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Statement on information and communications technology (ICT) in advance of the 3rd US-RoK ICT Policy Forum

Washington, DC - In advance of the 3rd U.S.-Korea ICT Policy Forum, the U.S.-Korea Business Council (the “Council”) seeks to deepen further the strong economic, political, and cultural ties between our two countries, as well as the growing number of mutually beneficial collaborations between U.S. and Korean businesses. Among these, the Council sees tremendous opportunity surrounding information and communications technologies (ICT) and believes that the U.S. and Korea should lead the international community towards the full realization of the transformative potential created by these technologies.

The Council applauds both governments for the focus they are bringing to ICT related issues, and urges them to prioritize the following both in their bilateral ICT engagement as well as in domestic approaches to facilitate the growth of ICT in their respective economies. The Council also encourages the U.S. and Korea to collaborate and advocate for the principles outlined below in third countries and other international fora. The Council supports the governments’ efforts to share best practices in all these areas with other countries and regions, and hopes for increased dialogues between the U.S., Korea, and others.

New types of revolutionary applications and services in sectors ranging from manufacturing to utilities, smart buildings to smart homes, transportation to healthcare, and retail to agriculture will continue to emerge as the global economy becomes increasingly digital. They will be powerful tools in addressing sustainability challenges, reducing poverty, and increasing security, as well as generating new bilateral trade opportunities through alliances and collaboration among diverse business and technology sectors. The benefits will accrue to companies of all sizes and sectors; to those that use and those that provide digital products and services; and to consumers, businesses, and governments alike.

In order for US and Korean companies to remain leaders in the ICT industry, our governments have an important role to play in fostering its growth and development – as well as the industries dependent on ICT – primarily by setting the appropriate policy environment that allows private companies to innovate and develop and introduce new products and services.

To this end, the Council calls on the US and Korean governments to take measures that promote the development of infrastructure for the digitally connected world, including through programs like the Global Connect Initiative which aims to bring 1.5 billion new Internet users online by 2020. The Council stresses the importance of investment in Internet infrastructure and both public and private investment in 5G networks, and encourages the governments to support market-based allocation and efficient use of spectrum.

The Council also emphasizes the importance of voluntary, industry-led, and consensus-driven standards developed through transparent and impartial processes, and focused on market-driven outcomes. A competitive environment that uses technology neutral frameworks will allow private-public partnerships to be leveraged in the most efficient manner, and will help prevent competition policy from being used to achieve industrial policy goals. Accordingly, the Council renews its call on competition policy authorities to adopt cautious approaches, particularly with respect to market intervention, in the digital economy.

Protection and enforcement of intellectual property rights remain the foundation of innovation and are keys to the expansion of the ICT sector and the realization of the potential of the digital economy. The Council encourages regular consultation between the two governments and the private sectors to ensure that intellectual property protection laws and regulations adequately support and protect existing rights, as well as the new ideas and business models that will emerge from ICT technologies. Accordingly, the Council echoes the G-7 ICT Ministers' joint declaration in opposing "generally applicable policies that require access to or transfer of source code of mass market software as a condition of market access while recognizing the legitimate interest of governments in assessing the security of these products."

Given the growing importance of cloud computing and cross border data flows, the U.S. and Korea should work to establish a safe and secure environment for the use of data that serves as a basis for corporate activity. The seamless exchange of data across borders and internationally harmonized rules on the protection of personal information will facilitate growth of the digital economy on a global scale. As the two governments consider approaches to address critical privacy and security challenges it is essential that any such requirements are not made overly prescriptive or one-size-fits-all, do not create barriers to cross-border data flows, and avoid data localization mandates. The Council asks that the governments be proactive in enforcing the idea that privacy protection is in no way linked to the physical location of servers or stored data.

Further, the Council emphasizes the need for a coherent regulatory framework across all levels of government in both countries, and encourages frequent regulator-to-regulator dialogues between the U.S. and Korean governments to help achieve this objective. The Council believes that contradictory and scattered regulations decrease business efficiencies, increase compliance costs, and ultimately impede the development and adoption of new ICT technologies. The need for coherence is particularly acute in the digital economy, where

business models and data flows often fall under the mandates of multiple regulators. Having clear data privacy laws and cloud computing requirements that do not exclude specific industries will help facilitate the growth of new business models and simultaneously encourage the adoption of cloud computing technologies – both stated goals of the Korean government.

Lastly, the Council reaffirms its support for policies that improve cybersecurity practices and promote cybersecurity awareness among all stakeholders in the digitally connected world. The Council calls on the two governments to increase private-sector led engagement and utilize public-private partnerships to establish international best practices and achieve specific and concrete cybersecurity outcomes across existing international platforms.

The U.S.-Korea Business Council is the leading business organization promoting the bilateral relationship between the United States and Korea and represents major U.S. companies doing business across a wide range of industrial and service sectors, including aerospace and air transportation, consumer products, financial services, information and communications technology, medical devices, and pharmaceuticals.

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