



## The Trans-Pacific Partnership

### Overview

- The **Trans-Pacific Partnership (TPP)** creates strong and enforceable rules for digital trade and international data transfers, making it the first real 21<sup>st</sup>-century trade agreement.
- TPP's obligations advance the competitiveness of U.S. software, hardware, and data services companies, and contribute to continued growth of the U.S. economy.

### ISSUE DISCUSSION

TPP fully recognizes the importance of data services and software to U.S. trade today and well into the future. Ninety percent of the world's data was created in the last two years, and international data transfers have expanded by forty-five times over the past decade.

U.S. companies are world leaders in the new data-driven economy, driving the fields of cloud computing, data analytics, and the Internet of Things. Digital trade has played a role in the creation of up to 2.5 million U.S. jobs.

The twelve TPP countries generate 40% of global economic activity. This growing region is a principal destination for U.S. digitally enabled exports, which exceed \$350 billion globally.

TPP contains two innovative and unprecedented protections for digital commerce. It will:

- require TPP countries to allow the cross-border transfer of data and information from each other's territory; and
- prohibit TPP countries from requiring data service providers to locate computing facilities in their territories as a condition for doing business.



Other important digital trade protections in TPP will:

- prohibit the imposition of customs duties for digital products, including content, transmitted electronically to other TPP countries;
- ban discrimination against U.S. digital products on the basis of nationality;
- preclude forced transfers of technology or of software source code as conditions for market access; and
- guarantee compliance with these obligations through TPP's binding dispute settlement mechanism.

## **BSA POSITION**

BSA supports the Trans-Pacific Partnership. TPP provides a solid legal foundation for the continued growth of the U.S. software, hardware, and data services industry in the Asia-Pacific region. TPP's obligations will help prevent governments from imposing impediments to trade.

- Our member companies, the leading developers of software, hardware, and data services, will benefit particularly from the right of free transfer of data, and the freedom to locate computing facilities based on business decisions, not protectionist policies.
- TPP is the first trade agreement to contain these specific digital trade obligations, setting an international standard for the future.

**BSA | The Software Alliance** is the leading advocate for the global software industry before governments and in the international marketplace. Its members are among the world's most innovative companies, creating software solutions that spark the economy and improve modern life. With headquarters in Washington, DC, and operations in more than 60 countries, BSA pioneers compliance programs that promote legal software use and advocates for public policies that foster technology innovation and drive growth in the digital economy.

BSA's members include: Adobe, Altium, ANSYS, Apple, Autodesk, Bentley Systems, CA Technologies, CNC/Mastercam, Datastax, Dell, IBM, Intuit, Microsoft, Minitab, Oracle, salesforce.com, Siemens PLM Software, Symantec, Tekla, The MathWorks, and Trend Micro.

**BSA | The Software Alliance**

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