

118TH CONGRESS
1ST SESSION

H. RES. 270

Expressing the sense of the House of Representatives that the United States should negotiate strong, inclusive, and forward-looking rules on digital trade and the digital economy with like-minded countries as part of its broader trade and economic strategy in order to ensure American values of democracy, rule of law, freedom of speech, human and worker rights, privacy, and a free and open internet are at the very core of digital governance.

IN THE HOUSE OF REPRESENTATIVES

MARCH 30, 2023

Mr. LAHOOD (for himself, Ms. DELBENE, Mr. SMITH of Nebraska, and Mr. BERA) submitted the following resolution; which was referred to the Committee on Ways and Means, and in addition to the Committee on Foreign Affairs, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

RESOLUTION

Expressing the sense of the House of Representatives that the United States should negotiate strong, inclusive, and forward-looking rules on digital trade and the digital economy with like-minded countries as part of its broader trade and economic strategy in order to ensure American values of democracy, rule of law, freedom of speech, human and worker rights, privacy, and a free and open internet are at the very core of digital governance.

Whereas over half of the world’s population, totaling more than 5,000,000,000 people, use the internet;

Whereas the “digital economy” encompasses the economic and social activity from billions of online connections among people, businesses, devices, and data as a result of the internet, mobile technology, and the internet of things;

Whereas the United States Bureau of Economic Analysis found that the digital economy contributed 10.2 percent of United States gross domestic product and supported 7,800,000 American jobs in 2020;

Whereas the tech-commerce ecosystem added 1,400,000 jobs between 2017 and 2021, and served as the main job-creating sector in 40 States;

Whereas American jobs supported by the digital economy have sustained annual wage growth at a rate of 5.9 percent since 2010, as compared to a 4.2-percent increase for all jobs;

Whereas, in 2020, United States exports of digital services surpassed \$520,000,000,000, accounting for more than half of all United States services exports and generating a United States digital services trade surplus of \$214,000,000,000;

Whereas digital trade bolsters the digital economy by enabling the sale of goods on the internet and the supply of online services across borders, and depends on the free flow of data across borders to promote commerce, manufacturing, and innovation;

Whereas digital trade has become increasingly vital to American workers and businesses of all sizes, including the countless small- and medium-sized enterprises that use

digital technology, data flows, and e-commerce to export goods and services across the world;

Whereas digital trade has advanced entrepreneurship opportunities for women, people of color, and individuals from otherwise underrepresented backgrounds, and enabled the formation of innovative startups;

Whereas international supply chains are becoming increasingly digitized and data driven, and businesses in a variety of industries, such as construction, health care, transportation, and aerospace, invested heavily in digital supply chain technologies in 2020;

Whereas United States Trade Representative Katherine Tai said that “there is no bright line separating digital trade from the digital economy—or the traditional economy for that matter. Nearly every aspect of our economy has been digitized to some degree.”;

Whereas industries outside of the traditional technology sector, such as manufacturing and agriculture, are integrating digital technology into their businesses in order to increase efficiency, improve safety, reach new customers, and remain globally competitive;

Whereas the increasing reliance on digital technologies has modernized legacy processes, accelerated workflows, increased access to information and services, and strengthened security in a variety of industries, leading to better health, environmental, and safety outcomes;

Whereas the coronavirus pandemic has led to increased uptake and reliance on digital technologies, data flows, and e-commerce;

Whereas 90 percent of United States adults say that the internet has been essential or important for them personally during the coronavirus outbreak;

Whereas American families, workers, and business owners have seen how vital access to the internet has been to daily life, as work, education, medicine, and communication with family and friends have shifted increasingly online;

Whereas many individuals and families, especially in rural and Tribal communities, struggle to participate in the digital economy due to lack of access to a reliable and affordable internet connection;

Whereas new developments in technology must be deployed with consideration to the unique access challenges of rural, urban, underserved, and vulnerable communities;

Whereas digital trade has the power to help level the playing field and uplift those in traditionally unrepresented or underrepresented communities;

Whereas countries have negotiated international rules governing digital trade in various bilateral and plurilateral agreements, but those rules remain fragmented, and no multilateral agreement on digital trade exists within the World Trade Organization;

Whereas a patchwork of plurilateral digital trade agreements in the Indo-Pacific region have emerged, creating a set of rules on digital governance to which the United States is not a party;

Whereas Congress recognizes the need for agreements on digital trade, as indicated by its support for a robust digital trade chapter in the United States-Mexico-Canada Agreement;

Whereas other countries are operating under their own digital rules, some of which are contrary to democratic values shared by the United States and many of its allies and partners;

Whereas these countries are attempting to advance their own digital rules on a global scale;

Whereas certain practices, such as overly restrictive data localization requirements and limitations on cross border data flows that do not achieve legitimate public policy objectives, intellectual property rights infringement, policies which make market access contingent on forced technology transfers or voluntary transfers subject to coercive terms, web filtering, economic espionage, cybercrime exposure, and state-directed theft of trade secrets, are just some examples of the plethora of nontariff barriers to digital trade that have emerged around the globe;

Whereas certain countries are pursuing or have implemented digital policies that unfairly discriminate against innovative United States technology companies and American workers that create and deliver digital products and services;

Whereas the People's Republic of China (PRC) is currently advancing a model for digital governance and the digital economy domestically and abroad through its Digital Silk Road Initiative that permits censorship, surveillance, human and worker rights abuses, forced technology transfers, and data flow restrictions at the expense of human and worker rights, privacy, the free flow of data, and an open internet;

Whereas the Department of State's 2020 Country Reports on Human Rights Practices highlighted significant human

rights issues committed by the PRC in the digital realm, including “arbitrary interference with privacy; pervasive and intrusive technical surveillance and monitoring; serious restrictions on free expression, the press, and the internet, including physical attacks on and criminal prosecution of journalists, lawyers, writers, bloggers, dissidents, petitioners, and others as well as their family members, and censorship and site blocking”;

Whereas the United States discourages digital authoritarianism, including practices that undermine human and worker rights and result in other social and economic coercion;

Whereas United States allies and trading partners in the Indo-Pacific region have urged the United States to deepen economic engagement in the region by negotiating rules on digital trade and technology standards;

Whereas the digital economy has provided new opportunities for economic development, entrepreneurship, and growth in developing countries around the world;

Whereas negotiating strong digital trade principles and commitments with allies and partners across the globe enables the United States to unite like-minded economies around common standards and ensure that principles of democracy, rule of law, freedom of speech, human and worker rights, privacy, and a free and open internet are at the very core of digital governance;

Whereas United States leadership and substantive engagement is necessary to ensure that global digital rules reflect American values so that workers are treated fairly, small businesses can compete and win in the global econ-

omy, and consumers are guaranteed the right to privacy and security;

Whereas the United States supports rules that reduce digital trade barriers, promote free expression and the free flow of information, enhance privacy protections, protect sensitive information, defend human and worker rights, prohibit forced technology transfer, and promote digitally enabled commerce; and

Whereas the United States supports efforts to cooperate with allies and trading partners to mitigate the risks of cyberattacks, address potentially illegal or deceptive business activities online, promote financial inclusion and digital workforce skills, and develop rules to govern the use of artificial intelligence and other emerging and future technologies: Now, therefore, be it

1 *Resolved*, That it is the sense of the House of Rep-
2 resentatives that—

3 (1) the United States should negotiate strong,
4 inclusive, forward-looking, and enforceable rules on
5 digital trade and the digital economy with like-mind-
6 ed countries as part of its broader trade and eco-
7 nomic strategy to address digital barriers and ensure
8 American values of democracy, rule of law, freedom
9 of speech, human and worker rights, privacy, and a
10 free and open internet are at the very core of the
11 digital world and advanced technology;

12 (2) in doing so, the United States must—

1 (A) pursue digital trade rules that serve
2 the best interests of workers, consumers, and
3 small- and medium-sized enterprises;

4 (B) empower American workers;

5 (C) fuel wage growth;

6 (D) take actions that lead to materially
7 positive economic outcomes for all Americans;

8 (E) ensure that any future agreement pre-
9 vents against nondemocratic, coercive, or overly
10 restrictive policies that would harm the ability
11 for a free and open internet and e-commerce
12 marketplace to continue to grow and thrive;

13 (F) coordinate sufficient trade-related as-
14 sistance to ensure that developing countries can
15 improve their capacity and benefit from in-
16 creased digital trade; and

17 (G) consult closely with all relevant stake-
18 holders, including workers, consumers, small-
19 and medium-sized enterprises, civil society
20 groups, and human rights advocates; and

21 (3) with respect to any negotiations of an
22 agreement facilitating digital trade, the United
23 States Trade Representative and other relevant Fed-
24 eral departments and agencies must consult closely
25 and on a timely basis with the Committee on Ways

1 and Means of the House of Representatives and the
2 Committee on Finance of the Senate about the sub-
3 stance of such negotiations and the requisite legal
4 authority to bind the United States to any agree-
5 ment, keep both committees fully apprised of those
6 negotiations, and provide to those committees, in-
7 cluding staff with appropriate security clearances,
8 adequate access to the text of the negotiating pro-
9 posal of the United States before tabling the pro-
10 posal in the negotiation.

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