



Internet Association



SIIA



September 20, 2019

Dear Ambassador Lighthizer:

Our associations represent a wide range of companies that produce, supply and depend upon technology products and services. India represents one of our most important global markets and, as such, we have a keen interest in seeing the U.S.-India trade relationship strengthened through specific, concrete commitments that reduce barriers to digital trade, tariffs, and other market access restrictions.

We are encouraged to hear that the United States and India are engaged in intensive trade discussions ahead of President Trump and Prime Minister Modi's meeting next week. We strongly support USTR's efforts to work productively with India through bilateral dialogue as many of our companies that do business in India rely on a stable trade relationship. However, we remain concerned with the approach India has taken towards U.S. companies and their ability to fully participate in the Indian economy, including the introduction of a number of harmful digital trade policies. We urge you to keep digital issues at the fore of your discussions and to include them in any trade-related agreement between the United States and India.

As you know, India is heavily reliant on digital trade with other nations, including the United States. More than 40 percent of India's goods and services exports consist of software and IT-enabled services. India currently exports more than \$24 billion in ICT-enabled services to the U.S. By contrast, the U.S. exports \$7.5 billion in ICT-enabled services to India.¹ To that end, our associations respectfully submit that any trade agreement with India should include strong digital commitments and should establish a framework for removing digital barriers. Failure to include such commitments would overlook a critical aspect of the U.S.-India trade relationship.

We urge that any such agreement between the United States and India reflect commitments to liberalize foreign direct investment (FDI) and support the free flow of cross-border data, while addressing key issues such as data localization, law enforcement access to data, tariffs on information and communications technology (ICT) products, a permanent extension of the WTO Moratorium on Customs Duties on Electronic Transmissions, restrictions on ownership and control in online business-to-consumer retail, market access for software, cloud, and other services, onerous testing and certification requirements, and removal of mandatory access and sharing of non-personal data. Resolving these issues will be to the mutual benefit of the United States and India.

We recognize that digital trade issues are evolving, and that a mechanism is needed for a high-level framework that supports continuing negotiations on these important issues. A key feature of any bilateral outcome should be the establishment of such a framework and a commitment to immediate and intensive discussions to resolve specific digital trade barriers. Setting forth an explicit framework for engagement and action is critical and must include a channel for input from interested stakeholders.

We appreciate your continued attention to these important issues and we stand ready to help work towards mutually beneficial solutions.

¹ <https://apps.bea.gov/iTable/iTable.cfm?reqid=62&step=6&isuri=1&tablelist=359&product=4>



Internet Association



SIIA



Sincerely,

Coalition of Services Industries (CSI)
Computer and Communications Industry Association (CCIA)
CompTIA
Information Technology Industry Council (ITI)
Internet Association (IA)
National Foreign Trade Council (NFTC)
Software and Information Industry Association (SIIA)
Telecommunications Industry Association (TIA)
U.S. India Strategic Partnership Forum (USISPF)