



TECHNET
THE VOICE OF THE
INNOVATION ECONOMY

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TechNet Encourages USTR to Push for Strong Digital Trade Rules in This Week's NAFTA Talks

Washington, D.C. – TechNet, the national, bipartisan network of innovation economy CEOs and senior executives, today encouraged the Trump Administration to advocate for strong digital trade rules during the first round of North American Free Trade Agreement (NAFTA) negotiations, which begin this Wednesday in Washington, D.C.

In a letter to U.S. Trade Representative Robert Lighthizer, TechNet wrote:

“The U.S. innovation economy benefits when we have more customers who can buy and use our products, and more markets where we can compete – and win – on a level playing field where the rules of the game are clear and enforceable,” wrote TechNet President and CEO Linda Moore in a letter to U.S. Trade Representative Robert Lighthizer. **“Each trade agreement since NAFTA has presented a new opportunity to strengthen digital trade rules and account for transformative innovations that have taken root in our economy; however, no trade agreement enacted to date has achieved the gold standard of digital trade rules we believe is within reach today. NAFTA can set that standard.”**

A PDF of the letter is available [here](#), and the full text of the letter can be found below.

August 14, 2017

Ambassador Robert E. Lighthizer
United States Trade Representative
Office of the United States Trade Representative
600 Seventeenth Street, NW
Washington, D.C. 20508

Dear Ambassador Lighthizer:

On behalf of TechNet and our 74 members, we appreciate your commitment to modernizing our nation's trade agreements to empower American innovators, entrepreneurs, workers, and consumers so they can seize all the economic

opportunities of digital trade in the 21st century. As you prepare to host the first round of North American Free Trade Agreement (NAFTA) negotiations in Washington, D.C. this week, TechNet recommits to work with you, the U.S. House of Representatives, and the U.S. Senate to enact trade policy that encourages job creation and establishes strong digital trade rules.

TechNet is the national, bipartisan network of innovation economy CEOs and senior executives. Our diverse membership includes dynamic startups and the most iconic companies on the planet and represents more than 2.5 million employees in the fields of information technology, e-commerce, the sharing and gig economies, advanced energy, biotechnology, venture capital, and finance. We recognize the American economy cannot grow at its full potential without a thriving technology sector, just as the technology sector cannot succeed without the right federal policies in place. Chief among these federal policies are the North American Free Trade Agreement (NAFTA) and other trade agreements. Simply put, the U.S. innovation economy benefits when we have more customers who can buy and use our products, and more markets where we can compete – and win – on a level playing field where the rules of the game are clear and enforceable.

As you meet with your Canadian and Mexican counterparts this week, you are doing so having outlined a set of objectives on July 17 for what the U.S. is seeking to accomplish in this negotiation. We want to commend you for seeking input from key stakeholders and technology industry leaders on how best to update the agreement for the digital age. This includes the public hearings conducted June 27-29 in Washington, D.C., in which TechNet participated via [written comments submitted for the record](#).

As noted in the introduction of your July 17 Summary of Objectives, much has changed in our economy since NAFTA took effect 23 years ago. When NAFTA was ratified in 1994, we could not envision how digital technologies would become the cornerstone of the modern economy. Since then, digital trade has exploded. The ubiquity of the internet has opened markets once out of reach to the local entrepreneur, torn down barriers to entry that prevented small businesses from growing past their communities, and facilitated the transfer of goods and services at speeds once unimaginable.

Each trade agreement since NAFTA has presented a new opportunity to strengthen digital trade rules and account for transformative innovations that have taken root in our economy. However, no trade agreement enacted to date has achieved the gold standard of digital trade rules we believe is within reach today. NAFTA can set that standard.

We are encouraged by your commitment to modernize NAFTA by ensuring the free flow of data across borders, protecting the ideas of American innovators and creators from intellectual property theft (including protections for source code),

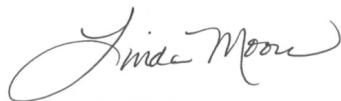
prohibiting localization requirements, providing customs relief to small businesses doing business abroad by getting our trade partners to raise the de minimis threshold to the U.S.' \$800 standard, and making sure U.S. companies can compete on a level playing field for procurement opportunities with the Canadian and Mexican governments. If you and the administration succeed in accomplishing all these goals and others you laid out in your Summary of Objectives, it would be an upgrade to the current agreement and encourage more growth and job creation in America's innovation economy.

Nonetheless, we should seek to maximize this renegotiation opportunity for America's present and future technology pioneers. Critical to this effort will be allowing products with commercial encryption to be traded freely, as well as pursuing explicit protections and safe harbors against intermediary liability for the industry that align with current U.S. law. Although these measures were not included in the objectives released on July 17, we hope you will begin raising their importance during this week's talks and ultimately add them to your objectives because they not only maintain the internet's standing as a community that encourages free expression, but also shield new and established digital intermediaries from capricious legal conflicts.

As more people around the world come online and look to American companies for our goods and services, it is imperative that the U.S. sets clear and enforceable rules to oversee digital trade. This requires improving existing agreements like NAFTA, negotiating new agreements with the strong digital trade policies noted above as guideposts, and properly enforcing existing agreements. Failing to do so would prevent American innovators, workers, and businesses of all sizes from fully benefitting from this new era of digital trade and risk America's global economic leadership.

At TechNet, we represent a diverse group of 74 technology companies that range in size from small or medium, to large and multinational; they operate across various sectors of the innovation economy; and they include younger companies as well as iconic and more established American tech innovators. As you continue examining America's trade agenda and the ways it can be improved, we look forward to working with you to pursue policies that grow our nation's economy, create jobs and higher paychecks here at home, and bolster America's tech leadership in the world.

Sincerely,

A handwritten signature in cursive script that reads "Linda Moore". The signature is written in black ink and is positioned below the word "Sincerely,".

Linda Moore

President & CEO

CC: U.S. Senator Orrin Hatch (R-UT), Chairman, Senate Finance Committee

U.S. Senator Ron Wyden (D-OR), Ranking Member, Senate Finance Committee

U.S. Senator John Cornyn (R-TX), Chairman, Senate Finance Subcommittee on International Trade, Customs and Global Competitiveness

U.S. Senator Robert Casey (D-PA), Ranking Member, Senate Finance Subcommittee on International Trade, Customs and Global Competitiveness

Representative Kevin Brady (R-TX), Chairman, House Ways and Means Committee

Representative Richard Neal (D-MA), Ranking Member, House Ways and Means Committee

Representative Dave Reichert (R-WA), Chairman, House Ways and Means Subcommittee on Trade

Representative Bill Pascrell (D-NJ), Ranking Member, House Ways and Means Subcommittee on Trade

About TechNet

TechNet is the national, bipartisan network of technology CEOs and senior executives that promotes the growth of the innovation economy by advocating a targeted policy agenda at the federal and 50-state level. TechNet's diverse membership includes dynamic startups and the most iconic companies on the planet and represents more than 2.5 million employees in the fields of information technology, e-commerce, the sharing and gig economies, advanced energy, biotechnology, venture capital, and finance. TechNet has offices in Washington, D.C., Silicon Valley, San Francisco, Sacramento, Austin, Boston, Olympia, Albany, and Tallahassee.

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