

Consumer Technology Association®

Dear Friends:

Our planet's history tells us that friendship among nations is to be cherished and nurtured. Too often countries have not served as good friends to others, particularly in the area of international trade, when we prioritize competition over friendship. In our view, we should view trade friendships as a means of protecting the future of our children and successive generations, who will inherit our planet and the promise of humanity.

We must act to ensure not only their economic health but their freedom and liberty. If free market liberty-loving countries increasingly isolate themselves from each other via trade barriers, we are hurting our ability to compete both economically and in innovation. Free trade among friends and allies is important as it greatly benefits each nation and gives us the best chance at staying ahead of authoritarian governments.

With these perspectives in mind, we share CTA's "Top Ten Ways for Turning Trade Friends into Trade Best Friends Forever (Trade BFFs)." We hope these ideas spark a necessary conversation among democratic and liberty-loving nations on leaving the self-serving measures of the 20th century behind and forging a stronger and like-minded free trade future for our children and successive generations. And we welcome ideas from others on what it takes to be a "Trade BFF" in our era of fierce global competition.

Your friends,

Gary Shapiro

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Consumer Technology Association (CTA)®

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Trade BFFs should:

- 1. Honor their commitments to each other.** Friendships are built on trust, which means Trade BFFs should bind and enforce their commitments to each other (trade pinky promises) through comprehensive, binding, and enforceable free trade agreements (trade friendship bracelets).
- 2. Have each other's backs.** You look out for someone by helping them - not putting up barriers to their success. True friendships embody selflessness - not selfishness. For example, they should promise to spare their Trade BFFs from disruptive and harmful unilateral enforcement actions, including tariffs and import prohibitions.
- 3. Work together.** Friends make each other better and push each other to live up to or surpass expectations. One way to do that is to collaborate on strengthening the World Trade Organization and on multilateral and regional trade and investment efforts.
- 4. Share common values – and stick to them. We value freedom, democracy, and the power of the free market.** We can maintain and promote market economies by avoiding policies that intentionally displace or injure foreign competitors and making any incentives available to their domestic industries also available to industries in their Trade BFFs.
- 5. Compete hard – but fairly.** Trade BFFs develop and implement regulations that allow companies located in their fellow Trade BFFs to compete fairly on a level playing field while encouraging a race to the top through high performance.
- 6. Be empathetic and open to mutual, voluntary support.** Trade BFFs take measures to encourage but not coerce industries located in their fellow Trade BFFs to trade with or invest in their economies.
- 7. Invest in and support each other's successes.** If one friend is an expert or good at something, they use that skill or expertise to help their friends. Trade BFFs invest in and support each other's successes, avoiding irritating and disruptive investment reviews or other restrictions on investment.
- 8. Share openly with each other. Trade BFFs take steps** to allow data to flow freely across borders. They prioritize transparency and participation by interested persons in policymaking, including in their fellow Trade BFFs.
- 9. Join forces to fight for their shared futures. All countries sharing the values of democracy and liberty should work together and rip out trade barriers among like-minded friends.** They can work together to confront trade bullies and provide more market access to each other in the face of bullying. They avoid policies that bully their fellow Trade BFFs.
- 10. Communicate with each other clearly and often. One key to any friendship is an open and honest level of communication.** For example, Trade BFFs talk to each other regularly about issues like IP protection and enforcement and new trade rules that benefit our people and planet. They avoid unilateral measures, which can have unintended consequences on their friendships, companies, workers, and people.



TOP TEN WAYS TO TURN TRADING PARTNERS INTO TRADE BEST FRIENDS FOREVER (TRADE BFFS)

Technology is about changing people's lives for the better. It's about ideas, large and small, that keep us connected, that help us move, that spark even bigger ideas. The Consumer Technology Association (CTA)[®] convenes companies of every size and specialty in the technology industry to move us all forward. Our "Top 10 Ways to Turn Trading Partners Into Trade Best Friends Forever" will grow our industry and every industry using technology if governments adopt these principles.

Trade BFFs should:

- 1. Honor their commitments to each other.** Friendships are built on trust, which means Trade BFFs should bind and enforce their commitments to each other (trade pinky promises) through comprehensive, binding, and enforceable free trade agreements (trade friendship bracelets). When Trade BFFs make deep and lasting commitments to each other, they bind them in a durable way and make them public and transparent so all stakeholders can understand and use them. These binding commitments tell the bullies "Don't even try to harm my Trade BFF!" Comprehensive and enforceable free trade agreements are trade friendship bracelets that lock in the trade pinky promises. And Trade BFFs keep and treasure their bracelets and fellow Trade BFFs.
- 2. Have each other's backs.** You look out for someone by helping them - not putting up barriers to their success. True friendships embody selflessness - not selfishness. For example, they should promise to spare their Trade BFFs from disruptive and harmful unilateral enforcement actions, including tariffs and import prohibitions, which would in turn spare them from inevitable retaliation. Unilateral trade measures will NOT lead to win-win cooperation. Trade BFFs are honest about their policy goals and problems and demonstrate empathy and support. Trade BFFs are in it together and live up to their sworn oaths to cooperate for the greater good. They do not stab each other in the back!
- 3. Work together.** Friends make each other better and push each other to live up to or surpass expectations. One way to do that is to collaborate on strengthening the World Trade Organization and on multilateral and regional trade and investment efforts. Trade BFFs know that a strong and fully operational WTO is a win-win for the rule of law, reducing and preventing barriers to trade and investment, and amicably resolving disputes without resorting to unilateral trade measures, which erode trust and cause economic and reputational harm. Trade BFFs work side by side to strengthen the WTO, through their own bilateral engagements and as teammates in multilateral and regional fora. Strengthening the WTO requires sweat equity and trust building among Trade BFFs. The world will be a better place for their WTO reform efforts.



- 4. Share common values – and stick to them.** We value freedom, democracy, and the power of the free market. We can maintain and promote market economies by avoiding policies that intentionally displace or injure foreign competitors and making any incentives available to their domestic industries also available to industries in their Trade BFFs. Trade BFFs have dynamic private sectors and limit government intervention in the marketplace. Subsidies, for example, tell the world that your government is selfishly interested in the short-term and uninterested in long-term win-win cooperation. Trading partners often take offense when governments limit tax credits only to companies producing domestically. Such policies send the wrong signal. Trading partners will question whether written or oral words of trade friendship are just talk and whether the trading partner providing those tax credits deserves to be a Trade BFF! Trade BFFs should instead enact policies that give companies in their fellow Trade BFFs the same opportunities as their domestic companies.
- 5. Compete hard – but fairly.** Trade BFFs develop and implement regulations that allow companies located in their fellow Trade BFFs to compete fairly on a level playing field while encouraging a race to the top through high performance. Trade BFFs know that all governments prize the right to regulate as they see fit. They also share common values that regulation should be developed in an open, inclusive, and transparent manner and reflect input from interested persons. Trade BFFs undertake regulatory cooperation, for example on higher labor and environment standards, while preventing barriers to trade and investment. Trade BFFs agree that to meet these goals, they should allow companies to focus on performance over design and drive innovation, helping their fellow Trade BFFs throughout.
- 6. Be empathetic and open to mutual, voluntary support.** Trade BFFs take measures to encourage but not coerce industries located in their fellow Trade BFFs to trade with or invest in their economies. Policies designed to force domestic or foreign companies to move out of their Trade BFFs are not in the Trade BFF playbook. Encouragement of investment is the self-assured and confident play and leads to more optimal use of scarce capital and resources, to the benefit of the economies, companies, and people of Trade BFFs.
- 7. Invest in and support each other’s successes.** If one friend is an expert or good at something, they use that skill or expertise to help their friends. Trade BFFs avoid irritating and disruptive investment reviews or other restrictions on investment when companies in their fellow trade BFFs seek to invest in their markets. Trade BFFs talk to each other regularly about their goals and aspirations. When one succeeds, their fellow Trade BFFs celebrate. And when governments look at possible investments by companies in their Trade BFFs designed to aid those goals, they welcome those companies with open arms. They do not adopt unilateral investment measures that signal “Our Economy is Closed to You!” Trade BFFs think the best of

investments from their fellow Trade BFFs and don't assume that all investments are threats to national and economic security!

- 8. Share openly with each other.** Trade BFFs take steps to allow data to flow freely across borders. They speak candidly about their data policies and leverage data for the greater good of the planet and its people. Policies that restrict data flows and force companies to keep their data local by their nature are adversarial and selfish. Trade BFFs protect personal data and the right to privacy and agree on approaches with their fellow Trade BFFs to enable companies to transfer data across borders. Trade BFFs should be generous with their data, since their people and companies can solve big global problems with it and make their products and programs work even better!
- 9. Join forces to fight for their shared futures.** All countries sharing the values of democracy and liberty should work together and rip out trade barriers among like-minded friends. Trade BFFs know a trade bully when they see one. They can work together to confront trade bullies and do not let them divide and conquer. Instead, they provide more market access to each other in the face of bullying. They avoid policies that bully their fellow Trade BFFs. Trade BFFs are also optimistic and hopeful that with the right mix of policies and actions, the bullies can change for the better and join the Trade BFF Club, no matter how long it takes!
- 10. Communicate with each other clearly and often.** One key to any friendship is an open and honest level of communication. For example, Trade BFFs talk to each other regularly about issues like intellectual property protection and enforcement and new trade rules that benefit our people and planet. Trade BFFs are market economies that abide by the rule of law and know that innovation can come from anywhere and anyone. Their protection and enforcement of intellectual property rights for all industries provide mutual and long-term benefits to their economies, as well as the global economy. When trade bullies steal intellectual property or forcibly transfer technologies, Trade BFFs confront the bullies together and adopt joint policies for changing bully behavior.

Trade BFFs who bind the above commitments lift each other up and have each other's backs for life! They celebrate their successes and recognize that trade jealousy is corrosive and harmful. And Trade BFFs set the most positive examples for the rest of the world, leading to better, more empathic, and economically beneficial behavior and outcomes for their citizens and companies over time.