



July 26, 2021

The Honorable Katherine C. Tai
United States Trade Representative
600 17th Street, NW
Washington, D.C. 20508

Dear Ambassador Tai:

On behalf of the Coalition of Services Industries (CSI), we urge the Administration to make every effort to promote reform and revitalization of the WTO and to support efforts to ensure a successful MC12 Ministerial that produces concrete outcomes. In that regard, we commend USTR for its recent decision to support the Joint Statement Initiative on Services Domestic Regulations (DR JSI).

CSI's members include companies that provide information and communication technology services, telecommunications, financial services, express delivery and logistics, media and entertainment, distribution, retail and professional services. U.S. services and digital industries are highly competitive and serve as a major source of economic activity, generating jobs across all sectors of the economy. More than 109 million U.S. workers were employed in services-producing sectors of the economy in 2019, accounting for 83% of total private sector employment. Approximately 19.1 million U.S. jobs are currently supported by the internet sector. To maintain this job creation engine and promote economic competitiveness, it is imperative that the U.S. government make it a top priority to promote services and digital trade.

We believe that it is essential for the United States to reassert its leadership role with respect to WTO reform and revitalization. This should include creating a path forward on dispute settlement reform and an active appellate body; creating disciplines to promote greater transparency and notification as well as to address industrial subsidies; supporting use of plurilateral options for achieving WTO agreements; and ensuring a positive way forward in a post-pandemic trade environment.

On services and digital trade, we note several areas of important activity. First, achieving a positive outcome in the Joint Statement Initiative (JSI) on E-Commerce is critically important. Such an outcome should include meaningful disciplines on cross-border data flows, prohibitions on data localization across all sectors, a permanent moratorium on e-commerce duties, prohibitions on mandatory transfer of source code or algorithms, non-discriminatory treatment of digital content, and trade facilitation. It is essential that these new disciplines be accompanied by meaningful e-commerce related services market access. Current GATS market access commitments in many instances do not reflect the existing level of market access, especially in areas such as ICT, e-payment services and other financial services, and logistics. E-commerce-related services market access commitments should not only capture the existing

level of openness, but also provide new market access in these sectors as well as other e-commerce related services sectors.

We also believe that achieving agreement on extension of the WTO e-commerce moratorium is a key part of promoting the domestic and global growth of services and digital trade, especially for MSMEs. The e-commerce moratorium is part of the global trade infrastructure supporting the growth of digital trade and e-commerce. The failure to achieve agreement on extension would not only have adverse commercial consequences and revenue consequences for governments and their e-commerce suppliers and consumers, but it would also undermine efforts to rebuild confidence in the WTO.

In addition to these areas, we encourage parallel work in the WTO Trade in Services Council on services market access more generally, as well as on the e-commerce work programme, and to consider ways to promote transparent and non-discriminatory digital services standards.

CSI believes that it is essential to have a successful MC12 that produces concrete deliverables and builds member confidence in the WTO and its ability to produce meaningful results. To that end, we urge the Administration to press for meaningful outcomes on services and digital negotiations. On the JSI e-commerce negotiations, by the time of MC12, there should be maximum effort to narrow differences in the consolidated text. There should also be an ambitious roadmap to reach agreement on remaining issues, legal architecture and e-commerce-related services market access negotiations for adoption by JSI members on or before MC12.

The extension of the e-commerce moratorium is a vital MC12 deliverable that is in the shared interest of developed and developing countries alike. In addition, concrete progress on the JSI text on Services Domestic Regulations would be an important confidence-building Ministerial deliverable. The U.S. support for the DR JSI negotiations is an important step in achieving agreement by the time of MC12. We urge JSI participants to table market access commitments that reflect both existing and new market access. Finally, we believe that any signs of concrete progress in reaching agreement on dispute settlement reforms and enabling a functioning appellate body would also be an important element of MC12 deliverables.

We look forward to working with the Administration to support its efforts to secure progress on services and digital issues in the WTO and to produce successful, meaningful outcomes for MC12 that lay the groundwork for a reinvigorated, effective WTO.

Regards,



Christine Bliss
President, Coalition of Services Industries

cc:

Secretary of Commerce Gina Raimondo

National Security Council Senior Director for International Economics and Competitiveness Peter Harrell