



**Computer & Communications
Industry Association**
Tech Advocacy Since 1972

Gary Cohn
Director, National Economic Council
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

June 5, 2017

Dear Mr. Cohn:

Last week, China's new Cybersecurity Law began to take effect, much to the dismay of American industries engaging commercially with China or seeking to enter its markets. While enforcement of a portion of the law regulating the movement of data has been temporarily postponed in response to entreaties from a global coalition of industry groups, the overall effect of these new rules will be significant and troubling. The Cybersecurity Law is part of an increasing number of current and pending rules aimed at regulating the use of technology in China in ways that will serve as barriers to trade for companies of all sizes, across all economic sectors that take advantage of digital goods and services.

China's Cybersecurity Law and related measures impose vague data localization requirements and unnecessary restrictions on cross-border data flows, trade-inhibiting security reviews and requirements for ICT products and services, forced technology transfers, and broad requirements for data sharing and technical assistance. These measures would result in significant restrictions on the export of data, reduced participation by American companies in China's cloud services market, and burdensome restrictions on commercial encryption products—all of which would threaten billions of dollars in cross-border trade and the privacy and security of users worldwide.

China's pending cybersecurity rules, which include requirements or preferences for technologies that are "secure and controllable," demonstrate a shift away from free and fair trade principles and could amount to violations of China's World Trade Organization commitments and other international obligations. China's technology rules put American technology companies at a disadvantage and also harm the array of U.S. industries that rely on our leading digital products to increase their worldwide productivity and competitiveness.

As the Administration engages bilaterally with China, I urge you to press China to change its course with respect to these damaging technology policies. Addressing these protectionist measures is the perfect opportunity to demonstrate the Administration's commitment to winning on behalf of America's most productive and job-creating



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companies. Without the Administration's support—or with its indifference—all industry sectors that rely on high-tech goods and services will continue to get a bad deal as they look to compete in China.

Thank you for your attention.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ed Black'. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Ed Black
President & CEO
Computer & Communications Industry Association