

**ITI**

Promoting Innovation Worldwide

April 11, 2022

The Honorable Diane Farrell  
Deputy Under Secretary for International Trade  
U.S. Department of Commerce  
1401 Constitution Ave NW  
Washington, DC 20230

**RE: ITI Comments Responding to Department of Commerce Request for Public Comments  
on the Indo-Pacific Economic Framework**

Dear Ms. Farrell:

The Information Technology Industry Council (ITI) is the premier global advocate for technology, representing 80 of the world's most innovative companies. Our diverse membership and expert staff provide policymakers with the broadest perspective and thought leadership from technology, hardware, software, services, and related industries.

All of our members are headquartered in, operate U.S. subsidiaries, or otherwise have significant operations in the United States, and their investments have propelled economic growth and innovation across the country. Our comments below reflect our members' engagement with key U.S. trading partners in the Indo-Pacific region, which underscores both the breadth of our experiences with varying governance regimes in the region and the importance of promoting alignment to foster stronger trade, investment, innovation, and diplomatic relations.

Nowhere has digital transformation been more rapid than in the Indo-Pacific region; the COVID-19 pandemic has spurred the digitalization of economies and opened new opportunities to build trust in the digital space. Both technology businesses and consumers value trust in their relationships and require trust to share data and develop products and services. At the same time, both democratic and authoritarian governments around the world are advancing policies that restrict the movement of information, goods, and services under the guise of data protection, data sovereignty, cybersecurity, government access to data, or industrial policy. Such policies, which may mandate the localization of data, block market access, or enable internet shutdowns/blocking, directly detract from the ability of firms to foster growth in key areas of the United States' comparative advantage and are often based on the flawed premise that data restrictions and digital protectionism are necessary to achieve policy objectives. Furthermore, some governments are pushing for digital policy approaches that enable digital protectionism or authoritarianism.

Against this backdrop, we applaud the Biden-Harris Administration's commitment to strengthening U.S. engagement in the region, including through development of an Indo-Pacific Economic Framework (IPEF). While the present consultation does not directly seek input regarding goods or services market access, we would also underscore the broad-based benefits that further market access openings in the Indo-Pacific region would yield for U.S. firms and workers, as well as broader U.S. international policy objections. We urge the Biden-Harris Administration to offer expanded market access opportunities as a means of generating commercially significant benefits to U.S. companies doing business in the Indo-

*Global Headquarters*  
700 K Street NW, Suite 600  
Washington, D.C. 20001, USA  
+1 202-737-8888

*Europe Office*  
Rue de la Loi 227  
Brussels - 1040, Belgium  
+32 (0)2-321-10-90

© info@itic.org  
www.itic.org  
@iti\_techtweets

Pacific region. The evolving nature of digital services, along with the digital and physical infrastructures enabling the provision of such services, suggests that even the most forward-looking, horizontal rules-based commitments – which remain essential to countering and preventing the emergence of damaging barriers to digital trade – must be accompanied by robust market access commitments that provide necessary certainty to businesses and individuals alike.

Given the challenges in the region and the three pillars under Commerce’s remit, ITI recommends that the U.S. government take a holistic approach to addressing digital trust issues within the framework, such as the “Trusted Digital Partnership Program” proposed below, including strong recommendations to enhance supply chain resiliency, take a risk-based approach on cybersecurity, promote strong data protection and privacy, facilitate cooperation on emerging and critical technologies, and leverage international standards and good regulatory practices.

Below, we structure our comments by first proposing the establishment of a Trusted Digital Partnership Program, followed by specific responses to the RFC’s areas of inquiry.

## Proposal: Establish a Trusted Digital Partnership Program

Given the complexities of the issues identified by the RFC, ITI encourages the Department of Commerce to address digital issues that implicate trust in a holistic manner. In particular, the United States can incentivize partner economies to adopt digital trade-facilitative regulatory policies by proposing a Trusted Digital Partnership Program that will encourage investments by technology companies and facilitate business partnerships. Governments that implement complementary regulatory policies, norms and standards would set preconditions for businesses in the region to share data and build intertwined supply chains for technology goods and services more easily.

Both technology businesses and consumers value trust in their relationships in sharing data and developing products and services. Governments can adopt laws, regulations, norms, and use standards that build trust in their legal and business environments. Companies that are governed by those laws, regulations, and policies will be more trusted; and countries that provide a legal and policy ecosystem that is aligned to and interoperable with other trusted jurisdictions will encourage more cross-border investment and business cooperation, particularly in the technology sector.

This approach would complement efforts in the Fair and Resilient Trade module to obtain legally enforceable commitments to ensure cross-border data flows and the provision of digital services across borders. In concert with such provisions, this approach would assert U.S. leadership in the operationalization of the concept of “Data Free Flow with Trust (DFFT)” in a manner that comports with broader administration priorities. Governments’ commitments on trusted digital policies, rather than being legally enforceable, would provide powerful incentives for IPEF participants to align themselves with them by encouraging investment and economic growth, enabling access to targeted U.S. aid and technical assistance, and enabling increased availability of trusted ICT goods and services to counter shared resiliency challenges.

ITI encourages the United States to propose a two-phase Trusted Digital Partnership Program module (or set of modules) consisting of 1) mutual pledges to establish and maintain trusted digital policies, and 2) deployment of capacity building and technical assistance to achieve these policy commitments and



facilitate transnational public-private economic partnerships. Below, we elaborate further in details of what the two-phase Program could include:

- **Adoption of Trusted Government Digital Policy Commitments**

Governments can establish a trusted legal and policy environment by pledging to abide by the following procedures and practices:

1. **Promote the rule of law.** Maintain an independent judiciary, with courts and tribunals that follow consistent and transparent procedures and legal processes without being subject to political interference.
2. **Ensure legal limits on government access to personal data.** Demonstrate respect for the rule of law by establishing clear legal or judicial limitations on the proportionate exercise of power by the government to access personal data for legitimate law enforcement or national security purposes and provide companies with transparent processes for challenging government requests for personal data.
3. **Demonstrate commitment to human rights.** Observe international human rights commitments, including a free media, and absence of censorship and arbitrary detentions based on technological surveillance, or other actions contrary to accepted human rights practices and international norms.
4. **Cooperate on government access to digital information.** Develop efficient and innovative mechanisms for issuing and responding to cross-border requests for digital information for law enforcement or national security purposes. This includes enhancing the speed and operation of Mutual Legal Assistance Treaties (MLATs) to make them effective in the digital age, as well as drawing on national or regional legislation to develop approaches to cross-border lawful access requests that are transparent, interoperable, and grounded in the rule of law.
5. **Provide strong privacy protections.** Adopt and maintain policies that promote strong privacy protections and data security, such as through data minimization, privacy by design, and encryption. This includes effective individual control rights, including the right to access, correct, port, delete, consent, and object to the use of personal data. Privacy and personal data protection frameworks should offer multiple grounds for legal processing, including consent, legitimate interests of the data controller, contractual necessity, fulfillment of a legal obligation, and protection of public health, safety and security or other vital national interests.
6. **Implement robust mechanisms for cross-border data transfer.** Ensure the availability of transparent, non-discriminatory legal mechanisms for the cross-border transfer of personal data. In particular, governments should adopt and maintain at least one but ideally multiple tools for data transfers, beginning with binding multi-jurisdictional framework agreements, and including mechanisms such as model contract clauses, approved intra-company rules, certifications based on international standards, independent seals, or the accountability mechanisms of national law or regional or multilateral agreements.

7. **Avoid restrictions on non-personal data.** Governments should refrain from restricting the cross-border movement of non-personal data, including machine-to-machine communications. Governments should seek instead to enable access to and use of open government data and utilize voluntary data sharing frameworks to facilitate the use by public and private entities and other organizations of non-sensitive, non-personal data in pursuit of research, academic, or scientific objectives, or initiatives in the public interest.
  8. **Promote ethical corporate behavior and counter corruption.** Establish laws against corruption and theft of intellectual property, while promoting ethical corporate behavior. Enhance transparency of ownership for large companies and promote public financial accounting standards consistent with international commercial standards.
  9. **Promote development and adoption of international standards for digital services and new technology.** Reinforce and supplement existing multilateral commitments to promote the participation of partner countries in the development and use of international standards and ensure that governance of digitally-enabled services and new technologies, such as future generations of wireless communication and artificial intelligence, are grounded in industry-driven international standards.
  10. **Enable a strong ICT workforce pipeline.** Support and expand programs that attract, educate, and train the ICT workforce as a necessary precondition for advanced manufacturing and development of ICT products, digital services, and related investment.
  11. **Establish transnational public-private partnerships for research, development and commercialization among Trusted Digital Partnership Program countries.** Cooperation among trusted countries' governments, academic and research institutions, and private sector technology companies will produce leading edge innovation and economic growth. Governments should establish mechanisms for collaboration on technology research, development and commercialization with dedicated financing, seeking the commitment of both public and private funding and the involvement of international partners.
  12. **Take a risk-based approach to managing cybersecurity risk.** As cybersecurity threats continue to evolve, it is increasingly important that countries determine how to identify, manage, and respond to cybersecurity risks. Countries should pursue risk-based approaches grounded in international, consensus-based standards to managing and mitigating cybersecurity risk. Leveraging this type of approach will help to facilitate innovation, while ensuring that cybersecurity regulation is not overly prescriptive and does not result in fragmentation.
- **Support Implementation through Technical Assistance and Capacity Building**

The United States government should leverage existing and establish new technical assistance and capacity building programs to help countries that sign up for the above commitments to implement trusted government digital policies. Efforts could be conducted on a regional or bilateral basis. The Digital Connectivity and Cybersecurity Partnership is a good example of a technical assistance and capacity building program that could be oriented to support meeting the commitments of the

Trusted Digital Partnership Program. We have identified several opportunities for such technical assistance and capacity building:

1. **Cybersecurity** – adopting risk-based frameworks and ensuring effective and efficient incident reporting regimes. Leveraging the National Institute of Standards and Technology (NIST) Cybersecurity Framework, the USG can provide technical assistance to governments in the region to enact legal and regulatory tools to advance voluntary approaches to cybersecurity risk management consistent with the framework, including to integrate cyber incident reporting into those activities. NIST, U.S. Department of Homeland Security (DHS) and the State Department could all participate. There is strong interest and awareness about the benefits of the NIST Framework, and NIST has already undertaken some outreach and awareness efforts. Scaling this up can provide early wins and benefit all stakeholders.
2. **Artificial Intelligence (AI)** – facilitating the development of and reliance on international standards. Recognizing that challenges related to AI transparency, bias, and risk management are of the highest interest to policymakers, the USG could convene countries making the trusted policies pledge to establish a government working group that would facilitate monitoring and participation in the OECD’s AI Policy Observatory, Global Partnership on AI (GPAI) and other government-led initiatives that are developing normative frameworks for AI. USG could also partner with the American National Standards Institute (ANSI) to support further ANSI collaboration with its peer national standards bodies in the countries making the trusted policies pledge to engage in the development and use of AI standards, such as those developed by the ISO-IEC’s Joint Technical Committee (JTC) 1. The ultimate goal would be to ensure that the countries making the pledge are able to use these standards to support their governance and regulatory structures for AI and ensure that they are first movers in the deployment of AI use cases. As part of such efforts, and to proselytize innovation-facilitative elements of the United States’ approach to standardization, the USG could consider developing, supplementing, and reorienting funding for technical assistance programs and public-private partnerships (e.g., The Standards Alliance) to provide robust and meaningful support for partner countries’ participation in the development and use of international standards. Such efforts would have the added benefit of serving as a counterweight to other governments’ efforts to promote the adoption of country- or region-unique standards, which disadvantage U.S. firms and risk technological fragmentation.
3. **Edge Computing** – enabling leadership on edge computing applications through public-private partnerships. As 5G infrastructure (and eventually 6G technology) is deployed over the next few years, the use cases and applications for this telecom infrastructure will generate massive economic value. The infrastructure is becoming increasingly virtualized (software-driven) and will push computer processing to the edge, closer to the user. This will reduce latency and the cost of data-intensive computing applications – ranging from autonomous vehicles, logistics, health care and education to smart cities and advanced manufacturing. The USG can establish public-private partnerships with countries making the pledge to conduct advanced research and deployment of use cases. Cloud computing companies will be key players in virtualization and edge computing along with the traditional telecom operators and equipment manufacturers. Those companies along with companies operating in the vertical applications could be incentivized by joint U.S. and foreign government funding to commercialize use cases. The financing could take the form of lending by the U.S. Export-Import Bank and U.S. Development

Finance Corporation, and technical assistance grants from the U.S. Trade and Development Agency.

## Specific Comments

Below, we bucket our specific responses to the topic areas designated by the Department of Commerce in the RFC:

### 1. *General negotiating objectives for the IPEF*

#### **Ensure IPEF Serves as a Living Framework**

U.S. officials have suggested that participation in the IPEF will be “a la carte,” in the sense that partner countries will be able to select modules in which they wish to participate. We strongly encourage the Administration to establish a robust umbrella structure for the IPEF and a meaningful connective mechanism among the modules. We view such a mechanism as important for several reasons:

- *Policy coherence* – to ensure that the elements/provisions in each module are complementary to, supportive of, and informed by the elements of other modules and the policy positions being expressed by partners in the discussion of those modules. There are natural and meaningful linkages between the subject matter envisaged for each module (supply chains, infrastructure & decarbonization).
- *Cross-module disciplines* – certain U.S. policy objectives may be best effectuated through disciplines that run across IPEF modules, or that require corresponding commitments in another module.
- *Incentives* – individual partners may have limited incentives to participate in certain IPEF modules, particularly if doing so requires them to adhere to higher standards than they have previously undertaken in an international agreement. The IPEF should seek to create these incentives by conditioning participation in some modules, or access to certain benefits within them, to participation in some or all of another module.

Industry seeks the broadest possible participation in the pillars; however, the participation of a wider range of regional partners should not come at the expense of commercially meaningful commitments. Further, participation in IPEF modules should be conditioned on a demonstrated willingness to pursue positive good regulatory practices. In this regard, we are concerned about the increased data flows restrictions in global privacy and data governance proposals that reduce trust and innovation. Commerce has a long history of conducting rigorous analysis and engaging with international partners, and these high standards should apply in equal measure to the IPEF.

As an example, India’s Personal Data Protection Bill (PDPB) includes problematic components such as strict data localization requirements, restrictions on cross-border transfers of data, inclusion of non-personal data with its scope, and stringent, country-specific testing and localization requirements. Vietnam’s draft Personal Data Protection (PDP) decree entails similar restrictions. This approach is fundamentally at odds with the vision of regional integration and evidence- and values-based governance that the IPEF seeks to advance. Particularly as the United States seeks to deepen security and supply chain cooperation with regional partners, it should make clear that countries actively

pursuing policies at odds with these objectives – such as the proposed PDPB – must commit to more open and trade-facilitative approaches.

In addition, the WTO Information Technology Agreement (ITA) is fundamental to digital trade, and we encourage Commerce to emphasize adherence to ITA commitments and adoption of the expanded ITA (ITA2), where applicable, in IPEF negotiations. The global economy is underpinned by ICT goods – semiconductors, servers, routers, computers, printers, etc., and the WTO ITA plays a pivotal role in creating market access for these items.

We also encourage Commerce to ensure that IPEF rules are binding and enforceable and do not allow for broad exceptions or derogations. Such enforcement could include the ability to suspend IPEF membership partially or fully for participants that do not meet the agreed standards of the framework. To the extent that flexibility is needed, this could be attained by allowing phased-in implementation rather than carve-outs. Industry also feels it is important that the IPEF serve as a “living framework,” with built-in review mechanisms to ensure the rules and initiatives are kept up-to-date and relevant and draw on technical expertise from a wide range of stakeholders.

## *2. Digital and emerging technologies-related issues*

**Facilitate an Interoperable Approach to Emerging Technology Policy.** Given the fact that several Indo-Pacific countries have interest in developing guidelines and regulations for emerging technologies, such as AI, Internet of things (IoT), 3D printing, blockchain, and quantum technologies, governments should work together to ensure greater policy alignment at an early stage. Below, we provide more detailed recommendations in several emerging technologies.

- Encourage a thoughtful, measured approach to AI policy and regulation, which considers the level of risk associated with specific AI applications and use cases and is informed by international standards. The U.S. can encourage Indo-Pacific partners to align global AI-related norms, guidelines, and regulation where possible, including developing standards-based, risk-information frameworks similar to NIST’s AI Risk Management Framework. In doing so, the Administration should encourage risk-based approaches to regulation and reliance, wherever possible, on international standards and best practices.
- Align definition on IoT to ensure U.S. and international partners drive alignment in terminologies/terms. To achieve global harmonization, the development of international standards governing IoT security and privacy, such as device baseline requirements (ISO/IEC 27402) (in draft), presents a crucial opportunity to inform future requirements on the global stage. ITI encourages governments in the Indo-Pacific region to continue moving the international standards debate forward and clarify that general-purpose compute devices and conventional IT devices such as laptops and personal computers are distinct from IoT Devices and outside the scope.



- Encourage adoption of 3D printing by eliminating duties, implementing the new World Customs Organization HS 2022 code for 3D printing products,<sup>1</sup> and reducing regulatory/technical barriers to trade for this innovative technology. 3D printing is a key technology for supply chain resilience, economic growth, competitiveness, and sustainability.

### *3. Supply chain resilience-related issues*

**Empower Resiliency and Diversification.** While the near-term semiconductor issues are extremely important and urgent, it is critical for the U.S. government to look to the future, including to the interconnectedness of the global ICT supply chain. Semiconductor and ICT supply chain management practices more broadly are complex and require both long-term planning and active management of supplier relationships with thousands of companies around the world. ITI recommends exploring international partnerships that can help make the global ICT supply chain more resilient and less susceptible to geopolitical disruptions. While addressing domestic semiconductor and ICT manufacturing capacity via investments in programs such as the CHIPS Act is an important step for positioning the U.S. to contribute to better management of any future disruptions to semiconductor supply chains, the objective of these programs should not be a wholly domestic supply chain for microelectronics. Similarly, IPEF should discourage current practices in the region that mandate local content and/or forced joint venture partners. Working with trusted international partners and allies in the Indo-Pacific region is an important prong of any U.S. strategy to help prevent future disruptions, promote diversification, and ensure the resiliency and security of not only the semiconductor but broader ICT supply chain.

**Enhance Cooperation and Ensure Stability with Global Partners.** The U.S. should work with partners and allies such as the EU, Japan, Korea, Taiwan, and others in the Indo-Pacific region to minimize damaging interruptions and ensure stability of the global semiconductor and ICT supply chains. Such efforts could include the convening of formal supply chain reviews with allies and building upon existing efforts to ensure that market access barriers do not present impediments to the efficient functioning and resiliency of global supply chains. Acknowledging the complexity, interconnectedness, and significant investment required to operate global ICT supply chains, this kind of engagement should seek to better enable firms to carefully calibrate their supply chains, maximize time-to-market, integrate sustainability, and account for other considerations that enable them to remain globally competitive. ITI strongly encourages the Administration to keep these global competitiveness considerations in mind and coordinate with foreign governments to ensure the stability of the global semiconductor supply chain, including by ensuring alignment on broader strategic objectives.

Moreover, given the fact that several Indo-Pacific economies are important in evolving global ICT supply chains, their roles as growing hubs for trusted supply chain partners continue to be crucial. Alongside other structural factors, recent U.S.-China trade tensions have accelerated the diversification of supply chains in the Indo-Pacific region as companies have sought to move supply chains to ensure that they are not overly reliant on any one supplier or geography. ITI therefore supports increased bilateral, regional, and multilateral engagement with partner economies aimed at deepening trade and investment relationships and addressing any unintended trade barriers that restrict supply chain

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<sup>1</sup> WCO note 10, chapter 84 and heading 84.85 for additive manufacturing equipment and parts effective Jan. 1, 2022.



resilience. This engagement could include efforts to organize tech-sector specific dialogues, increase digital trade partnerships, enhance regulatory compatibility, and reduce barriers to trade.

**Establish Supply Chain Resilience Mechanisms.** The COVID-19 pandemic has surfaced many of the issues that can disrupt the supply chains that allow US consumer and industrial goods to get to market. The U.S. should seek to incorporate the lessons learned from this experience into the IPEF. One source of disruption highlighted during the pandemic is the closure of facilities that produce a key product or input, the unavailability of which can reduce or altogether curtail the production of downstream products. Governments have a critical role to play in helping bring such facilities back online, but their ability to do so can be impeded by lack of sufficient planning, poor organization, lack of technical expertise or relevant managerial capacity, and lack of resources. The U.S. should use the IPEF to address several of these choke points through a program that:

- Formalizes an institutional framework within both the U.S. government and that of regional partners to rapidly identify and mitigate shutdowns of supply chain-critical facilities resulting from public health emergencies, natural disasters, or other external events. Such a framework should seek to ensure that designated officials know immediately who to call (both between and within governments) in order to initiate a supply chain mitigation action. It should also establish contacts points enabling businesses to inform governments of an impending or current facility disruption.
- Provides capacity building to governments in the skills necessary to establish rapid-reaction mechanisms within their domestic frameworks. Effective mitigation of facility disruptions requires effective inter-ministerial cooperation, as well as coordination among authorities at central, regional, and municipal levels. Governments (particularly those currently with less institutional capacity) should be provided assistance to develop plans for how they will coordinate internally and take action to address a disruption.
- Creates a network and mechanism for the rapid deployment of material aid necessary to get facilities back online. During the pandemic, facility closures have often resulted from workforce infection, and the resumption of operations has been impeded by limited availabilities of tests, diagnostics, or safety material. The U.S. and allies should establish a standing mechanism through which materials assistance can be provided to partner governments quickly, including through pre-crisis mapping, logistics planning, and assessment of local resource needs and constraints.
- Applies digital technologies to support resilience. Digital blueprints, or “digital twins”, of critical products and factories can provide a fast response tool to quickly bring production of critical products or materials back on line when suppliers are shut down by pandemic, natural disaster or other catastrophes. Maintaining a list of critical products, their manufacturing location and a library of digital twins of the product and the process will support resiliency.

## *6. Decarbonization-related issues*

The circular economy provides an opportunity for the U.S. to simultaneously advance several of the objectives it has set out for the IPEF, including climate change mitigation, consistent packaging and e-waste management treatment supply chain resilience, and trade facilitation.

**Prioritize Sustainability within the Supply Chain Pillar.** IPEF participants should collaborate on building not only more resilient supply chains, but more sustainable ones that limit greenhouse gas emissions by promoting the rapid development and deployment of clean and efficient energy technologies, reduce waste, improve recyclability and energy efficiency, and enable more ecological products.

**Allow Safe and Lawful Movement of Materials Among Trusted Entities.** Used goods generally, and used technology products in particular, provide a wealthy source of raw materials that can be recovered and fed back into the production process for new goods. Doing so reduces the need for mining of virgin materials, reduces waste, and enhances supply chain resiliency by capitalizing on the supply of critical materials already embedded in ubiquitous consumer products. Resource recovery of this nature does not occur at scale today, due in large part to regulatory impediments. The U.S. should use the IPEF to seek to address such barriers to a more circular economy. For example, a primary impediment to greater extraction and use of recoverable materials is international rules that limit the cross-border movement of both used consumer devices and resources recovered from them. These international rules are designed to safeguard against the potential harms of uncontrolled trade in waste products, but they lack efficient mechanisms to allow safe and lawful movement of materials even among trusted entities. The IPEF provides an opportunity to explore the creation of “resource recovery lanes” among trusted partners, within which individual companies could be certified to operate based on their willingness to adhere to standards set out by participating governments. Such a program among IPEF partners could be developed in stages, for example by initially covering only certain materials, and could potentially be expanded over time to include non-IPEF governments, with a long-term objective of creating cost parity between the use of recovered vs. virgin raw material.

**Support the Decarbonization of Supply Chains.** ASEAN’s electricity generation relies on at least 80% fossil fuels, with limited projections for renewables by 2025 (e.g., Taiwan’s government is targeting a 20% renewable share of their electricity generation by 2025). Access to renewables in ASEAN is hindered by a lack of a regulatory framework around developing renewable energy projects. For example, Indonesia and the Philippines have limited infrastructure capacity for the deployment of renewables, and regulation of proper land use and environmental impact are not built into larger renewable energy policies. For these reasons, supply chain partners in the region have energy-intensive operations but limited ways to easily transition their energy use to renewables due to regulatory obstacles and the need for large capital investments. ITI recommends that the IPEF explore opportunities to foster an enabling policy and regulatory environment and investment in incentives for access and use of renewable energy, moving away from coal and towards offshore wind and solar.

**Build Capacity on Greenhouse Gas (GHG) Reduction.** There is a need for climate science-based training and capacity building to set and perform to GHG reduction targets. ITI recommends the IPEF include capacity building for supply chain partners in the region to strengthen the knowledge, abilities, skills of individual companies, and improving institutional structures and processes around GHG reduction targets.

## *7. Tax-related issues*

**Promote Tax Policy Based on International Principles.** Tax measures can have a significant bearing on the international competitiveness of U.S. businesses. Recent past has demonstrated that foreign government tax measures can be used to target U.S. companies to the detriment of both the U.S. tax base and the

targeted companies' competitive positions. The U.S. should use the IPEF to articulate and encourage adherence to predictable tax policies that are based on sound international principles. The U.S. should also seek to obtain commitments from IPEF partners to refrain from the adoption of tax measures that disproportionately target U.S. companies, or that seek to tax digital services or other aspects of the digitalizing economy in a manner not aligned with multilateral frameworks.

#### *10. Other issues for consideration*

**Strengthening Investment Protections.** With growing two-way ICT investments between U.S. and many IPEF economies there may be room to focus on strengthening investment protections:

- to protect investment abroad in countries where investor rights are not already protected through existing agreements (such as modern treaties of friendship, commerce, and navigation, or free trade agreements);
- to encourage the adoption of market-oriented domestic policies that treat private investment in an open, transparent, and non-discriminatory way; and
- to support the development of international law frameworks consistent with these objectives.

**Enhance Coordination on Export Control Regulations.** ITI emphasizes the importance of basing future work across all facets of the IPEF related to export controls on shared tenets of non-discrimination, proportionality, and fostering international compatibility. We urge Commerce to prioritize transparency and stakeholder engagement in any stakeholder engagement regarding export controls, particularly as the development of the framework becomes more discrete and/or technical in nature. Mechanisms could include hosting consistent public briefings, arranging for written public consultations where necessary to inform activities related to export controls, and providing for regular, detailed public readouts.

**Ensure Transparency and Eliminate Discrimination in Government Procurement.** IPEF participant countries should be encouraged to increase transparency and open processes for government procurement. Further, the IPEF should confer national treatment for member countries to access government procurement, eliminating discrimination for products based on origin or content. Several countries in the Indo-Pacific region provide preferential procurement for companies with local manufacturing or local content, which is at odds with fostering globally resilient supply chains.