

The U.S.-Mexico-Canada Agreement (USMCA)

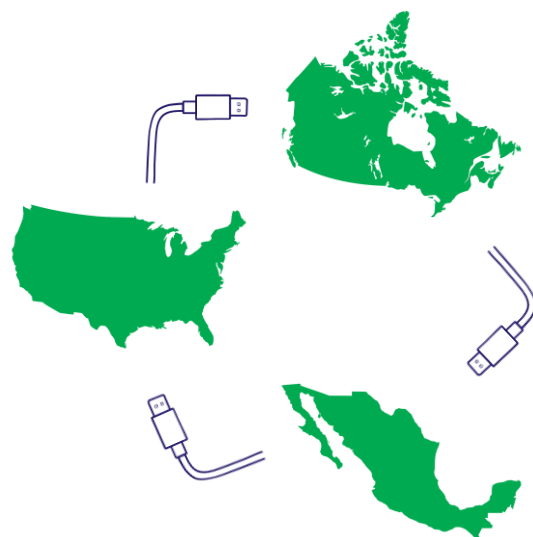


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The U.S.-Mexico-Canada Agreement (USMCA) contains first-of-its-kind, cutting-edge digital trade provisions that recognize the reality of the 21st century economy and, according to the International Trade Commission, boost the U.S. economy and its competitiveness around the globe.

Prohibiting Digital Tariffs; Article 19.3

For decades, countries have embraced prohibitions on tariffs on digital products, which contributed to a positive transformation in the way goods and services are consumed and delivered. The status quo is increasingly at risk as countries have begun exploring ways to use tariffs to discriminate against U.S. digital products. The USMCA makes prohibitions against digital tariffs permanent, maintaining a duty-free internet and sending a clear message to U.S. trading partners.



Enabling Free Cross-Border Data Flows; Article 19.11

The free flow of data across borders is essential to the everyday activities of consumers and businesses. The USMCA ensures the ability of U.S. companies both large and small to transfer data across borders, protecting them from discriminatory barriers and setting a high standard for future trade agreements.

Prohibiting Data Localization; Article 19.12

Governments throughout the world are instituting measures that impose overly restrictive, and at times explicitly protectionist, requirements for in-country storage of data. The USMCA prohibits these requirements, allowing U.S. companies to take advantage of the cost savings and improved network security gained through centralized global data centers and to compete more effectively overseas.

Preventing Trade Secret Disclosure; Article 19.16

The USMCA protects companies from being required to share source code, encryption keys, or algorithms as a condition for market access, protecting the valuable trade secrets that make tech-driven U.S. companies the most competitive in the world.

Copyright Safe Harbors; Article 20.89

The USMCA establishes a detailed copyright safe harbor system modeled on the Digital Millennium Copyright Act. By creating clear rules for the removal of infringing content, the agreement provides strong intellectual property protections within a workable framework to allow for cloud computing, technological development, and online innovation.



Ensuring Appropriate Regulation of Crucial Value-Added Services; Article 18.14

This first-of-its-kind provision in the USMCA protects Over-The-Top (OTT) services, such as web-enabled text messaging or streaming video services, against application of existing telecommunications regulations that are ill-fitting or technically infeasible, a type of trade barrier that U.S. companies have encountered in many overseas markets.



Protecting Privacy and Personal Information; Article 19.8

The USMCA includes state-of-the-art provisions committing the United States, Mexico, and Canada to protect citizen privacy by implementing internationally recognized principles in a non-discriminatory manner.

Promoting Risk-based Approaches to Cybersecurity; Article 19.15

The USMCA raises the bar on North American cybersecurity by enabling national cybersecurity capabilities and intergovernmental cooperation – protecting critical infrastructure and other key systems – and by encouraging governments to use non-prescriptive, risk-based cybersecurity approaches for their domestic regulations.

Providing Appropriate Protection to Innovative Online Services; Article 19.17

The USMCA protects providers of online and cloud services so that they can host or process content of others at scale and thereby facilitate trade and improve U.S. competitiveness across many industries that rely on the internet.



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