

Digital Trade Promotion Act

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What is digital trade?

Digital trade is everywhere. It encompasses the buying and selling of goods in online marketplaces, digital services that businesses use to enable smart manufacturing and modern agricultural practices, data flows that facilitate global supply chains, and other digital platforms and applications.

Why does digital trade matter for the United States?

American workers, consumers, farmers, and businesses of all sizes depend on digital trade. U.S. companies export over \$600 billion in digital services per year, generating a digital trade surplus worth more than \$260 billion. Small businesses leverage digital services to gain access to foreign markets, farmers use cross-border data flows to keep their machinery running smoothly, and factories leverage industrial data to train AI models and strengthen the competitiveness of the U.S. manufacturing industry.

Why do we need digital trade rules?

While the United States has been a leader in developing rules and standards for digital trade, other countries, including China, are advancing unfair digital policies that undermine U.S. companies, consumers, and workers. Working with allies and partners to advance strong digital trade rules will unite like-minded countries around common rules of the road and ensure that principles of democracy, rule of law, free speech, human and worker rights, and privacy are at the core of digital governance.

The Digital Trade Promotion Act

This bill would authorize the executive branch to negotiate, conclude, and enforce digital trade agreements with partner countries. The bill affords Congress the right to review and, if necessary, disapprove of any agreement. The bill also sets key negotiating priorities, including:

- Nondiscriminatory treatment of digital products and digital services
- Prohibition of discriminatory taxes on digital services
- The free flow of data across borders and the prohibition of data localization requirements
- The protection of consumers engaged in electronic commerce, including privacy protection
- Frameworks for trade in emerging digital technologies, including AI and quantum computing
- Exceptions to allow for the protection of legitimate public policy objectives and national security

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