, the 2nd "EU-Japan ICT Security Workshop" was organized in Brussels within the framework of the 20th EU-Japan High Level ICT Dialogue. Both Authorities and industries shared cybersecurity policies and best practices.

In Jan. 2014 the EU's cybersecurity agency ENISA published a new report to give advice regarding the next steps towards coordinated testing of capability of Industrial Control Systems (ICS) for European industries.

< Background >

Risks surrounding Cyberspace are increasing. The revelation of mass surveillance and complicated cyber attacks caused a loss of trust on online environment.

Addressing these serious issues requires a close cooperation of the public and private sectors. The operations of critical infrastructures such as energy, transportation, water, etc., are highly dependent on ICT.

WP-C / # 05 ** / EJ to EJ Balancing privacy protection and innovation

The responsible collection and use of personal data is important not only for the ICT industry but also for the entire society. The BRT requests both Authorities to set clear rules for the use of each category of data, thus enabling data transfers and creating an environment that facilitates the utilisation of “big data” in a responsible way that also protects privacy. The BRT also requests both Authorities to adopt laws and regulations on data protection which are compatible with each other, so that there is no gap in data protection and enterprises can conduct business without concern about different data protection regimes.

The BRT welcomes the decision adopted on 20 December 2013 by the IT Strategic Headquarters headed by the Prime Minister of Japan to review the personal data protection regime and propose a draft law to the Diet by January 2015.

The BRT suggests that a ‘safe harbour’ agreement between the EU and Japan or the adequacy-finding procedure under the EU system should be explored after the completion of reforms of the two regimes. The question of independent authorities will affect this potential mechanism.

The BRT thinks that ideally, the new law should consolidate the currently fragmented authorities over personal data protection to one independent data protection authority and ensure transparency and foreseeability for both domestic and foreign-based companies.

Concerning the draft EU General Data Protection Regulation, the BRT maintains that the authorities of the EU should balance privacy protection and innovation, and recommends an active use of recognised certification schemes in international data transfers, a clearer definition of extraterritorial applicability, a flexible notification period in case of a breach, the transfer of employee data to an internationally integrated personnel system abroad, and the maximum fines to be proportionate and equitable

Furthermore, both sides' Authorities should launch a dialogue to seek an international framework by enhancing cooperation with third countries and international

organisations. It should eventually lead to the closer alignment of data protection regimes around the world that would enable global businesses to transfer personal data by complying with one regime.

< Yearly Status Report >

There has been good progress on this recommendation.

The draft EU Regulation is in the process of deliberations and may be adopted by the end of 2014.

Japan's IT Strategic Headquarters headed by Prime Minister Abe adopted a decision on 20 December 2013 to review Japan's personal data protection regime.

< Background >

The European Parliament voted in its plenary session on 12 March 2014 and adopted the amendments proposed by the committee on Civil Liberties, Justice and Home Affairs (LIBE), the committee responsible for the proposal. The amendments by the EP keep harsh conditions on business entities such as potential fines up to 5% of an enterprise's annual worldwide turnover or 100 million Euros (whichever is greater) for data breach or complicated requirements on consent and erasure, although it introduces a definition of pseudonymous data and the certification program that would be favourable for business enterprises considering the use of personal data.

Negotiations on the proposal between the EP and the Council are unlikely to start before the EP's election in May 2014 because Member States in the Council have not yet agreed on a position.

The government of Japan decided to revise the Personal Data Protection Law, which is a good indication for the enterprises to utilize 'big data'. According to the decision of the IT Strategic Headquarters, the review will consider, among other things, establishing independent authorities. ...

WP-C / # 06 / EJ to EJ Fundamental Reform of the Private Copying Levy System (Compensation System for Private Copying)

The EU and Japan should cooperate to reform fundamentally the private copying levy system taking into account the evolution of technology and distribution channels for lawful digital contents.

< Background >

Current compensation is based on private copying levies and sometimes dates back to the analogue era. Private copying levies regulations do not address piracy. New emerging and expanding business models may be hindered by current levy system. Furthermore the rules vary greatly across Europe.

Innovation in General

WP-C / # 07 * / EJ to EJ Work towards international standardisation at joint R&D programmes

Both authorities should specifically favour joint R&D programmes that are geared towards international standardisation.

< Yearly Status Report >

In Jun. 2013, the Abe Administration adopted a “Comprehensive Strategy on Science, Technology and innovation” and a “Declaration on the creation of the World’s Most Advanced IT Nations” as important pillars for its growth strategy.

On the EU side, a new Framework Programme for Research and Innovation from 2014 to 2020, “HORIZON 2020”, was adopted in 2013 with focus on innovation

< Background >

The EU and Japan share common societal challenges such as aging population, climate change, resources constraints, etc. Enhancing cooperation between EU and Japan expertise will increase possibilities to create new products and services addressing complex issues. However, a real breakthrough is possible if both economies and Authorities use the same standards, so that double certification will not be needed. As this is more difficult to achieve for incumbent technologies and markets, at least new standards should be developed jointly as much as possible. It is well known that the seeds for standards are already defined at the R&D level, thus joint R&D programs should encourage joint standardisation activities.

WP-C / # 08 * / EJ to EJ Sharing vision and roadmaps for a better coordination of R&D projects/programmes

To make the programmes even more effective to manage and accessible from the industry, the procedure for preparation and launch of coordinated calls should be well discussed by both parties and standardised. Both sides’ Authorities should increase matchmaking activities between EU and Japanese industry to find out common themes. For sharing the vision and working on the common roadmaps, the industry-led activities of European Technology Platforms (ETPs) can be a model.

To increase participation in the respective R&D projects of each region, the BRT recommends authorities to promote the services offered by the newly established National Contact Point in Japan for Horizon 2020 and other relevant instruments (including EEN) to widely circulate R&D call notifications and support the formation of partnerships.

< Yearly Status Report >

Several EU-Japan Coordinated calls on STI were made under FP7. With the success of joint calls under FP7, joint calls under HORIZON 2020 are expected.

To further enhance EU-Japan cooperation in research and innovation, a new project called JEUISTE was launched in Sep. 2013 under FP7. Ten organizations are participating in this project with the aims of contributing to the EU-Japan STI policy dialogues, deploying bilateral information services, actively creating innovation partnerships, and offering training opportunities, among others.

In Nov.2013, the EU-Japan Centre for Industrial Cooperation was nominated as the first National Contact Point in Japan for FP7 and Horizon 2020.

The Japanese Government, on the other hand, took initiatives and is launching innovation oriented long-term programmes such as the Cross-ministerial Strategic Innovation Promotion Program (SIP) and the Impulsing Paradigm Change through disruptive Technologies (ImPACT).

The BRT hopes that those initiatives will lead to further EU-Japan strategic cooperation.

< Background >

Science and Innovation are an international endeavour. Ideas cannot be prevented from crossing borders. Countries can make more effective use of human resources and financial funds if their R&D programmes are coordinated and if mutual access to R&D programmes is easier for participants from both regions

WP-C / # 09 * / EJ to EJ Tax credits for R&D

The BRT recommends further enhancement of tax credits for R&D, in particular for SMEs. The authorities should not change the tax credit laws and rules too often, otherwise companies will be reluctant to plan long-term R&D.

< Yearly Status Report >

The Government of Japan (GOJ) extended and expanded special treatment of R&D tax credit in the FY2014 Tax Reform.

< Background >

R&D presents in itself a high risk for companies. Authorities should help to reduce the cost of such risks and apart from subsidies, tax credits present another effective solution. Particularly SMEs, with limited access to funding, will benefit from tax credits as the simplest and least bureaucratic form of R&D subsidy. Tax credits should take into account the long-term nature of R&D, which requires long-term planning of funds and expense management. Tax credits should therefore be established for a prolonged period, so that companies can plan their R&D expenditures effectively.

Innovation in Aeronautics, Space, Defence and Railways

Aeronautics

WP-C/ # 10/ EJ to EJ Government-Led Industrial Cooperation in Aeronautics**

The Authorities of Japan and the EU should establish a permanent dialogue aiming to significantly upgrade the scale of EU-Japan industrial cooperation in aeronautics based upon mutual trust, equality and mutual benefits, and stimulated by government funding. This should include a broad cooperation on environmental issues.

< Yearly Status Report >

Some progress has been made on this recommendation.

< Background >

Europe's aeronautics industry has long been a major supplier to the world market. Japan also has many advanced technologies. Both are challenged by new entrants. In this context, joint technology and project development are necessary for both sides' companies to maintain technological leadership and competitiveness, and for governments faced with severe budgetary constraints. Some Europe-Japan industrial cooperation exists in helicopters and aeroengines but the potential is much greater

EU-Japan industrial cooperation in civil airliners has stagnated since the early 2000s, when 21 Japanese suppliers joined the A380 programme. The situation is better for Japanese participation in engine programmes and as suppliers of carbon fibre materials. The aerospace industries of other countries have improved significantly in recent years and price competitiveness has become a key decision criterion.

Europe and Japan support mostly separate research programmes on environmental issues, from noise to emissions. We believe that the eco-technology at all aircraft speeds is one of the fields where further cooperation between Europe and Japan could yield significant cooperation and business opportunities.

WP-C / # 11/ EJ to EJ Cooperation on navigation regulations for helicopters

Establish an increased level and better cooperation between Europe and Japan on the development of low altitude IFR routes and satellite based navigation regulations for helicopters.

< Yearly Status Report >

Progress is seen on this recommendation. Europe's SESAR air traffic management systems programme and Japan's CARATS committee on future air traffic systems established a framework for technical cooperation.

< Background >

The US, Europe and Japan are working on developing their own regulations and

infrastructure without an adequate level of exchange of information and standardisation. European and Japanese territories have more similarities than each has with the US, so that Europe and Japan should work more closely and with a shared approach. Many European helicopters are already equipped with the hardware to interface with ground based / satellite based infrastructure already established to allow low altitude IFR routes, Point-in-Space navigation and GPS precision approaches, but that may prove useless if there is no cross recognition of standards and regulations (software) between the countries.

Space

WP-C / # 12 / EJ to EJ Civil Purpose Space Technology

Japanese space Authorities (at Cabinet level) and European space Authorities (European Commission, European Space Agency, and Europe's national space agencies) should establish a mechanism for a formal and permanent dialogue with the purpose of identifying further mutually beneficial subjects of cooperation. Of particular interest to both the EU and Japanese industries are (1) the development of satellites for advanced broadband, mobile communications services, advanced remote sensing and disaster mitigation, (2) the related development of Japan's and Europe's next national launchers, and (3) cooperation in global positioning systems.

< Yearly Status Report >

At the 21st EU-Japan Summit in November 2013, the EU and Japan decided to launch a Japan-EU Space Policy Dialogue. A preparatory meeting took place in Brussels on 20 March 2014. Regarding global navigation satellite systems, technical level discussions are on-going on compatibility and frequency issues. At the EU-Japan Industrial Policy Dialogue in January 2013 it was agreed to explore ways to work jointly on data access and satellite data sharing as well as exchange of information to find areas of mutual interest for cooperation.

< Background >

Europe and Japan have many complementarities in satellite technology and similar needs in terms of space telecommunications, broadcasting and observation. Note that discussions and cooperation on advanced technologies are also useful to promote common EU-Japan standards and thus benefit both sides' industries.

Europe and Japan will for the first time develop new heavy satellite launchers almost simultaneously. Cooperation in their development could have many technological, budgetary and industrial advantages. If a close bilateral cooperation is not studied at an early stage it will soon be too late for both sides to gain significant advantages.

Europe's Galileo and Japan's Quasi-Zenith Satellite System will soon become reality. Augmentation and various commercial services are among many mutually beneficial applications requiring extensive mutual information between EU and Japanese Authorities and their encouragement and facilitation of industrial cooperation.

WP-C / # 13 / EJ to EJ Mutual Backup of Government Satellite Launches

Japanese and EU Authorities should bring about a mutual backup cooperation scheme of all government launches using their respective satellite launcher fleets.

< Yearly Status Report >

No progress has been seen on this recommendation.

< Background >

Europe's launcher Ariane 5 and Japan's H-IIA are in an arrangement to back up each other's commercial satellite launches. This reduces the risk of long launch delays due to launcher technical problems. Years of discussions between the MEXT and the European Space Agency towards a similar back-up arrangement for government launch missions have not produced results.

Defence

WP-C/ # 14 / EJ to J Implementation of the three principles on transfer of defence equipment

Both sides' industries are pleased that Japan intends to contribute more actively to international security.

Japan's new three principles on transfer of defence equipment approved by the Cabinet on 1st April 2014 should be swiftly complemented by clear and transparent procedures relating to arms export and joint development. The Act on the Specially Designated Secrets enacted in December 2013 should not hinder the building industrial cooperation between Japanese and European industries.

< Yearly Status Report >

This is a new Recommendation. Last year's Recommendation "WP-C/ # 28 / EJ to J Relaxation of the Three Principles on Arms Exports" was essentially satisfied by the new principles.

< Background >

The GOJ relaxed its Three Principles on Arms Exports in December 2011. This enabled exports of arms etc.

The new principles adopted on 1st of Apr. 2014 prohibit Japan from transferring defence equipment to countries involved in conflict and to those that violate U.N. resolutions. However, Japanese firms will be able to transfer defence equipment when the deals pass government screenings. The previous rule banned arms exports to all countries, apart from a few exceptions.

The Act on the Specially Designated Secrets makes it possible for the GOJ to declare 23 types of information related to defence, diplomacy, counter-terrorism and intelligence as state secrets for five years, with possible extensions of 30 years or

more. The types of information, however, are so vaguely defined that a widespread fear of violating the law is causing many problems in exchanging even the most innocuous information among companies and administrations alike.

WP-C/ # 15 / EJ to EJ Defence Purpose Satellite Technology and Services

The BRT recommends that the Authorities of Japan and EU Member States establish a regular dialogue to share experience on defence purpose satellites. This should also include a dialogue on the delivery of secure communications services.

< Yearly Status Report >

Little progress has been seen on this Recommendation.

< Background >

In the defence satellite area, EU and Japanese satellite manufacturers have accumulated know-how and experience. Some EU Member States have also developed expertise and know-how in the structuring of PFI for secure satellite communications.

Railways

WP-C / # 16 / EJ to EJ Railway safety certification requirements

The both authorities should establish an open description of compliance requirements as well as current certification processes. The certification procedures relevant for the national railway companies should be made fully transparent to both parties. They should mutually inform of their evolutions. The European Railway Agency and the Japanese Ministry of Land, Infrastructure, Transport and Tourism could establish a dedicated working group in order to better capture the certification processes in both sides' networks.

< Yearly Status Report >

Some progress has been achieved in addressing this topic:

The players in the railway sector of the both sides have made efforts to understand the difference between the two systems for the past year in parallel with negotiations on FTA/EPA. Although it still needs to be improved, their mutual understanding has improved.

A major JR company recently opened its procurement of safety signalling systems to European companies.

A MOU on Railway Industrial Dialogue is in the process of finalisation between the European Railway Agency and the Japanese Ministry of Land, Infrastructure, Transport and Tourism."

< Background >

- (1) *The Japanese railway operators and the EU railways undertaking companies both have a very long and successful experience in the railway safety domain.*
- (2) *The legal requirements, management systems and business practices of railways in the EU and Japan are significantly different. Notably, the responsibility for the safety and reliability of equipment and systems falls on different players: while, in the EU, manufacturers are responsible for obtaining safety certification, in Japan, railways operators are responsible for obtaining safety certification.*
- (3) *Safety certifications drive many railways equipment and systems procurement requirements.*
- (4) *In order to address safety related issues, opening a dialogue between both sides' industry players could be an appropriate way. It would foster the cross-fertilisation of safety performance of the global railways industry.*
- (5) *Efforts to understand the difference between the two systems have been made. As the result, many of the initial misunderstandings have been resolved though some of them are yet to be cleared.*
- (6) *On 27 March 2014, the first dialogue of the railways sector that involve nearly all the players in the EU and Japan in the sector was organised in Brussels under the sponsorship of the European Commission and the Japanese government.*
- (7) *The BRT supports this initiative. Such an industrial-sector dialogue to enhance mutual understanding is useful and should be held regularly.*
- (8) *During the last few years, a significant effort has been undertaken in the EU in order to get better visibility on the certification in EU Member States. These relate to specific requirements for safe operation of relevant railway networks. The European Railway Agency mission is indeed taking care of the certification coordination among EU Member States' National Safety Authorities. In its so-called "Fourth Railway Package" proposal, the European Commission is paving the way for a common authorisation procedure to be granted by the European Railway Agency.*
- (9) *The BRT hopes that win-win solutions will be found through such a dialogue that will help the development of both the EU and Japanese railways industries in and outside the two regions.*

Recommendations from the European industry

INNOVATION IN AERONAUTICS, SPACE AND DEFENCE

Aeronautics

WP-C / # 17 / E to EJ Weight Restrictions on Haneda Airport D Runway

Haneda D runway weight restrictions are an obstacle to the use of European-made aeroplanes and an obstacle to further development of international traffic at Haneda. These weight restrictions should be re-examined to allow the operations of new and larger airplanes such as Airbus-made A380 and A350. We request both sides' Authorities in charge to cooperate in making the necessary verifications. Additionally, for the newest mid-size A350 aircraft, operation could be possible with the re-verification of the withstand load with regards to part of the construction.

< Yearly Status Report > *No progress has been seen on this recommendation.*

< Background >

With the purpose of expanding airport capacity in response to the increase in air travel demand as well as to reduce congestion, a fourth runway (D runway) and an international terminal were opened in Haneda in October 2010. So far focusing on flights to and from Asian countries, its use for long-haul international routes will increase in the future. The number of flights will grow together with the demand but will be limited in the end by the capacity in terms of slots. This will prevent Japan from realising its objective to grow the number of visitors from 10 million per annum today to 20 million by 2020, when the Tokyo Olympics will take place. The average size of aircraft departing Haneda (230 seats) is now lower than it was in 1980 (240 seats) when 747s were used domestically. To see traffic grow at Tokyo's airports and more specifically Haneda, work needs to be done to ensure larger aircraft can be used at Haneda. In this regard, the use of new and larger aircraft will be an important part of the airlines' strategies. Under such circumstances, aircraft weight restrictions on the D runway could impede the conversion of Haneda Airport to larger and newer aircraft. In order to avoid disturbing the flow of the Tama River, the D runway was overhauled using a pier-like structure instead of a conventional landfill. Due to this, weight restrictions have been placed upon the aircraft in use, and with the entire lineup of Airbus' newest A380 and A350 series exceeding the weight limit, these aircraft could no longer be used as they currently are (cf. chart below).

Unit: tons	Weight limit	A380	A350-1000	A350-900	B747-400	B777-200ER
Total weight	400	571	308.9	268.9	396.0	286.9
Main gear load, t/gear	139.5	161.6	146.9	126.0	92.8	134.9
Wheel load	26.2	26.9	24.5	31.5	23.2	22.5

Space

WP-C / # 18 * / E to J Approval of Satellite Launch Service Providers

The approval by Japanese Authorities of foreign launch service providers through the envisioned approval system of Japanese commercial satellite launch projects should be fair and consistent with commercial world practice as recognised and formalised by the French Space Operations Act of June 2008 and associated by-laws.

< *Yearly Status Report* >

We have no new information.

< *Background* >

Japanese Authorities contemplate Space Operations legislation that would require Japanese users of satellite launch services to obtain an official approval before they contract for launch, and that would also require them to only use reliable launch service providers approved by Japanese Authorities. We have no issue with such legislation if it cannot be used to make competition in Japan difficult for EU launch service providers.

Defence

WP-C / # 19 / E to EJ Internationally recognized procurement processes for defence equipment and services

The following should be applied to all defence procurement processes:

- (1) Japan should improve transparency towards foreign suppliers by making the Statement of Requirements for procurement processes more widely available.
- (2) Japan's MoD should adopt NATO standards for the initial research and development phase to strengthen competition and reduce development risk.
- (3) Japan's MoD should also implement multiyear contract scheme for weapon acquisition in order to obtain the best conditions in terms of prices and local content from foreign manufacturers.
- (4) Greater emphasis should be placed to date on Life Cycle Costs by Japan in its defence procurement. Budgeting based on life cycle costs allows

governments to better plan their defence expenditure. It also creates fairer competition between bidders for contracts as it demands fuller disclosure of cost information.

- (5) Unlimited liability should be removed from the terms and conditions of public tenders, as this puts foreign bidders at a considerable disadvantage in relation to local contenders.
- (6) If a foreign company is selected, then the Japan MOD should separately select the local industrial partner based on a licenced production and modification package made available by the selected foreign company.
- (7) The MoD should also send a clear message to suppliers that if they do not contract on the basis of their selection there will serious consequences or cancellation of the selection.
- (8) The BRT would also encourage MoD to create an appeal process.

< Yearly Status Report >

The Japanese MoD has made a move to improve the transparency of its decision making process by declaring a point system to determine the winner and providing a debrief as to how the decision was made. However the point system is not that clear and debriefs need to be more detailed.

< Background >

Certain reforms have already taken place in defence procurement processes. Further reforms would strengthen transparency and competition.