

WSC Recommendations on Internet Policy

The members of the World Semiconductor Council (WSC) reaffirmed during the 7th WSC meeting, held in Nice on May 15, 2003, to make the following recommendations regarding internet policies:

- WTO obligations (GATT, GATS, TRIPs) should be technology neutral – specifically these commitments are binding regardless of the means of technology used to consummate a transaction;
- Electronically delivered goods and services should receive no less favorable treatment under trade rules and commitments than like products delivered in physical form, and their classification should ensure the most liberal treatment possible;
- Governments should refrain from enacting trade-related measures that impede e-commerce;
- When legitimate policy objectives require domestic regulations that affect e-commerce, governments should ensure that such regulations are transparent, non-discriminatory and employ the least trade-restrictive means available; and
- International trading rules should promote the existence of a competitive network infrastructure needed to accommodate increasing digital trade.

The WSC also believes that governments should commit to:

- Eliminate or promptly phase out tariff and non-tariff measures applied to IT products and services;
- Refrain from placing special tariffs or local taxes on e-commerce;
- Pledge not to impose non-tariff measures, such as excessively restrictive standards or licensing;
- Refrain from imposing local establishment requirements;
- Apply most favored nation (MFN) and national treatment without exception;
- Seek improved market access and national treatment commitments for a broad range of services that can be delivered electronically; and
- Ensure that broadly defined market access commitments will enable the growth of cross-border trade in evolving IT services.

With respect to its recommendation that governments refrain from placing special tariffs or local taxes on e-commerce, the WSC urges governments not to impose levies on memory components as a means of compensating copyright owners because it harms consumers who are exercising their fair use of copyrighted materials. Instead governments should rely upon industry driven solutions to protect digital copyright material.

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