



December 6, 2022

Submission to:
Department of Foreign Affairs and Trade
Government of Australia

Re: The Indo-Pacific Economic Framework (IPEF)

The Coalition of Services Industries appreciates the opportunity to comment on the services and digital aspects of the Indo-Pacific Economic Framework (IPEF). This initiative is a top priority for CSI members, which represent the broad spectrum of U.S. companies that provide services both domestically and internationally, including information and communications technology services, financial services, media and entertainment, distribution, retail and professional services.

Deepening commercial ties with Australia and other IPEF participants, particularly those countries that have agreed to be part of the trade Pillar I, is critically important to U.S. services, which are increasingly digitally delivered and a key enabler of Indo-Pacific trade in all sectors. Especially as demand for services and digital trade is rapidly growing.

CSI believes that all aspects of the IPEF are important in deepening economic engagement in the Indo-Pacific, including digital trade, trade facilitation, supply chain resiliency, clean energy, infrastructure, and labor standards. Increased digital connectivity and access to digital tools benefit all sectors of the U.S., Australian and other Indo-Pacific economies. The IPEF can promote inclusive prosperity, especially among workers and historically disadvantaged communities.

CSI believes that trade should be a force for good, and that a Framework that expands access to services and digital trade must incorporate not only core digital disciplines included in USMCA, the US-Japan Digital Agreement, the advanced digital trade chapters that Australia has negotiated (especially with Singapore), but also address discriminatory trade barriers impeding the growth of services and digital trade in the region. Further, the rules negotiated in IPEF must be binding and enforceable.

The digital chapter should include new areas to further promote digital connectivity and a more inclusive, equitable, and sustainable trade policy in areas such as best practices in the use of Artificial Intelligence, new disciplines on digitally enabled services, cooperation on providing greater tools to small business, promotion of worker digital upskilling, trade facilitation and strengthening coordination of a risk-based approach on cybersecurity. In addition, IPEF as well as any other trade initiatives should uphold the long-established principle of the right to regulate which enshrined in bilateral and multilateral trade agreements.

The benefits of deepening trade ties in the Indo-Pacific region are far reaching. It will create jobs for both blue- and white-collar workers across the region. For example, expanding services and digital trade for the U.S. has been critical in supporting the nearly 52 million workers in the services industry—with

high school degrees only as well as college degrees—that earn middle class wages.¹ The U.S. software industry alone supports over 14 million jobs – positions that pay more than twice the average annual wage for all occupations and are often accessible without a college degree. An increase in services and digital trade will expand these middle-class job opportunities across IPEF countries.

U.S., Australian services and digital industries need both robust domestic and international market opportunities through both cross-border trade and local establishment to thrive and support existing jobs as well as creating new, well-paying jobs for both college and non-college educated workers. Trade in many services sectors requires local establishment to gain market opportunities due to the fact that industries such as financial services, telecommunications, professional services and other sector are heavily regulated both at home and abroad. In addition, the provision of services may require proximity to local customers. In taking advantage of these market opportunities, services companies are supporting jobs at home — jobs that might well not exist in the absence of these foreign market opportunities.

In addition, services and digital exports are especially important in supporting small business that are often women or minority owned and in the absence of digital platforms have limited ability to reach foreign markets and expand their business opportunities generating employment. Moreover, these export jobs pay higher wages. Studies have established that both services firms that as well as firms that export both goods and services hire more workers at higher wages to support growing trade with overseas markets. Workers in export-intensive firms enjoy a wage premium of 15.5%, apart from blue-collar jobs, which pay an even higher premium of 18%.²

Services and digital firms also are at the heart of expansion of other sectors of the economy such as manufacturing, in which, according to the U.S. Department of Labor, 49 percent of the occupations classified as U.S. manufacturing are actually services jobs, in areas not only involved in high end data analytics, and after sales and services, but warehousing, transportation and many other areas that offer middle class wages to workers without college degrees.

While we believe that the IPEF should set a high bar in terms of the principles and disciplines in all core pillars, in particular on the digital economy, SMEs, trade facilitation and sustainability, that support our shared democratic values, these disciplines will produce little in the way of creation of new job opportunities and shoring up competitiveness in the Asia Pacific region unless they are accompanied by an effort to address services and digital barriers. The recently released USTR National Trade Estimate continues to catalogue the rise in digital protectionism not only in China but among trading partners in the Asia Pacific region and they cannot be ignored if the IPEF is to have truly meaningful political as well as economic impact. With these considerations in mind, we offer the following suggestions to the Government of Australia for the development of an Indo-Pacific Economic Framework. We have also appended an Annex with a list of specific recommendations for IPEF principles and disciplines.

¹ Bureau of Labor Statistics, Employment Projections program, Table 1.1, “Employment by major occupational group, 2019 and projected 2029,” and Pew Research Center, “Are you in the American Middle Class? Find out with our income Calculator,” [Factank](#), July 23, 2020. Pew defines the middle class in 2018 as three-person households earning between \$48,500 and \$145,500.

² [CSI White Paper 1: Services and Digital Trade Are Critical to U.S. Competitiveness and Middle-Class Job Creation](#)

Small Businesses

Services and digital trade throughout the Indo-Pacific region supports small businesses and their workers. The IPEF should be a vehicle to ensure that SMEs, especially minority- and women-owned businesses, have access to the networks and digital tools as well as the training to use such tools to enable them to become digital merchants. By streamlining access to digital tools and reducing trade barriers, high-standard digital rules will aid small and micro-sized businesses that typically have more trouble navigating overseas markets. For example, in a US national survey of over 3,800 small companies, small business owners listed their top export barriers as foreign regulations (such as taxes, data localization requirements, privacy rules, and liability risks), tariffs and customs procedures, payment collection, company resources, and risk and infrastructure. Examples of principles and commitments include:

- Commitments to provide small business capacity building on a region wide basis, including development and provision of digital tool kits, workshops, exchange of information
- Greater cooperation and cataloging of existing private sector small business initiatives in the IPEF region including existing Centers of Excellence

Worker and Labor Standards

Insufficient worker protection abroad may result in an unfair advantage for foreign-made goods and foreign service suppliers and digital service suppliers (including SMEs). For those Indo-Pacific countries participating in the trade pillar of the IPEF, we support strong, enforceable labor standards to protect workers who produce goods and provide services. The digital component of the trade pillar of the IPEF should establish new rules applicable to employees involved in digital trade – rules with account for the unique nature of their work – can serve as a foundation for the future development of international labor rules in the digital space.

The IPEF should advance internationally recognized worker rights as a continuing objective. This has been a longtime objective of CSI member firms, which are leaders in national, regional, and multilateral efforts to promote worker rights including actions governments can take to address root causes of forced labor and ways governments can fill policy gaps relating to forced labor.³

Incentives to Secure Participation in IPEF Trade and Other Pillars

CSI believes that it is critical that the U.S., Australia and other like-minded partners in the IPEF region be able to create incentives to encourage other IPEF participants, particularly Indonesia, Malaysia, Vietnam and Thailand to agree to disciplines and address services and trade barriers in the digital trade pillar as well as commitments on sustainability, domestic regulation, supply chain and other important areas.

Creating Economic Environments to Attract Foreign Investment

We understand that attracting foreign investment is a key goal for Indonesia and other developing IPEF partners, especially to fund their efforts on areas such as digital infrastructure and other areas that will promote sustainability and helping their digital industries grow. It must be made clear, however, that to attract additional foreign investment from developed IPEF countries, the developing IPEF partners must

³ Bali Forum

create economic and regulatory environments that are conducive to foreign investment in these areas. It must be made clear either through specific provisions in the IPEF initiative, exchange of letters, or other means that the ability to attract new foreign investment depends on adhering to digital and other disciplines in the trade pillar and in other pillars such as sustainability.

Retraining and Digital Skills Development

Digital skills and lifelong learning are crucial for long-term and sustainable growth, productivity and innovation in the global economy which is rapidly digitizing, increasingly driven by digital trade.⁴ The IPEF should include language that commits parties to promote lifelong learning and access to digital skills training for workers in all sectors of the digital economy. More specifically, it can foster collaboration on digital skills development by committing participating governments to develop initiative, including public private partnerships to disseminate, teach, and empower the development of digital skills. Specific recommendations include:

- A commitment that IPEF countries agree to promote worker retraining, especially in digital skills, and to coordinate and share information regarding their efforts;
- Establishment of centers within economic development agencies and public universities that will partner with the private sector on programs to upskill students and workers, including those in under-represented communities in tech like women and girls, and to train artisans and small businesses on how to be ecommerce sellers; and
- Greater coordination between the U.S., Australian and other IPEF partners to ensure there is cross-coordination of worker retraining program related initiatives.

Financing and Small Business Capacity Building

A critically important incentive for developing country IPEF members could be assistance in securing financing for infrastructure and other development in the region. In this regard we recommend that IPEF encourage governments to work with development banks, such as the World Bank, the Interamerican Development Bank, or the Asian Development Bank, to establish global financing programs in conjunction with the private sector that will allow countries to obtain funds to help small businesses and entrepreneurs develop technical skills, navigate business registration, use digital technologies to transform their business, and connect with local expansion partners.

Environment and Climate

Strong services and digital rules, including the promotion of cross-border data flows, facilitate cross-border access to the digitally enabled services that support decarbonization of operations, green energy transitions, and water conservation. Provisions that promote services trade and the flow of cross-border data are necessary to drive sustainability-related research, innovation, knowledge-sharing, and decision-making, using digitally-enabled services to absorb, analyze, and forecast based on sustainability data, decarbonization of operations, green energy transitions, and water conservation.

⁴ The digital economy constitutes an ever-growing share of total U.S. employment. The vast majority of U.S. jobs created in the last century require medium or advanced levels of digital skills. See, e.g., Council on Foreign Relations, *The Work Ahead: Machines, Skills and U.S. Leadership in the Twenty-First Century* April 2018, available [here](#); Congressional Research Service, *Digital Trade and U.S. Trade Policy*, May 2019, available [here](#), p. 9.

The IPEF should include commitments to promote a regulatory framework that will facilitate companies to reach their renewable energy goals. Examples of commitments in:

- Open access to energy markets for renewable electricity suppliers, consumers, and corporate buyers and link those markets across borders;
- Removal of regulatory barriers to privately built and operated renewable energy projects and foreign investments in renewable energy;
- Increasing consumer options for sourcing renewable energy beyond the existing grid mix; and
- Promotion of common accounting tools to track renewable energy such as renewable energy certificates (REC) or other similar instruments.

Trade Facilitation

CSI support customs and trade facilitation measures that support firms, including SMEs, by lowering export costs and red tape at the border through the adoption of digital tools. Firms that export, especially SMEs, are more productive, more competitive, and pay higher wages. Increased access to inputs and technology from foreign markets also allow small businesses to increase productivity, and also manufacture and export more sophisticated high-value products.

The IPEF should contain strong commitments on paperless trade, digital authentication, and interoperable e-invoicing systems that ensure swift, transparent border processing, reduce export costs, and promote the efficiency and reliability of cross-border transactions. Furthermore, E-payment systems are the gateway to e-commerce and the IPEF should include provisions that enhance secure and interoperable e-payment systems to guarantee safe and secure online cross-border purchases.

The IPEF should also include the following services trade facilitation commitment:

- Avoiding unnecessary trade import licenses for imports of digital hardware and software.
- Information sharing between government and private sector on seizures.
- Strengthening informal entry language.
- Greenlane for de minimis shipments that arrive with greater advance data.
- Unified entry process through Single Window from all government PGAs.
- Expanding AEO to include trusted trader programs for individual sellers that do business via trusted e-commerce marketplaces.
- Allowing entities to secure advanced rulings for supply chains free of forced labor.
- An increase in the dollar level of the de minimis provision.

Digital Economy Rules

Longstanding trade principles of non-discrimination, transparency, openness and interoperability should take center place in the development of digital economy and digital trade rules in the IPEF.

The IPEF should contain a consultation mechanism and other means to raise member concerns and to hold members accountable. We believe the agreement should include a political commitment to a standstill with regards to discriminatory digital trade barriers on a national treatment basis. Moreover, to be an effective agreement, core digital commitments, including ones that enable data flows, must be legally binding. It should also include broader soft commitments for key areas of cooperation and information sharing.

All digital provisions should apply to all services and financial services sectors with no exclusions, including for audiovisual services or digital content. It is also important that the trade module, including the digital provisions, be negotiated on a regional rather than bilateral basis. This is the most effective way to facilitate adoption of high-standard digital disciplines and to avoid a patchwork of differing disciplines and commitments.

Enabling Data Flows

The future of the digital economy rests on the ability to access and freely share data. The IPEF should include commitments to remove discriminatory and protectionist barriers to data flows, which is crucial for building global value chains and to allow companies, large and small, to access the global market and increase efficiency. The enclosed Annex lists several provisions to enable this mechanism underpinning the digital economy.

Building on Existing Agreements and Frameworks

The digital portion of the trade module should establish high standard digital disciplines based not only on the USMCA Digital Trade and Financial Services Chapters and the U.S.-Japan Digital Trade Agreement, but also on the innovative provisions developed in the Digital Economy Partnership Agreement, the Singapore-Australia Digital Economy Agreement, the UK-Singapore Agreement and other recent agreements. It should also align with and enhance efforts to realize Data Free Flows with Trust (DFFT) and expand the APEC Cross-Border Privacy Framework system.

Digital Inclusiveness

The IPEF should contain provisions that promote the inclusiveness of the digital economy. Provisions in recent digital agreements, such as the Digital Economy Partnership Agreement (DEPA), emphasize that the benefits from digital trade should be equitably shared throughout the population of each of the parties, regardless of race, gender, or socioeconomic status. Similarly, digital economy rules in the IPEF should aim to ensure that no worker or consumer is left behind as technology advances and digital trade increases.

For IPEF trading partners to reap the full benefits of digital trade, they should ensure that all people and businesses are able to participate in and contribute to the digital economy. The IPEF should be a vehicle to encourage cooperate on matters relating to digital inclusion, such as, increased participation of women, rural populations, indigenous peoples and all socio-economic groups. It should contain provisions that ensure minority- and women-owned businesses have access to the networks and digital tools as well as the training to use such tools to enable them to become digital merchants. Specific recommendations include:

- The objectives set forth in the DEPA preamble and key provisions in the agreement are a strong model for consideration.

Promoting Equality of Opportunity

Despite the rapid increase of digital adoption in the Indo-Pacific, the digital divide persists, with women and minorities around the world having less access to mobile phones and the Internet, lower levels of

digital fluency and less access to technology relative to the general population.⁵ By committing to increasing access to technologies and connectivity for women and minorities, and incentivizing targeted digital training programs in the Indo-Pacific, and robust digital rules can help ensure that the benefits of the growing digital economy are shared throughout the Indo-Pacific population. Specific recommendations include:

- Building on the general provisions on trade and gender in the USMCA and possibly adding a new language committing IPEF participants to promote equality of opportunity in digital trade.

Data Innovation

As digitalization and the use of data in the digital economy promote economic growth and increase wages, the IPEF should facilitate the development of new products and services by promoting data-driven innovation across borders. Recent digital trade agreements, such as Digital Economy Partnership Agreement (DEPA), Article 91.4 recognize the importance of data innovation and the need to create an environment and regulations that support such innovation. To that end, the IPEF should establish a regulatory sandbox to facilitate data sharing and the development of digital innovations. The East Asia and Pacific region is already home to the highest number of fintech-related sandboxes, and there are several models upon which to build and expand. Specific recommendations include:

- Building on DEPA Article 91.4 as well as the Data Innovation provision included in the UK-Singapore Agreement, provisions could be added to include technology-specific, policy-oriented, or thematic sandboxing to accelerate the adoption of digitally enabled services to achieve IPEF objectives.
- These provisions could also include worker re-skilling, digital and economic inclusion, and environmental and climate goals like the decarbonization of operations, green energy transitions, and water conservation.
- Establishing a digital regulatory sandbox can accelerate the adoption of policies that promote trusted data flows and emerging digital services and technologies.

Stemming Technical Barriers to Trade in Digital Services

Digitally connected services⁶ benefit from the development of international technical standards⁷ as their successful design and delivery is rooted in technical standards that are developed in a wide range of international standardization bodies and consortia around the world. In line with WTO principles, international standards should be developed through open, impartial, voluntary, and transparent procedures that afford an opportunity for consensus among all interested parties.

⁵ G20, *Bridging the Gender Digital Gap*, December 2020, available [here](#).

⁶ Digitally connected services include services that are software-based, whose operational characteristics are accessed through a network connection, which allows for continued improvements and/or modifications (including updates and patches). [Note: This is a working definition and, as such, is an imperfect description of the complicated space that includes all digitally connected services.]. Examples of digitally connected services include data transfers and the provision and use of cloud services. Such services typically affect related privacy, cybersecurity, machine learning (ML) (e.g., AI) and/or other emerging digital services embedded in industrial, vehicular, consumer, and other IoT devices.

⁷ *i.e.*, All those developed in accordance with Annex 2 to Part 1 (Decision of the Committee on Principles for the Development of International Standards, Guides and Recommendations with relation to Articles 2, 5 and Annex 3 of the Agreement) in the Decisions and Recommendations adopted by the WTO Committee on Technical Barriers to Trade Since 1 January 1995 (G/TBT/1/Rev.13), as may be revised, issued by the WTO Committee on Technical Barriers to Trade.

In digital services, governments are increasingly applying standards-based or technical regulatory governance approaches to advance policies relating to cybersecurity, AI, or industrial policy. These approaches often transpose tools traditionally used to regulate goods – such as standards-setting practices, mandatory certification, conformity assessment, labeling, or other technical requirements – to digitally connected services. However, when governments mandate compliance with country- or region-unique technical requirements or standards, they create the risk of discrimination, non-tariff barriers to trade, and unnecessary regulatory divergence and incompatibility. Such trade restrictions undermine market access commitments and disproportionately hurt workers and SMEs that produce digital services or connected goods for export. OECD analysis has shown that in relatively more restrictive services markets, new exporters confront costs as much as 53 percent greater than those faced by incumbent exporters. As SMEs predominantly operate in the services space and frequently have limited or no export experience, countering emerging restrictions to services trade would promote the success of new and emerging firms by enabling new export opportunities.⁸

Unfortunately, we are indeed noting an increasing trend in emerging digital services policy towards reliance on country- or region-unique technical requirements or standards, the development of which lacks the transparency and due process associated with open, voluntary, international standards development processes. Such technical requirements are more likely to result in regulatory divergence and incompatibility – with attendant security, trade, and economic implications – whether in the same country or across international borders. Examples of problematic measures and processes include:

- Government-directed multi-stakeholder groups that are tasked with establishing technical requirements or standards for particular technologies in the absence of due process safeguards that are typically part of the international standards development;
- Measures requiring the adoption of unique certification requirements or encryption standards that do not align with the Common Criteria or other international standards;⁹ and
- Frameworks to regulate or establish procurement criteria for emerging technologies, such as AI, Blockchain, or cloud computing, that would mandate preferences for or reliance on one country or region's domestic technical requirements, standards, local testing bodies, or technology, services and/or suppliers.

Useful Provisions to Create Disciplines for Digitally Enabled Services

The IPEF should include binding commitments on good governance procedures to promote transparency and accountability in the development and implementation of regulations on digitally enabled services and technologies, including electronic payment services. This is especially critical as it relates to data governance, the adoption of digitally enabled services standards and conformity assessment regimes, and emerging technologies

WTO Domestic Regulations Text

The WTO Domestic Regulations text contains useful language providing for the importance of transparency on the development of services standards. Many IPEF members have agreed to that text

⁸ OECD (2017), Services Trade Policies and the Global Economy, OECD Publishing, Paris. <http://dx.doi.org/10.1787/9789264275232-en>

⁹ Common Criteria is the technical basis for the Common Criteria Recognition Arrangement (CCRA), an internationally employed technical certification and mutual recognition agreement for secure IT products.

in the WTO and it could be a useful basis for discussion and to build on in creating disciplines on digital services.

Good Regulatory Practices

Although similar in nature, the Good Regulatory Practices provisions of USMCA contain even more robust transparency and due process provisions than the WTO Domestic Regulations text. Governments should also provide adequate notice and consultation periods to encourage robust stakeholder engagement. The GRP provisions should also be looked to in developing digitally enabled services disciplines. At a minimum it should be confirmed that the GRP provisions apply to digitally enabled services standards and conformity assessment procedures.

Technical Barriers to Trade (TBT) Provisions

Although drafted to apply to goods, the transparency, deference to use of international standards, procedural requirements and other elements of the TBT agreement may also be useful provisions to draw on in developing disciplines on digitally enabled services. It is also worth noting that some digitally enabled services standards may already be subject to TBT requirements to the extent they are related to product production processes and methods. For example, the use of digital technologies, software and services in the production process such as software and services used for big data analytics in production of autos, planes. It would be useful to affirm that digitally enabled services related to production processes and methods are within the scope of the TBT.

Regardless, of whether there is agreement to affirm this interpretation, the TBT agreement includes elements which would be useful to draw on in creating disciplines on digitally-enabled services standards.

Drawing these prior agreements we believe that such disciplines should include the following provisions:

- Confirm that any provisions on Domestic Regulations and Good Regulatory Practices Provisions apply to digitally enabled services standards and conformity assessment procedures.
- Affirm that digitally enabled services that relate to product production processes and methods is within the scope of TBT.
- Parties use open, non-discriminatory, transparent and consensus-based processes when developing technical regulations, conformity assessment schemes and standards for digitally-enabled services.
- Parties give consideration to relevant international standards as the basis for technical regulations, conformity assessment schemes and standards for digitally-enabled services and provide a justification in instances when they choose to deviate from an existing international standards.
- Parties provide adequate notice and consultation periods prior to adopting new technical regulations, conformity assessment schemes or standards for digitally-enabled services.
- Parties do not require that conformity assessment bodies be located within their territory as a pre-condition of their ability to assess compliance with technical regulations.
- Technical regulations, conformity assessment schemes and standards for digitally-enabled services should not create unnecessarily burdensome requirements and regulators should be encouraged to avoid unnecessary restrictions on competition.

- Parties encourage standards development organizations in their territory and regional organizations in which they are involved to use open, non-discriminatory, transparent and consensus-based processes.

Advancing such disciplines would not only encourage inclusive digital trade in the Indo-Pacific region but would set a positive global precedent in promoting the continued reliance on truly international standards in the face of increasingly fragmented approaches to the regulation of new technology.

In addition, we believe it is very important to address technical standards barriers to electronic payment services. In that regard we believe that the US-UK FTA negotiations on financial services which specifically address this issue could provide the basis for inclusion of similar provisions in the IPEF.

AI and Cyber Frameworks

CSI endorses the development of ethical and governance frameworks for the use of AI technologies within the IPEF. The United States and Singapore recently signed an MOU to jointly develop interoperable AI governance frameworks and drive the adoption of ethical AI. Specific recommendations include:

- The U.S. and Singapore Government’s work on emerging technologies with other nations on ethical principles for AI has been very productive. However, we believe it is very important that this effort be coordinated among governments participating in the IPEF as a key element to be included in the digital provisions in the IPEF.
- We believe that the U.S. NIST AI principles and the OECD AI principles are a useful benchmarks as well as the work on ethical principles for AI being worked on by developed by the U.S. and Singapore.
- We also believe that it is important to include provisions building on the cybersecurity language included in USMCA that encourage greater cooperation, coordination and encouragement of adoption of risk-based approaches to cybersecurity.
- We also believe the U.S. led public/private sector “Blue Dot” initiative regarding cybersecurity can provide a useful basis for further development of provisions on cybersecurity.

Harmful Third-Country Practices

The development of an Indo-Pacific Economic Framework with binding digital economy rules is critical to combat the rising tide of protectionism in the region. These policies include foreign investment restrictions, data transfer restrictions, localization requirements, cloud services barriers, nationality of ownership restrictions, quotas, and discriminatory standards, among others. A high-standard digital trade agreement in the Indo-Pacific with binding rules is needed to counter the promulgation of such discriminatory measures, which disadvantage U.S. and Australian companies and workers not just in the services sectors, but across the economic spectrum.

More broadly, the IPEF is a crucial opportunity to advance our shared vision of a free and prosperous Indo-Pacific. Other governments, including China, are actively working to shape the rules of the road for digital trade, often at odds with democratic values and the principles of openness and transparency. IPEF partners must act swiftly to assert leadership and promote shared economic growth that benefits workers and companies across the region. A high-standard, binding agreement with IPEF partners in the region is a crucial element to achieving this.

Closing

The Brisbane IPEF Round provides an important opportunity to begin to lay the foundation for a robust set of digital disciplines that promote the growth of services, which are increasingly digitally delivered and a key enabler of Indo-Pacific trade in all sectors. High standard digital rules will reinforce the other IPEF priorities, including supply chain resiliency, infrastructure, decarbonization and clean energy, and critical and emerging technologies. We hope that the elements listed in the Annex encourage further discussion and movement toward a robust digital agenda in the IPEF.

We appreciate Australia's partnership and leadership in the IPEF and look forward to continuing to work with the Australian government on this very important trade initiative.

Best Regards,

A handwritten signature in cursive script that reads "Christine Bliss".

Christine Bliss
President
Coalition of Services Industries

ANNEX

Digital Principles and Disciplines for Promoting Inclusiveness and Growth

Promoting Growth of digital trade

PROHIBITING DIGITAL CUSTOMS DUTIES

ENSURING NON-DISCRIMINATORY TREATMENT OF DIGITAL CONTENT SECURING ROBUST MARKET ACCESS COMMITMENTS ON INVESTMENT & CROSS-BORDER SERVICES, INCLUDING THOSE DELIVERED DIGITALLY

ENABLING CROSS-BORDER DATA FLOWS

PREVENTING DATA LOCALIZATION BARRIERS AND DISCRIMINATORY CYBERSECURITY REQUIREMENTS

BANNING FORCED TECH TRANSFERS & PROTECTING CRITICAL SOURCE CODE AND ALGORITHMS

FOSTERING INNOVATIVE ENCRYPTION PRODUCTS

ENSURING TECHNOLOGY CHOICE

PROMOTING A FREE & OPEN INTERNET

SUPPORTING DATA INNOVATION, especially through creation of digital regulatory sandboxes and promotion of greater cooperation on development of policies regarding emerging digital services and technologies.

ADVANCING STRONG & BALANCED PROTECTION OF IP RIGHTS

PROMOTING NON-DISCRIMINATION, TRANSPARENCY & STAKEHOLDER PARTICIPATION IN THE DEVELOPMENT OF REGULATIONS and STANDARDS on digitally enabled services and technologies, including electronic payments services.

PROMOTING SUPPLY CHAIN RESILIENCY

Digital Trade Facilitation

ENCOURAGING EXPORTS OF GOODS SOLD ONLINE WITH HIGHER TAX-FREE & TARIFF-FREE THRESHOLDS

ADVANCING INNOVATIVE AUTHENTICATION METHODS

ENABLING PAPERLESS TRADE

REQUIRING CROSS-BORDER INTEROPERABILITY OF E-INVOICING SYSTEMS

ENHANCING SECURE & INTEROPERABLE E-PAYMENT SYSTEMS

Increasing De Minimis customs threshold.

Building Trust in the digital economy

DELIVERING ENFORCEABLE CONSUMER PROTECTION

PROMOTE THE PROTECTION OF PERSONAL DATA ensuring personal information is transferred across borders consistent with strong privacy principles

Promote interoperability of privacy protection rules and enforcement regimes

PROMOTING COOPERATION ON CYBERSECURITY*

CREATING A SAFE ONLINE ENVIRONMENT

DEVELOPING ETHICAL & GOVERNANCE FRAMEWORKS FOR THE USE OF AI TECHNOLOGIES*

PROMOTION OF COOPERATION ON USE OF DIGITAL TOOLS TO PROMOTE SUSTAINABILITY*

Ensuring Inclusiveness of the digital economy

RECOGNIZING DIGITAL INCLUSION AS DRIVER OF ECONOMIC AND SOCIAL DEVELOPMENT AND COMMITTING TO PROMOTE TRADE AND INVESTMENT OPPORTUNITIES FOR SMES, WOMEN AND MINORITIES AND CREATE NEW JOBS FOR WHITE AND BLUE COLLAR WORKERS

ENSURING LABOR RIGHTS ARE A KEY CONDITION FOR LIBERALIZATION OF TRADE (INCLUDING DIGITAL TRADE)*

MUTUAL RECOGNITION OF DIGITAL IDENTITIES

PROMOTING EQUALITY OF OPPORTUNITY IN DIGITAL ECONOMY including promoting greater financial inclusion through digital tools, enable greater access to public government data, especially for SMEs, and establish SME dialogue to share information on best practices on increasing access to digital tools

INCREASING ACCESS TO RETRAINING & DIGITAL SKILLS*

COOPERATION ON DIGITAL CAPACITY BUILDING*

PROMOTING SUPPLY CHAIN RESILIENCY

Asterisk indicates element may be most appropriately included as soft commitment or principle.