

Before the
Office of the United States Trade Representative
Washington, D.C.

Request for Comments on Proposed U.S.-
Taiwan Initiative on 21st-Century Trade

Docket No. USTR-2022-0005

**COMMENTS OF
THE COMPUTER & COMMUNICATIONS INDUSTRY ASSOCIATION (CCIA)**

Pursuant to the request for comments published by the Office of the United States Trade Representative in the Federal Register at 87 Fed. Reg. 34,745 (June 7, 2022), the Computer & Communications Industry Association (CCIA) submits the following comments in response to USTR’s Request for Comments on the Proposed U.S.-Taiwan Initiative on 21st-Century Trade. CCIA is an international, not-for-profit trade association representing a broad cross section of communications and technology firms.¹

I. INTRODUCTION

CCIA welcomes U.S. engagement with Taiwan, under the auspices of the American Institute in Taiwan (AIT) and Taipei Economic and Cultural Representative Offices in the United States (TECRO), a quickly growing and vibrant digital market. Data collected by the Organization for Economic Cooperation and Development (OECD) shows that Taiwan has the most tech-intensive economy compared to 26 leading economies, underscoring the leadership role it can play in the development of high-standard rules relevant to digital trade.² Taiwan’s economy also stands to play a larger role in the region’s telecommunications and Internet traffic flows as an emerging digital hub as a result of recent investments in trans-Pacific undersea cable and the significant expansion of its data storage and processing capabilities. This is reflected by a projected boom that will make Taiwan an increasingly attractive location for U.S. investment.³

¹ CCIA is an international, not-for-profit trade association representing a broad cross section of communications and technology firms. For 50 years, CCIA has promoted open markets, open systems, and open networks. CCIA members employ more than 1.6 million workers, invest more than \$100 billion in research and development, and contribute trillions of dollars in productivity to the global economy. For more, visit www.ccianet.org.

² *The U.S. Tech Sector is Looking Weak. That’s a Geopolitical Risk*, N.Y. TIMES (June 8, 2022), <https://www.nytimes.com/2022/06/08/opinion/us-technology-economics-trade.html> (looking at tech as a share of national output in 2018 compared to world average).

³ *Taiwan Data Center Market Investment & Growth Opportunities Report 2021: Market will Witness Investments of \$4.47 Billion by 2026, Growing at a CAGR of 23.60%*, PR NEWSWIRE (Jan. 10, 2022),

On the goods side, the technology industry is a prominent driver of Taiwan's growing economy that brings strong benefits to the U.S. due to both the final products as well as critical inputs U.S. industry provides to this sector at various stages of production. Globally, Taiwan exported over \$230 billion in information technology products, of which \$19.4 billion were to the United States.⁴ Taiwan's strength in this sector reflects broad U.S. interests, given the critical role U.S. firms' products play in inputs ranging from software licensing to manufacturing equipment—in fact, Taiwan makes up for 45 percent of exports from the U.S. in the equipment needed to manufacture semiconductors.⁵ One analysis found that 86 percent of U.S. imports from Taiwan were semi-finished products, parts, and capital goods used by U.S. companies in the manufacturing of final products domestically.⁶ Taiwan represents a key investment destination for U.S. tech companies already, as several have committed significant capital and resources to Taiwan's market.⁷ This relationship travels both ways, as several companies from Taiwan have

<https://www.prnewswire.com/news-releases/taiwan-data-center-market-investment--growth-opportunities-report-2021-market-will-witness-investments-of-4-47-billion-by-2026--growing-at-a-cagr-of-23-60-301457219.html>.

⁴ Chapter 85 products ("electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles").

⁵ Stephen Ezell, *The Evolution of Taiwan's Trade Linkages With the U.S. and Global Economies*, Information Technology & Innovation Foundation (Oct. 25, 2021) <https://itif.org/publications/2021/10/25/evolution-taiwan-trade-linkages-us-and-global-economies/>.

⁶ *Id.*

⁷ See, e.g., *Supplier List*, Apple (2021) <https://www.apple.com/supplier-responsibility/pdf/Apple-Supplier-List.pdf> (showing that as of the 2020 fiscal year, Taiwan was the second-largest source of suppliers for Apple with 48); Lauly Li and Cheng Ting-Fang, *Apple Partners with TSMC to Develop Ultra-advanced Displays*, NIKKEI (Feb. 10, 2021) <https://asia.nikkei.com/Business/Technology/Apple-partners-with-TSMC-to-develop-ultra-advanced-displays> (detailing Apple's joint effort with Taiwan Semiconductor Manufacturing Co. to build ultra-advanced displays in Taiwan); Yu Nakamura, *Google Embraces Taiwan as Asia Hub with Third Data Center*, NIKKEI (Sep. 4, 2020) <https://asia.nikkei.com/Business/Technology/Google-embraces-Taiwan-as-Asia-hub-with-third-data-center>; Changhua County, Taiwan, *Google Data Centers* (Last Accessed on July 7, 2022) <https://www.google.com/about/datacenters/locations/changhua-county/> (detailing Google's presence in Taiwan through three data centers, dating back to 2013, with the first data center alone reflecting a \$600 million long-term investment); Liam Gibson, *Google Invests in Foxconn Subsidiary's Metaverse Fund*, TAIWAN NEWS (Jan. 5, 2022) <https://www.taiwannews.com.tw/en/news/4398891> (showing Google's more than \$1 billion investment in Huahan, a subsidiary of Foxconn, on metaverse projects which this gave the company a 4.6% stake in the company); Huang Tzu-ti, *Facebook Ramps Up Investment in Made by Taiwan 2020 Project*, TAIWAN NEWS (Dec. 4, 2020) <https://www.taiwannews.com.tw/en/news/4069508> (highlighting Meta's project in Taiwan to support SMEs and expand their influence abroad); *Meta Launches Asia's First XR Hub in Taipei*, TAIPEI TIMES (May 7, 2022) <https://www.taipeitimes.com/News/front/archives/2022/05/07/2003777834> (detailing Meta's move to open its first physical extended reality research center in Taiwan); Ralph Jennings, *Why Amazon Picked Taiwan For Its Latest Innovation Center*, FORBES (Aug. 17, 2018) <https://www.forbes.com/sites/ralphjennings/2018/08/17/why-amazon-picked-taiwan-for-its-latest-innovation-center/> (showing that in 2018, Amazon built an innovation center in New Taipei City, explaining that the location brought a "trade-friendly growth environment for investors," according to a statement from the city); Chris Chang, *Amazon Web Services Brings Latest Cloud Services to Taipei in 2019*, TAIWAN NEWS (Jan. 9, 2020) <https://www.taiwannews.com.tw/en/news/3852870> (showing that Amazon Web

invested heavily in the United States as well.⁸ As such, the United States should seek to forge strong, shared commitments to the digital economy to unlock the potential this market holds for U.S. industry as a key part of its Indo-Pacific and national economic strategy.

Taiwan and the U.S. should build on their existing strong trading partnership. The U.S. was Taiwan's number two trading partner in volume in 2021, representing roughly 12 percent of all of Taiwan's trade.⁹ The United States exports and imports billions of dollars' worth of ICT-enabled services and potentially ICT-enabled services to and from Taiwan annually, reflecting the importance of Taiwan as a booming investment and infrastructure hub for U.S. industry in the coming years.¹⁰ The United States and Taiwan have strong common interests in working together to develop strong rules that will facilitate digital trade, and further enable innovation in each market.

Engagement with trading partners in the Asia-Pacific Region, through initiatives like the Taiwan Trade Initiative and the Indo-Pacific Economic Framework (IPEF), is critical. The United States is at a significant disadvantage due to its absence from the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), a deal that will advance trade in the Asia-Pacific Region and serve as a continuous source of growth and investment. The United States is generally excluded from the trade benefits that flow from this agreement, which has also limited the strength of U.S. economic influence in the Asia-Pacific Region at a time when regional partners are key to countering China's discriminatory practices and rising digital

Services is prominently used in Taiwan); The Cloudflare Global Network, Cloudflare (last accessed July 7, 2022), <https://www.cloudflare.com/network/> (showing that Cloudflare has data center locations in Taipei).

⁸ Corina Vanek, *First Look: See what Taiwan Semiconductor is Building at Massive North Phoenix Site*, ARIZONA REPUBLIC (June 3, 2022), <https://www.azcentral.com/story/news/local/phoenix/2022/06/03/see-taiwan-semiconductors-north-phoenix-office/7498673001/> (detailing Taiwan Semiconductor Manufacturing Co.'s plans for its new \$12 billion facility in Arizona); Yuka Hayashi and John D. McKinnon, Taiwan Company Plans Texas Chip Wafer Factory—if Congress Approves Incentives, *The Wall Street Journal* (June 27, 2022), https://www.wsj.com/articles/taiwans-globalwafers-to-invest-5-billion-in-new-texas-plant-11656330302?mod=tech_lead_pos3 (detailing GlobalWafers Co.'s announcement to spend \$5 billion to build a new manufacturing plant in Texas for silicon wafers).

⁹ Taiwan Bureau of Trade—Trade Statistics. Ranking of Countries in Total Trade between Jan. 1, 2021 to Jan. 1, 2022 (last accessed July 7, 2022), <https://cuswebo.trade.gov.tw/FSCE040F/FSCE040F>.

¹⁰ See International Transactions, International Services, and International Investment Position Tables: Table 3.3. U.S. Trade in ICT and Potentially ICT-Enabled Services, by Country or Affiliation, U.S. Department of Commerce Bureau of Economic Analysis (last accessed July 7, 2022), <https://apps.bea.gov/iTable/iTable.cfm?reqid=62&step=9&isuri=1&6210=4#reqid=62&step=9&isuri=1&6210=4>. (finding that the U.S. exported \$4.31 billion in “Potentially ICT-enabled services” to Taiwan in 2020 and \$1.43 billion in “ICT services” exports in 2019 and that the U.S. imported \$64 million in “ICT services” from Taiwan in 2018 and \$1.01 billion in “Potentially ICT-enabled services” imports in 2019).

authoritarianism. Active engagement with our trading partners in the region will offset this imbalance, and a trade agreement and further economic cooperation with strong commitments would be a positive step forward to re-establishing U.S. leadership.

II. GENERAL NEGOTIATING OBJECTIVES FOR CONTEMPLATED AGREEMENTS.

The United States should be ambitious in its negotiating goals to address as many access barriers to U.S. exports as possible. As noted above, the U.S. is at a disadvantage in the region by its absence in comprehensive regional trade agreements including CPTPP. The U.S. should take advantage to address any shortcoming that absence in these agreements have created in terms of non-tariff barriers to trade, and build off the progress made in the U.S.-Mexico-Canada Agreement (USMCA) to update trade rules for the 21st century, going further to address new challenges facing the global market. In addition to pursuing strong, binding commitments USTR should also ensure meaningful enforcement mechanisms. There should not be broad exceptions that render commitments meaningless, such as the broad exceptions outlined in the Regional Comprehensive Economic Partnership that limited the effectiveness of trade liberalization through trade agreements.

As these discussions are conducted, there should be measures taken to ensure transparency. In initiatives such as the IPEF and the Americas Partnership for Economic Prosperity, the Biden Administration has sought multifaceted frameworks that aim to include trade commitments and other market access agreements, as well as other agreements on strategic cooperation among key partners. Given the new multi-structured approach, transparency will be even more important as compared to traditional trade negotiations. There should be readouts following each negotiation round or key engagements that inform stakeholders on topics being discussed and how parties seek to memorialize commitments or agreements reached. Further, there should be meaningful opportunities for engagement by all stakeholders to address ongoing discussions as they occur. CCIA welcomes the Administration's commitment to inclusive engagement to ensure equitable and inclusive trade, and encourages USTR to conduct trade negotiations pursuant to these principles.

III. DIGITAL ECONOMY-RELATED MATTERS.

The U.S. should continue to negotiate binding commitments in free trade agreements that pertain to digital trade and cross-border delivery of Internet services. The Digital Trade chapter of USMCA and the U.S.-Japan Digital Trade Agreement represent the gold standard of digital

trade provisions, and any agreement on digital trade pursued by the United States should reflect those agreements. The U.S. should also look to new digital trade rules and standards in other high quality digital agreements such as the Singapore-Australia Digital Economy Agreement and the UK-Singapore Digital Economy Agreement. It is encouraging that Taiwan has committed to similar rules like those found in the e-commerce provisions in the Taiwan-New Zealand Economic Cooperation Agreement and the Singapore and Taiwan Economic Partnership, two countries that are also members of the Indo-Pacific Economic Framework.¹¹

These discussions also present an opportunity for parties to build off the 2013 AIT and TECRO Joint Statement on Trade Principles for Information and Communication Technology Services (“2013 Joint Statement on ICT”) that illustrates shared values for both the United States and Taiwan with respect to priorities such as ensuring open networks and interoperability, protecting cross-border information flows, facilitating fair spectrum allocation, and following principles on non-discrimination and transparent regulatory practices.¹²

In addition to those detailed in the following section, digital trade priorities that the United States should pursue include, but are not limited to, commitments enabling cross-border data flows and removing data and other localization requirements (including for financial services),¹³ source code protection,¹⁴ promoting risk-based cybersecurity measures,¹⁵ prohibiting customs duties on electronic transmission,¹⁶ promoting use of international technology standards,¹⁷ ensuring non-discriminatory treatment of digital products,¹⁸ and promoting the

¹¹ See Agreement between New Zealand and the Separate Customs Territory of Taiwan, Penghu, Kinmen, and Matsu on Economic Cooperation (Signed July 10, 2013), <https://investmentpolicy.unctad.org/international-investment-agreements/treaty-files/3080/download> (chapter 9 on electronic commerce); Agreement between Singapore and the Separate Customs Territory of Taiwan, Penghu, Kinmen, and Matsu on Economic Partnership (Signed Nov. 2013), <https://investmentpolicy.unctad.org/international-investment-agreements/treaty-files/5585/download>.

¹² AIT and TECRO Joint Statement on Trade Principles for Information and Communication Technology Services (2013), available at [https://ustr.gov/sites/default/files/03112013 Information and Communication Technology.pdf](https://ustr.gov/sites/default/files/03112013%20Information%20and%20Communication%20Technology.pdf).

¹³ See Final Text of U.S.-Mexico-Canada Agreement, signed Nov. 30, 2018, https://ustr.gov/sites/default/files/files/agreements/FTA/USMCA/Text/19_Digital_Trade.pdf [hereinafter “USMCA”] at Art. 19.11, 19.12.

¹⁴ See USMCA Art. 19.16.

¹⁵ See USMCA Art. 19.15.

¹⁶ See USMCA Art. 19.3.

¹⁷ *Id.*

¹⁸ See USMCA Art. 19.4.

dissemination of open government data in machine-readable formats.¹⁹ Strong digital economies also benefit substantially from a balanced intellectual property regime and online enforcement mechanisms that enable stakeholders to address infringement. In addition to strong copyright protection, limitations and exceptions like the fair use doctrine have been central to U.S. success, and contribute substantially to the U.S. economy and U.S. exports. To the extent that the Taiwan Trade Initiative addresses copyright issues in the digital pillar, the U.S. should continue to uphold commitments included in the Intellectual Property chapters of its FTAs.

a. Enabling cross-border data flows and trust in digital services.

These negotiations present an opportunity to further enable digital trade and the U.S. should be ambitious in its negotiating objectives with respect to data flows and localization barriers. Cross-border data flows are critical to digital trade, and forced localization mandates make it difficult for U.S. exporters to expand into new markets. Studies have found that “for many countries that are considering or have considered forced data localization laws, local companies would be required to pay 30-60% more for their computing needs than if they could go outside the country’s borders.”²⁰

Another study found that the impact of recently proposed or enacted data localization legislation on GDP is “substantial” in seven countries.²¹ Recent analysis from the OECD has revealed an increasing level of restrictiveness for digitally-enabled services in part due to restrictions on cross-border movement of data.²² Cross-border data flows are the lifeblood of global digital trade and by extension the array of industries that increasingly rely on the Internet to compete in the global marketplace. In the U.S. the productivity gains and efficiencies enabled by data flows have boosted the economy by hundreds of billions of dollars.²³

¹⁹ See USMCA Art. 19.18.

²⁰ Leviathan Security Group, *Quantifying the Cost of Forced Localization* (2014), available at <https://static1.squarespace.com/static/556340ece4b0869396f21099/t/559dad76e4b0899d97726a8b/1436396918881/Quantifying+the+Cost+of+Forced+Localization.pdf>.

²¹ Matthias Bauer et al., *The Costs of Data Localization* (ECIPE 2014), available at http://www.ecipe.org/wpcontent/uploads/2014/12/OCC32014__1.pdf (finding that the GDP was reduced in the following countries with data localization policies: Brazil (-0.2%), China (-1.1%), EU (-0.4%), India (-0.1%), Indonesia (-0.5%), Korea (-0.4%), and Vietnam (-1.7%)).

²² OECD Services Trade Restrictiveness Index: Policy Trends up to 2020, available at <https://issuu.com/oecd.publishing/docs/oecd-stri-policy-trends-up-to-2020?fr=sNmVINzYxOTI3Mw>

²³ Joshua Meltzer, *Data and the Transformation of International Trade*, BROOKINGS (Mar. 6, 2020), <https://www.brookings.edu/blog/up-front/2020/03/06/data-and-the-transformation-of-international-trade/>.

With an uptick in data-related barriers in recent years, trade discussions and clear rules are critical to ensure that any restrictions on the transfer, storage, and processing of data are targeted in a manner that does unreasonably limit legitimate cross-border trade.²⁴ Policies that restrict data flows, either directly through explicit data and infrastructure localization requirements, or indirectly for national security or other purposes, negate the productivity gains and efficiencies enabled by Internet platforms and cloud computing.

The United States and Taiwan have previously agreed on the importance of cross-border information flows. In the 2013 Joint Statement on ICT, participants agreed to the following principle:

Cross-Jurisdiction Information Flows: Governing authorities should not prevent service suppliers of other jurisdictions, or customers of those suppliers located in such jurisdictions, from electronically transferring information internally or across jurisdictions, accessing publicly available information, or accessing their own information stored in other jurisdictions.²⁵

Taiwan's decision to join the U.S.-led Global Cross-Border Privacy Rules Forum²⁶, as well as its membership of the APEC Cross-Border Privacy Rules system²⁷ further confirm a shared desire to promote trusted global data flows and privacy protection. The U.S. should strongly urge Taiwan to codify the CBPR system into Taiwanese domestic law as an acceptable transfer mechanism (as Japan has done) and to encourage more Taiwanese companies to participate in the system.

The United States should continue to pursue rules that prohibit governments from interfering with data flows or the exchange of information online, and prohibit regulations or standards that condition market access, procurement, or qualification for widely-used certifications based on nationality of ownership, location of corporate headquarters, or size of company. Specifically, rules should prohibit governments from imposing data localization or local presence requirements on data controllers or processors, as well as linking market access

²⁴ Examples of these barriers are documented in CCIA's Comments to USTR for the preparation of the 2022 National Trade Estimate Report, *available at* <https://www.ccianet.org/wp-content/uploads/2021/10/CCIA-Comments-2022-National-Trade-Estimate-Reporting.pdf>.

²⁵ 2013 Joint Statement on ICT, *supra* note 12.

²⁶ *Taiwan Joins US-Led Global Cross-Border Privacy Rules Forum*, TAIWAN TODAY (Apr. 22, 2022), <https://taiwantoday.tw/news.php?unit=2&post=217999>.

²⁷ Press Release, Chinese Taipei Has Become a Formal Member of the APEC CBPR System, National Development Council, Dec. 14, 2018, https://www.ndc.gov.tw/en/nc_8455_31913.

and/or commercial benefits to investment in or use of local infrastructure. This should extend to financial services.²⁸ To the extent possible, these prohibitions should apply to both explicit and indirect measures such as ill-fitting privacy and cybersecurity measures, industrial policy, and censorship disguised as national security protections to keep data in a particular country.²⁹ Articles 19.11 and 19.12 of the USMCA Digital Trade chapter represent the strongest rules in trade agreements in force pertaining to cross-border data flows and localization prohibitions. USTR should aim to secure text in the Taiwan Trade Initiative that reflects these commitments.

Trust is fundamental to the growth and cross-border delivery of these services. Without adequate privacy protections and security in digital communications, governments may continue to enact restrictions on cross-border services citing perceived risks. Privacy and consumer protections and trade rules should work in tandem to further goals of initiatives promoting trustworthy data flows. To that end, trade agreements, including this proposed agreement with Taiwan, should prioritize development of national privacy legislation that set clear rules on the use of personal data domestically, promote the adoption of bilateral and multilateral agreements on government access to data such as those being pursued by the OECD,³⁰ and commit to codify into domestic law protections for valid basis for transfer of personal data such as the APEC Cross-Border Privacy Rules.

²⁸ Specifically, Parties should not require the use or locate financial service computing facilities in that Party's territory as a condition for conducting business in that territory or subject to cumbersome pre-approval requirements, so long as the Party's financial regulatory authorities have ongoing access to information processed. Additionally with respect to financial services, Parties should commit to remove unnecessarily different treatments to domestic and foreign financial institutions as regards the standards on the use of outsourcing and third-party services.

²⁹ See, Nigel Cory, and Luke Dascoli, *How Barriers to Cross-Border Data Flows Are Spreading Globally, What They Cost, and How to Address Them*, Information Technology and Innovation Foundation (July 19, 2021), <https://itif.org/publications/2021/07/19/how-barriers-cross-border-data-flows-are-spreading-globally-what-they-cost/> ("More policymakers (such as in France, India, and South Korea) are being creative in using arbitrary and opaque licensing, certification, and other regulatory restrictions to indirectly require data localization (and exclude foreign firms and products). These policymakers seek to avoid scrutiny from trading partners by pushing restrictions deeper into technical and administrative regulations... Policymakers often take a "dual-use" approach with an official and seemingly legitimate objective, such as data privacy or cybersecurity, when their primary (hidden) motivation is protectionism, national security, greater control over the Internet, or some combination of these. In some cases, such as India, they use all of them.").

³⁰ See OECD, Government access to personal data held by the private sector: Statement by the OECD Committee on Digital Economy Policy (Dec. 2020), <https://www.oecd.org/digital/trusted-government-accesspersonal-data-private-sector.htm>.

b. Prohibition on customs duties for electronic commerce.

Imposing customs requirements on purely digital transactions creates significant and unnecessary compliance burdens on nearly all enterprises, including small and medium-sized enterprises (SMEs).³¹

The moratorium on imposing customs duties for electronic transmissions³² has been key to the development of global digital trade and shows the international consensus with respect to the digital economy. The moratorium was most recently renewed at the 12th WTO Ministerial Conference in June 2022,³³ and the commitment not to impose duties on electronic transmissions is reflected in the number of commitments made in free trade agreements among multiple leading digital economies. Permanent bans on the imposition of customs duties on electronic transmissions are a frequent item in trade agreements around the world. This includes, but is not limited to, Article 14.3 of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP),³⁴ Article 19.3 of the U.S.-Mexico-Canada Agreement (USMCA),³⁵ Article 8.72 of the EU-Japan Economic Partnership Agreement.³⁶ It is also included in agreements Taiwan is a party to such as Article 11.3 in the Singapore and Taiwan Economic Partnership.

The United States should continue to embed in trade agreements, including with Taiwan and other Indo-Pacific partners through the IPEF, commitments resulting in a permanent ban on the imposition of customs duties on electronic transmissions in the trade agreements. Enshrining the moratorium in agreements such as that between the U.S. and Taiwan would enhance bilateral trade while also continuing to discourage other countries from including electronic transmission in their domestic tariff codes.

³¹ There would need to be several requirements created that would accompany such an approach, many of which would be extremely difficult to comply with. For instance, data points required for compliance include the description of underlying electronic transfer, end destination of the transmission, value of transmission, and the country of origin of the transmission — all of which do not exist for most electronic transmissions, especially in the cloud services market.

³² The 2nd Ministerial Conference of the World Trade Organization in 1998 produced the Declaration of Global Electronic Commerce which called for (1) the establishment of a work program on e-commerce and (2) a moratorium on customs duties on electronic transmission.

³³ Press Release, WTO Members Secure Unprecedented Package of Trade Outcomes at MC12, June 17, 2022, https://www.wto.org/english/news_e/news22_e/mc12_17jun22_e.htm.

³⁴ Final Text of Comprehensive and Progressive Agreement for Trans-Pacific Partnership, signed Mar. 8, 2018, <https://www.mfat.govt.nz/assets/Trans-Pacific-Partnership/Text/14.-Electronic-Commerce-Chapter.pdf>.

³⁵ USMCA, *supra* note 13.

³⁶ Final Text of Agreement Between EU and Japan for Economic Partnership, http://trade.ec.europa.eu/doclib/docs/2018/august/tradoc_157228.pdf#page=185.

c. Online content regulations and addressing state-censorship practices.

Censorship and denial of market access for foreign Internet services has long been the case in restrictive markets like China, but it is becoming increasingly common in emerging digital markets, including those of major trading partners, and even in some larger developed markets. It is accomplished through different tools and methods.³⁷ The U.S. International Trade Commission released its report on foreign censorship policies in January 2022 and detailed how extensive these practices have become, noting that:

The consequences of censorship-related policies and practices can be significant for U.S. firms, especially U.S.-based content producers and digital services firms, as they may restrict trade, impede market access, increase operational costs and reputational risks, or discourage foreign direct investment.³⁸

The United States and Taiwan have an opportunity to work together to address rising digital authoritarianism and state-censorship practices that pose threats to the open Internet and freedom of expression around the world. It is encouraging that Taiwan joined the Declaration on the Future of the Internet in April 2022 to commit to work with like-minded countries to promote fundamental freedoms online and combat actions by authoritarian governments³⁹ and the United States should look to embed similar commitments in trade disciplines as well.

Because the business community has a limited technical capacity to assess and respond to interference with cross-border flow of services, products, and information by nation-states, allied governments have a critical role to play in partnering with technology companies and leading in the defense of Internet freedom and open digital trade principles. Countries should affirm commitments under Article 19 of the International Covenant on Civil and Political Rights as they apply to defending free expression online. Parties should pursue commitments to refrain from blocking or restricting access to lawful online content, digital services, and infrastructure underlying Internet delivery.

Government-imposed restrictions of digital services and online content can take multiple forms, and the risks associated with each method or regulatory framework providing for censorship methods can vary greatly. For example, some types of content restrictions may be

³⁷ CCIA NTE Comments, *supra* note 24.

³⁸ U.S. INT'L TRADE COMM'N, Foreign Censorship, Part 1: Policies and Practices Affecting U.S. Businesses (Feb. 2022), *available at* <https://www.usitc.gov/publications/332/pub5244.pdf> at 21.

³⁹ "A Declaration for the Future of the Internet" (2022), *available at* https://www.whitehouse.gov/wp-content/uploads/2022/04/Declaration-for-the-Future-for-the-Internet_Launch-Event-Signing-Version_FINAL.pdf.

reasonable and legally permissible in certain contexts, but may result in overbroad removals of user speech if attached to filtering or monitoring requirements, or can be a backdoor channel for governments to gain access to private data. Such requirements, particularly where they incur liability for a supplier, may be simply unfeasible to implement given the volume of content that Internet-enabled suppliers process and transmit, and thus often result in companies incentivized to curtail more speech than is necessary, or simply withdrawing from specific markets. Industry is currently monitoring proposals in Taiwan that would create new rules aimed at addressing illegal content online, and whether the new regulatory framework may lead to unintended consequences.⁴⁰ Other trade concerns arise where content policies are not applied equally to both domestic and foreign websites. Furthermore, an increasing number of content restrictions do not comply with World Trade Organization (WTO) principles of transparency, necessity, minimal restrictiveness, and due process to affected parties.

d. Securing digital communications and devices.

Providers of digital devices and services continue to improve the security of their platforms through the deployment of technologies that safeguard the communications and commercial transactions that they enable. Strong encryption has been increasingly enabled on now-ubiquitous smartphones and deployed end-to-end on consumer-grade communications services and browsers. Encrypted devices and connections protect users' sensitive personal and financial information from bad actors who might attempt to exploit that information. Many countries, at the behest of their respective national security and law enforcement authorities, have passed laws that mandate access to encrypted communications. Often the relevant provisions are not explicit, but mandated facilitated access, technical assistance, or compliance with otherwise infeasible judicial orders. Other versions require access to or transfer of source code as a condition of allowing technology imports. Such exceptional access regimes run contrary to the consensus assessments of security technologists because they are technically and

⁴⁰ The National Communications Commission (NCC) has proposed the “Digital Intermediary Services Law” (previously titled the Digital Communications Services Act) that purportedly aims to introduce online safeguards and enable the free flow of information and freedom of speech. There is a concern that over-extensive or unclear content regulations and localization-related requirements may reinforce censorship and add friction to cross-border digital trade. Further, the proposed special classification for “designated online platform service providers” raises concerns, and the classification should not be discriminatory in application. Press Release, *NCC Announces the draft of the “Digital Intermediary Service Law” to jointly build a free, safe and reliable network environment with the spirit of network governance*, June 29, 2022, https://www.ncc.gov.tw/chinese/news_detail.aspx?site_content_sn=8&is_history=0&pages=0&sn_f=47684.

economically infeasible to develop and implement.⁴¹ Companies already operating in countries that have or are considering anti-encryption or source code access laws will be required to alter global platforms or design region-specific devices, or face fines and shutdowns for noncompliance. Companies that might have otherwise expanded to these markets will likely find the anti-encryption or facilitated access requirements to be barriers to entry.

The United States should continue efforts to promote regulatory cooperation and international standards and best practices for securing products and services.⁴² The Taiwan agreement should contain commitments to promote encrypted devices and connections, and adherence to frameworks such as the NIST-developed Cybersecurity Framework. Specifically, the Taiwan agreement should prevent countries from compelling manufacturers or suppliers to use a particular cryptographic algorithm or to provide access to a technology, private key, algorithm specification, or other cryptographic design details. Similarly, the Taiwan agreement should prohibit governments from conditioning market access, with appropriate exceptions, on their ability to demand access to cryptographic keys or source code. Additionally, the Taiwan agreement should include commitments for partners to pursue risk-based cybersecurity measures, and utilization of open, consensus-based international standards as they are the more effective approach in comparison to prescriptive regulation. The United States and Taiwan should pursue cooperative approaches to cybersecurity and incident responses, including sharing of information and best practices.

e. Fostering innovation in emerging technologies.

Emerging technologies such as artificial intelligence (AI) and machine learning, as well as quantum computing, increasingly impact cross-border trade, and trade rules increasingly govern the development and growth of these technologies. As Taiwan advances initiatives such as its “AI HUB”, the United States should ensure regulatory practices and technical standards are in alignment through the Initiative to foster open lines of cooperation.⁴³ To continue to use and

⁴¹ Keys Under Doormats: Mandating Insecurity by Requiring Government Access to All Data and Communications, MIT Computer Science and Artificial Intelligence Laboratory Technical Report (July 6, 2015), available at <http://dspace.mit.edu/bitstream/handle/1721.1/97690/MIT-CSAIL-TR-2015-026.pdf>.

⁴² These include commitments to adhere to internationally-recognized standards, such as the ISO 2700 family of information security management standards as well as the SOC 2 service organizations standard published by the American Institute of Certified Public Accountants (AICPA), in cloud services certification procedures, to support privacy and security and encourage interoperability across markets.

⁴³ See Jerome Siacor, *New AI HUB Sets Taiwan as a Global Leader in Artificial Intelligence*, OPEN GOV (March 8, 2022) <https://opengovasia.com/new-ai-hub-sets-taiwan-as-a-global-leader-in-artificial-intelligence/>;

export AI and other emerging technologies, businesses and users need a trade framework that allows them to move data and infrastructure safely across borders while ensuring that other countries will not misuse legal systems to impede the growth of new technologies. This will enable use of emerging technologies in addressing global challenges such as public health, humanitarian assistance, and disaster response.

Trade rules that can facilitate the responsible cross-border growth of AI technologies include those that enable cross-border data flows and removing localization requirements; encourage governmental investment in and release of open data; identify and share best practices for the responsible use of AI; engage in cooperation and public-private collaboration on AI; and adopt innovation-oriented copyright rules that enable machine analysis of data. In addition, to ensure substantive convergence and avoid the potential for discriminatory outcomes, the U.S. and its trading partners should agree to avoid adopting any measures that discriminate against U.S. suppliers who excel in this area by providing less favorable treatment to AI products or applications than they give to like products or applications without an AI component.

As a matter of good regulatory practice, the development and implementation of AI regulations should include: adopting a risk-based approach, including transparent processes for assessing, managing, and mitigating risks associated with specific AI applications; assessing whether potential risks can be mitigated or addressed using existing instruments and regulatory frameworks; considering whether any new or proposed regulation is proportionate in balancing potential harms with economic and social benefits; employing risk management best practices, including considering the risk-substitution impact of a specific AI application against a scenario where that application has not been deployed but baseline risks remain in place; and promoting the development of voluntary consensus standards to manage risks associated with AI applications in a manner that is adaptable to the demands of dynamic and evolving technologies.

In addition to trade rules, countries should work together to facilitate research and development of new applications of AI to address shared challenges; facilitate dialogues among all stakeholders including governments, civil society, academic, and the private sector on best regulatory practices; and pursue joint discussions on the responsible and ethical use of AI.

Taiwan Aims to be Global Leader in Artificial Intelligence with New AI HUB Initiative, PR NEWswire (Dec. 7, 2021) <https://www.prnewswire.com/in/news-releases/taiwan-aims-to-be-global-leader-in-artificial-intelligence-with-new-ai-hub-initiative-888953629.html>.

f. Following global practices on Internet access and interconnection policies.

The United States and Taiwan should work to protect the interoperable and interconnected nature of the global Internet architecture that enables cross border data flows, support principles of non-discrimination and market access to telecommunications networks, and enable stakeholders to negotiate the nature of services to be delivered across the network on a voluntary market-driven basis, based on reasonable business practices agreed upon by both sides.

Globally, the business practice on Internet interconnection is for content providers and ISPs to enter into agreements through autonomous negotiations. An OECD paper found that 99.5 percent of interconnections are made without written contracts, and “the Internet model of traffic exchange has produced low prices, promoted efficiency and innovation, and attracted the investment necessary to keep pace with demand.”⁴⁴ The United States should ensure that Internet-based telecommunications service providers seeking to exchange of traffic with content and application providers, and vice versa, are able to negotiate with the other party on a voluntary, market-driven basis, and that access to domestic telecommunications networks should be on reasonable and non-discriminatory terms.

g. Avoiding unilateral and discriminatory taxation rules.

International trade requires a consistent and predictable international tax system, and tax measures play a significant role in the global competitiveness of U.S. companies. Parties should commit to avoid any digital taxation measures that are discriminatory in nature and contravene long-standing principles of international taxation. This includes imposing a unilateral digital services tax, or expanding the current taxing mechanisms for foreign electronic services providers to include sales to Taiwan business-to-business customers. It may also be beneficial for the U.S. and Taiwan to pursue a double tax treaty to increase certainty.

h. Addressing technical barriers to trade.

U.S. technology exporters face a growing number of non-tariff measures such as technical regulations, conformity assessment practices, and standards-based measures. Adoption of global standards is critical to ensuring regulatory coherence and avoiding country-specific standards that deter market entry. Some U.S. cloud service providers (CSPs) have been unable to serve the public sector due to onerous security certification requirements that deviate from

⁴⁴ OECD, Internet Traffic Exchange: Market Developments and Policy Challenges (2013), *available at* https://www.oecd-ilibrary.org/science-and-technology/internet-traffic-exchange_5k918gpt130q-en.

internationally accepted standards and make it impossible for CSPs to comply without creating a market-unique product, including physically segregating facilities for exclusive use for government-owned customers and on shoring of data. The adoption of country-specific standards creates de facto trade barriers for U.S. companies and raises the costs of cutting-edge technologies for consumers and enterprises.

In the U.S.-Taiwan Trade Initiative, the United States should (1) pursue commitments like those outlined in USMCA Chapter 11 on addressing technical barriers to trade; and (2) pursue commitments to follow good regulatory practices as detailed in Section VI of these comments in the development of standards, regulations, and conformity assessment procedures for services.

i. Non-discriminatory approaches to cybersecurity certification.

Cybersecurity is essential as countries across the Indo-Pacific regions work to advance their digital transformation goals for their government, their economies, and their societies. However, there is a growing trend of governments using cybersecurity certification requirements to discriminate against foreign technology companies, particularly in the cloud sector. Some countries in the Indo-Pacific region require government agencies, state-owned entities, and even critical infrastructure companies to select only from vendors with a national cybersecurity certification, which foreign companies are unable to meet.

The United States should secure binding commitments from Taiwan to adopt a risk-based approach to cybersecurity certifications, as well as to treat foreign companies no less favorably than local companies in the cloud sector, and specifically to agree that cybersecurity certification eligibility should not be conditioned on nationality of ownership of a cloud company seeking such certification.

j. Provisions to enable trade in electronic services.

Electronic payment (e-payment) systems which are interoperable across borders are critical in enabling the growth of cross-border digital trade. Trade policy can help drive the development of cross-border e-payment systems through commitments on the free flow of data including financial services data, promoting interoperability through international standards, and encouraging open innovation and competition through the adoption of open e-payment models such as real-time payments (RTP) systems and encouraging open application programming interfaces (APIs) to allow all e-payment service providers to compete.

Additionally, the United States should use the Initiative to pursue provisions on electronic signature, electronic authentication, paperless trading, and other best practices often included in trade agreements.

k. Copyright rules for emerging technologies.

A flexible copyright regime is necessary for the continued growth of the digital economy. Principles such as fair use are a cornerstone of U.S. copyright law, and industries that rely on this right are a significant contributor to the U.S. economy and exports. CCIA released a report in 2017 on the economic contribution of fair use industries which found that these industries account for 16 percent of the U.S. economy and generate \$5.6 trillion in annual revenue. Fair use is also critical to activities central to new areas of innovation and cutting-edge technology such as artificial intelligence and text and data mining.⁴⁵

A balanced copyright regime with appropriate limitations and exceptions is also what Congress intended when it granted the prior Trade Promotion Authority (TPA) in 2015. TPA provides that the principal negotiating objectives of the United States should include promoting intellectual property in a way that facilitates legitimate digital trade.⁴⁶ Committee reports from Congress contained identical language elaborating on this mandate, specifically recognizing that trade agreements should “foster an appropriate balance in copyright systems, inter alia by means of limitations and exceptions consistent with the internationally recognized 3-step test.”⁴⁷ USTR has also noted that the United States “seeks . . . the commitment of our free trade agreement partners to continuously seek to achieve an appropriate balance in their copyright systems, including through copyright exceptions and limitations.”⁴⁸

Additionally, mandated technological protection measures (TPMs) are a frequent inclusion in U.S. trade agreements. Corresponding statutory exceptions to these anti-circumvention measures are a critical component of these provisions. Consistent with USMCA, any TPM provision should include exceptions to anti-circumvention that are consistent with 17

⁴⁵ European Alliance for Research Excellence, *The Global AI Race* (June 2018), <http://eare.eu/assets/uploads/2018/06/Global-AI-Race.pdf>.

⁴⁶ Section 102(b)(5)(A)(ii) of the Bipartisan Congressional Trade Priorities and Accountability Act of 2015.

⁴⁷ S. Rep. No. 114-42, at 17 (2015), *available at* <https://www.congress.gov/114/crpt/srpt42/CRPT114srpt42.pdf>.

⁴⁸ OFFICE OF THE U.S. TRADE REP., *The Digital 2 Dozen* (2017), <https://ustr.gov/sites/default/files/Digital-2-Dozen-Updated.pdf>.

U.S.C. § 1201, including § 1201(f) on reverse engineering and interoperability, in providing limitations and exceptions to TPMs.⁴⁹

To the extent copyright considerations are included in the U.S.-Taiwan Trade Initiative discussions, the United States should secure commitments that reflect U.S. law on limitations and exceptions, and that will foster innovation in emerging technologies.⁵⁰

I. Online copyright enforcement for digital services.

Intermediary liability protections for Internet service providers, such as the framework in Section 512 of the Digital Millennium Copyright Act, have been critical to growing the U.S. digital economy by providing business certainty to U.S. investors and innovators.⁵¹ U.S. trade policy has long reflected domestic copyright principles by including necessary intermediary protections for online services in trade agreements dating back to 2003.⁵² USMCA continues this tradition, drawing directly upon Title 17 of the U.S. Code.⁵³ Ensuring these protections are included in trade agreements is also consistent with Congressional intent under prior TPA.⁵⁴

⁴⁹ USMCA, *supra* note 13, art. 20.H.11.

⁵⁰ There are policy discussions taking place on the role of Internet services in the new content distribution process, and some have called for payment to news publishers through ancillary copyright protections or through competition related measures. CCIA opposes such measures as a way to support the sustainability of the news industry. Industry is monitoring developments in Taiwan on potential policy options being presented this year. The United States Copyright Office recently concluded as part of a study that “ancillary copyright protections have not been shown to be necessary in light of publishers’ existing rights” and that “to the extent that any ancillary copyright protections would lack traditional copyright limitations and exceptions . . . would raise significant policy and Constitutional concerns”. U.S. COPYRIGHT OFFICE, *Copyright Protections for Press Publishers* (June 2022), <https://www.copyright.gov/policy/publishersprotections/202206-Publishers-Protections-Study.pdf> at 2. Competition related proposals such as those pursued by Australia through the News Media and Digital Platforms Mandatory Bargaining Code have raised trade concerns. See *The Dangers of Australia’s Discriminatory Media Code*, DISRUPTIVE COMPETITION PROJECT (Feb. 19, 2021), <https://www.project-disco.org/21st-century-trade/021921-the-dangers-of-australias-discriminatory-media-code/>.

⁵¹ Matthew Le Merle et al., *The Impact of Internet Regulation on Early Stage Investment* (Fifth Era 2014), <http://www.fifthera.com/s/Fifth-Era-report-lr.pdf>.

⁵² See U.S.-Austl. Free Trade Agreement, May 18, 2004, 43 I.L.M. 1248, art. 17.11, para. 29; U.S.-Bahr. Free Trade Agreement, Dec. 7, 2005, 44 I.L.M. 544, art. 14.10, para. 29; U.S.-Chile Free Trade Agreement, June 6, 2003, 42 I.L.M. 1026, art. 17.11, para. 23; U.S.-Colom. Free Trade Agreement, Nov. 22, 2006, art. 16.11, para. 29; U.S.-S. Kor. Free Trade Agreement, June. 30, 2007, art. 18.10, para. 30; U.S.-Morocco Free Trade Agreement, June 15, 2004, art. 15.11, para. 28; U.S.-Oman Free Trade Agreement, Jan. 19, 2006, art. 15.10, para. 29; U.S.-Pan. Trade Promotion Agreement, June 28, 2007, art. 15.11, para. 27; U.S.-Sing. Free Trade Agreement, May 6, 2003, 42 I.L.M. 1026, art. 16.9, para. 22.

⁵³ USMCA, *supra* note 13, art. 20.J.10-11.

⁵⁴ H. Rep. No. 114-100, at 46 (2015) (“Strong intellectual property rights protection should be accompanied by provisions on liability that are consistent with U.S. law, including the Digital Millennium Copyright Act, and that provide limitations on the scope of remedies available against service providers for copyright infringements they do not control, initiate, or direct, and that take place through systems or networks, controlled or operated by them or on their behalf. Such limitations also must create legal incentives for service providers to cooperate with copyright owners in deterring the unauthorized storage, and transmission of copyrighted materials.”).

Industry has expressed concerns with pending rules in Taiwan that would extend obligations for Internet services, and may also impose content quota obligations.⁵⁵

To the extent copyright considerations are included in the U.S.-Taiwan Trade Initiative discussions, the United States should secure commitments that reflect U.S. law and international norms.

m. Transparency and good regulatory practice issues.

International regulatory cooperation is an important tool for improving regulatory quality, reducing the likelihood of creating trade barriers or unnecessary regulatory differences, aligning regulation with shared principles and values, avoiding unintended consequences or conflicts with broader foreign policy objectives, building trust and expertise among regulators, and deepening understanding of trends in regulatory governance to inform current and future approaches to policymaking.

This is critical as countries move fast to introduce new regulatory frameworks on data governance, and seek to craft rules on the development of emerging technologies. Across digital governance frameworks, regulations should be non-discriminatory and principles-based, made pursuant to a transparent regulatory process, ensure due process to those affected, and include adequate safeguards to reduce the impact of any unintended consequences.

It is encouraging that the United States and Taiwan previously recognized the importance of good regulatory principles, including on transparency. In the 2013 Joint Statement on ICT, participants agreed to the following principle:

1. Transparency: Governing authorities should ensure that all domestic laws, regulations, procedures, and administrative rulings of general applications affecting ICT and trade in ICT services are published or otherwise made available, and to the extent practicable, are subject to public notice and comments procedures.

Unfortunately, industry reports that policymaking in Taiwan remains opaque, and in some cases departs from international best practices. This has resulted in a system that can result in an uneven playing field for foreign companies who seek to operate in Taiwan.

⁵⁵ The National Communications and Communication Commission (NCC) passed the framework of the draft “Internet Audio-Visual Services Law” in May 2022. Press Release, May 24, 2022, https://www.ncc.gov.tw/chinese/news_detail.aspx?site_content_sn=8&cate=0&keyword=&is_history=0&pages=0&sn_f=47561. The previous draft of the legislation (presented in 2020) was cited in the 2022 National Trade Estimate Report for its potential onerous obligations for foreign services.

The United States should pursue binding commitments on good regulatory procedures that promote transparency and accountability in the development and implementation of regulations. This includes provisions, like those secured in Chapter 28 of USMCA on transparent development of regulations (Art. 28.9), through timely publication of draft regulatory measures and public consultations, regulatory impact assessment requirements (Art. 28.11), and retrospective review of regulations (Art. 28.13). The U.S.-Taiwan Trade Initiative further presents an opportunity to build off these provisions to include additional practices relevant for the regulation of the digital economy including through the promotion of international standards to enhance regulatory coherence and interoperability, and ensure that technical requirements are no more restrictive to trade than necessary to fulfill a legitimate government objective.

The discussions should also include services-specific “good governance” provisions that supplement the general good regulatory practice obligations detailed above. In USMCA, Article 15.8 of the Cross-Border Trade in Services chapter describing the “development and administration of measures” addresses matters such as fair administration of licensing procedures, and transparency and timeliness in regulatory processes. There are also provisions in Chapter 15 of USMCA that prevent active discriminatory measures on foreign services, placing clear obligations on governments to allow foreign suppliers to enter the market and provide digital services to business and consumers in their country. This includes provisions on “national treatment” (Art. 15.3), “most-favored-nation treatment” (Art. 15.4), the prohibition against quantitative supplier limitations (Art. 15.5), “local presence” (Art. 15.6), and “payments and transfers” (Art. 15.12).

IV. ISSUES OF PARTICULAR RELEVANCE TO SMALL AND MEDIUM-SIZED ENTERPRISES THAT SHOULD BE ADDRESSED IN THE NEGOTIATIONS.

Digital services enabled businesses of all sizes and across different industries to continue operations throughout the COVID-19 pandemic, and access to digital tools can help SMEs overcome export challenges. The United States and Taiwan should pursue work streams focused on helping SMEs throughout the Indo-Pacific region continue to grow and reach new markets, working to establish dialogue among interested stakeholders to identify ways and share best practices on how the digital economy can facilitate SMEs. Additionally, countries should commit to rules that ensure that licensing and registration procedures for exporters are simple, fair, and transparent. SMEs would also benefit from prohibition of local presence requirements.

V. LABOR-RELATED MATTERS.

These talks present an opportunity for like-minded partners to work together to develop a workforce that has the necessary digital skills for the 21st century. There is a growing need for countries to build out job-training programs that reflect the needs of the modern workforce. Possible avenues to explore with Taiwan include: creating programs within economic development agencies and public universities to partner with the private sector to upskill students and workers including those in under-represented communities; working with institutions like the World Bank to establish global financing programs in collaboration with the private sector that create funds for small business and entrepreneurs; and establishing joint scholarships for digital and STEM education courses throughout the Indo-Pacific region.

The Initiative should also look into making it easier for U.S. companies operating in Taiwan to bring in international talent for their operations without having to go through Taiwan's rigid requirement of having a Taiwanese guarantor. Streamlined processes such as having a legal person or entity as guarantor could help facilitate business exchanges and talent flows.

VI. ENVIRONMENTAL- AND CLIMATE-RELATED MATTERS.

Companies operating throughout the Asia-Pacific region aim to achieve renewable energy goals. Participants should work to open up markets for U.S. and foreign investors in renewable energy, and reduce regulatory barriers for investment in renewable energy.

However, in many markets, regulations favor legacy energy sources and serve as barriers to building new renewable energy projects, leaving companies with no choice but to use more carbon intensive power sources. The discussions with Taiwan present an opportunity for governments to remove regulatory barriers to foreign investment and construction of renewable energy plants. Resource recovery of used technology products can also help in reaching climate-related goals. The use of raw materials recovered from these used products can help reduce the need for mining virgin materials, reduce waste, and can also enhance supply chain resiliency by capitalizing on the supply of critical materials already embedded in consumer devices. A current barrier to wider adoption of resource recovery practices is international rules that limit the cross-border movement of used consumer devices and the resources recovered from them. Countries should explore options to reduce these barriers, and explore possibilities around establishing "resource recovery lanes" among trusted partners.

VII. CONCLUSION

CCIA supports the Administration's efforts to pursue a comprehensive strategy for engagement with Taiwan. Industry appreciates the opportunity to share its views on how increased trade engagement can lead to continued economic growth and U.S. competitiveness in the region through enhanced cooperation with key partners.

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