



## *the* **TRANS-PACIFIC PARTNERSHIP**

The Trans-Pacific Partnership (TPP) levels the playing field for American workers and American businesses, leading to more Made-in-America exports and more higher-paying American jobs here at home. By cutting over 18,000 taxes various countries put on Made-in-America products, TPP makes sure our farmers, ranchers, manufacturers and small businesses can compete—and win—in some of the fastest growing markets in the world. With more than 95 percent of the world’s consumers living outside our borders, TPP will significantly expand the export of Made-in-America goods and services and support American jobs.



## **Promoting Digital Trade**

The power of the digital marketplace is its reach: any business or entrepreneur can sell anywhere in the world to anyone with an Internet connection. TPP expands opportunities for individuals and businesses to deliver their goods and services over the Internet, and helps ensure that U.S. innovation can continue to thrive in the global marketplace.

### **WHY TPP BENEFITS DIGITAL TRADE**

TPP includes strong rules that make sure the best innovation, not trade barriers and censorship laws, shapes how digital markets grow. TPP helps preserve the single, global, digital marketplace by:

- **Preventing Data Localization.** The cloud should be global, and you should be able choose where you store your data. We’ve already seen a troubling trend of countries practicing “digital protectionism”, and trying to make keeping data onshore the cost of doing business. That’s not just costly for small business, it will also have the effect of leaving countries behind. TPP prevents those kinds of arbitrary requirements.
- **Prohibiting Digital Customs Duties.** It’s common sense that you shouldn’t try to put a duty stamp on a packet of data. TPP ensures that customs duties do not impede the flow of music, video, software, and games throughout the region.

- **Enabling Cross-Border Data Flows.** And it's not just music, video, software and game products that depend on data flows—so do all companies that interact with consumers, help people find products, or facilitate communication through the Internet. TPP protects the movement of that data—with room for appropriate safeguards, including for privacy.
- **Sustaining Cybersecurity & Encryption.** Some countries are even blocking the use of technologies like encryption or VPN, claiming these basic cybersecurity tools threaten national security. The TPP region will be a better place to do digital business, because parties will not be permitted to put those arbitrary restrictions in place, and governments will cooperate on cyber security.
- **Barring Forced Technology Transfers.** U.S. companies should not have to hand over their source code or proprietary algorithms to their competitors, or a regulator that will then pass it along to a State-owned enterprise. TPP ensures that that you don't have to give up trade secrets or substitute local technology into your products and services, in order to access new markets.
- **Preserving Standardization and Global Interoperability.** Companies should not have to produce a different piece of hardware for every country in which they sell products—that's why we have the global standards process, where industry leads and the best technologies win. TPP ensures that countries can't arbitrarily demand that less competitive national standards be forced into American products.
- **Promoting Copyright Protections and Important Exceptions and Limitations—as in U.S. Law.** Copyright protections are essential to ensuring that the coders, designers, product managers, and data scientists behind a product are compensated for their work and creativity—just like musicians and authors. TPP reflects the appropriately strong copyright protections and enforcement that we have in U.S. law, and also reflects the TPP Parties' commitment to continuously seek to achieve an appropriate balance in their copyright systems through, among other things, providing copyright exceptions and limitations, including for purposes such as criticism, comment, news reporting, teaching, scholarship, and research. TPP clarifies that these exceptions and limitations apply in the digital environment. TPP requires strong and balanced copyright protections that promotes services that engage in legitimate digital trade. But what TPP doesn't do is go beyond U.S. law—for example, TPP does not establish new enforcement methods that meddle with Internet architecture. TPP's anti-circumvention of technological protection measures provisions do not preclude new exceptions, like cellphone unlocking, while still protecting new online services that engage in legitimate digital trade. TPP also establishes the kind of certainty ISPs have requested in copyright safe harbor systems, such as an assurance that safe harbors are not to be conditioned on a duty that ISPs monitor their systems for infringement, as well as other safeguards.

Development of the Internet and electronic commerce are among the world's great hopes for growth, high-wage employment, and leadership in the United States; and for rising living standards and reduction of poverty worldwide. TPP is a key step in making these hopes a reality.



- TPP is the **first agreement to take on digital trade and promote Internet-based commerce**.
- **Internet-enabled trade is a central area of American leadership**, and one of the world's great opportunities for growth.
- TPP ensures that **data can flow freely across borders**, subject to public-interest regulation for security, privacy, and other legitimate goals.
- TPP **ensures that companies can locate servers where they choose** based on cost, efficiency, and security, rather than being subject to forced localization rules that raise costs and reduce the efficiency of investment.
- **TPP eases digital and physical trade** by encouraging the use of electronic customs forms, electronic signature and authentication; opening markets for cross-border services trade; and ensuring secure on-line payment.

## What's in the Trans-Pacific Partnership?

Learn everything you need to know about what's in the deal and who it helps.

[WWW.USTR.GOV/TPP](http://WWW.USTR.GOV/TPP)