

# Digital Trade

The **United States-Mexico-Canada Agreement (USMCA)** is the most comprehensive and high-standard trade agreement ever negotiated. It fully updates, modernizes, and rebalances the NAFTA to meet the challenges of the 21<sup>st</sup> century economy and to ensure that American workers, farmers, ranchers, and businesses, including small- and medium-sized enterprises, share in the benefits of the agreement. It will help drive economic prosperity, promote fairer and more balanced trade, and help ensure that North America remains the world’s most competitive region.

## The USMCA Establishes the Most Comprehensive Rules on Digital Trade to Date

**The NAFTA was negotiated before the age of even dial-up internet, and contains no obligations regarding digital trade or e-commerce.**

In recognition that digital trade represents enormous value to the U.S. economy and plays a critical role in fostering economic growth and innovation, the USMCA includes a first-of-its-kind chapter on digital trade that contains the strongest commitments of any international agreement.

NAFTA	USMCA
<p><b>No rules for digital trade.</b></p>	<p> <b>Prohibits the application of customs duties and other discriminatory measures to digital products</b> distributed electronically, such as e-books, videos, music, software, and games.</p>
	<p> <b>Ensures that data can be transferred across borders.</b></p>
	<p> <b>Facilitates digital transactions</b> by permitting the use of electronic authentication and electronic signatures, while protecting consumers’ and businesses’ confidential information and guaranteeing that enforceable consumer protections are applied to the digital marketplace.</p>
	<p> <b>Cracks down on data localization</b> measures used to restrict where data can be stored and processed, enhancing and protecting the global digital ecosystem.</p>
	<p> <b>Promotes collaboration in addressing cybersecurity challenges.</b></p>
	<p> <b>Protects against forced disclosure of proprietary computer source code and algorithms.</b></p>
	<p> <b>Promotes open access</b> to government-generated public data.</p>
	<p> Enhances the viability of internet platforms that depend on interaction with users by <b>limiting civil liability for third-party content</b>, except regarding intellectual property enforcement.</p>
	<p> <b>Guarantees enforceable consumer protections</b>, including for privacy and unsolicited communication, apply to the digital marketplace.</p>

Together, **these provisions will set predictable rules of the road and encourage a robust market in digital trade between the three countries** – developments that should support increased prosperity and well-paying jobs in North America and in the United States.