Bipartisan Congressional Trade Priorities Act of 2014:
Digital Trade and the Internet

Recognizing New Forms of Trade and the Importance of the Internet as a Trading Platform

Numerous new and expanded provisions direct that trade agreements expand Internet-based and other emerging and future forms of trade by:

- Recognizing for the first time the growing significance of the Internet as a trading platform in international commerce.
- Ensuring that electronically delivered goods and services are classified with the most liberal trade treatment possible for new as well as existing trade.
- Providing strong protection for new and emerging technologies and new methods of transmitting and distributing products embodying intellectual property, including in a manner that facilitates legitimate digital trade.
- Addressing the ability of U.S. firms to participate in global value chains, and ensuring that trade agreements reflect the increasingly interrelated and multi-sectoral nature of trade and investment activity.
- Recognizing the role of services in generating benefits across all sectors of the economy and facilitating trade, directing the negotiation of an ambitious Trade in Services Agreement, and targeting the elimination of barriers to both existing and new services.

Covering Digital Trade in Goods and Services and Facilitating Cross-Border Data Flows

- TPA extensively updates and expands the e-commerce provision in the prior TPA to cover existing and new trade in digital goods and services and Internet-enabled trade in goods and services.
- TPA ensures that all trade agreement obligations apply to digital trade in goods and services and to cross-border data flows.
- New provisions direct trade negotiators to ensure that governments allow cross-border data flows, not require local storage or processing of data, and refrain from instituting other trade-related impediments to digital trade.
- Administration is directed to obtain commitments that countries – if required by legitimate policy objectives to impose regulations that affect digital trade or cross-border data flows – minimize trade-restrictiveness, be nondiscriminatory and transparent, and promote open markets.

Eliminating Forced Localization

- New negotiating objectives direct the Administration to eliminate and prevent forced localization of facilities and technology and related barriers to U.S. goods and services exports and to ensure that governments not require local storage or processing of data.
- New objective specifically instructs trade negotiators to eliminate and prevent indigenous innovation measures, including forced localization of intellectual property and other assets.

Addressing Regulatory Barriers

Several new and expanded negotiating objectives address common regulatory issues that the digital trade and internet industries encounter by:

- Seeking greater openness, transparency, and convergence of standards-development processes and encouraging the use of international and interoperable standards.
- Directing that governments protect undisclosed proprietary information against disclosure, including by limiting unnecessary collection.
- Promoting for the first time regulatory compatibility through harmonization, equivalence, or mutual recognition.

Maintaining Tariff Moratorium

- The bill maintains the 2002 negotiating objective calling for extending the WTO moratorium on duties for electronic transmissions.

Protecting Intellectual Property

- The negotiating objectives direct that trade agreements provide a high standard of IP protection similar to that found in U.S. law.
- The bill provides for strong protection for new and emerging technologies and new methods of transmitting and distributing products embodying intellectual property, including in a manner that facilitates legitimate digital trade.
- Updated provisions target government involvement in piracy and cyber theft.