

July 17, 2018

Attn: Fiona Alexander
National Telecommunications and Information Administration
U.S. Department of Commerce
1401 Constitution Avenue NW, Room 4725
Washington, District of Columbia 20230

RE: International internet Policy Priorities [Docket No. 180124068-8068-01]

Dear Ms. Alexander,

ACT | The App Association¹ (App Association) appreciates the opportunity to submit views to the National Telecommunications and Information Administration (NTIA) on its international internet policy priorities for 2018 and beyond.²

The App Association represents thousands of small business software application development companies and technology firms that create the apps used on mobile devices and in enterprise systems around the globe. Alongside the world's rapid embrace of mobile technology, our members have been creating innovative solutions that power the internet of things (IoT) across modalities and segments of the economy.

The continued growth of the digital economy depends on the rise of IoT, an encompassing concept where everyday products use the internet to communicate data collected through sensors. IoT will enable improved efficiencies in processes, products, and services across every sector. In key segments of the U.S. economy, from agriculture to retail to healthcare and beyond, IoT is demonstrating efficiencies unheard of even a few years ago.

The real power of IoT comes from the actionable information gathered by sensors embedded in connected devices. IoT-enabled devices are useful in direct consumer interactions but will be most valuable in how the data becomes part of what is now commonly known as "big data." For the purposes of this document, we define this term to mean structured or unstructured datasets so large or complex that traditional data processing applications are not sufficient for analysis. As sensors become smaller, cheaper, and more accurate, big data analytics enable more efficiencies across consumer and enterprise use cases.





<sup>&</sup>lt;sup>1</sup> See http://actonline.org.

<sup>&</sup>lt;sup>2</sup> International internet Policy Priorities, 83 FR 26036 (Jun. 5, 2018).

IoT deployment will be highly use case-dependent. The tech community has done well through open Application Programming Interfaces (APIs) and other widely-adopted standards like TCP/IP to enable interoperability. For example, in healthcare, the success of a miniaturized and embedded connected medical device depends on its ability to communicate bi-directionally in real-time. This capability enables healthcare practitioners to monitor a patient's biometric data and facilitates the patient's ability to communicate with a caregiver during a medical emergency. In other instances, sensors can be deployed to alert security of an unauthorized presence and send data to security professionals.

In less than a decade, the app economy has rapidly grown alongside the rise of smartphones. As we detail in our annual *State of the App Economy* report,<sup>3</sup> apps have revolutionized the software industry and influenced every sector of the economy. Worth more than \$950 billion, the app ecosystem is led by American businesses and startups and employs more than 4.7 million Americans. While IoT sensors are likely to be increasingly present across consumer and enterprise contexts, mobile apps remain the interface for communicating with these devices. The growth of IoT depends on the app economy's continued innovation and a robust global internet where data and information flow freely.

The App Association believes that NTIA should play a central role in the formulation of the U.S. government's international information and communications technology policies, particularly with respect to the internet and the internet-enabled economy. We further support the Office of International Affairs' (OIA) efforts to protect and promote an open and interoperable internet, advocate for the free flow of information, and strengthen the global marketplace for American digital products and services.

Building on the above, the App Association provides the following answers to the specific questions posed by NTIA in its request for information:

#### I. The Free Flow of Information and Jurisdiction

The global economy depends upon the seamless flow of data between economies and across political borders. To grow their businesses and support American jobs, innovative small app development companies and their larger counterparts depend on unfettered data flows to access to new markets.

The App Association's members engage in both business-to-business and business-to-consumer markets across the global economy. While the global digital economy holds great promise for our members, they face an array of challenges when they enter new markets. These barriers may be laws, regulations, policies, or practices that exclude U.S. goods and services from foreign markets, artificially stimulate exports of domestic goods and services to the detriment of U.S. companies, or fail to provide adequate and effective protection of intellectual property rights for U.S. companies. We have written and testified extensively on the different types of data flow-impeding measures our members experience across markets when

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<sup>&</sup>lt;sup>3</sup> ACT | The App Association, State of the App Economy 2018(Apr. 2018), available at http://actonline.org/wp-content/uploads/ACT 2018-State-of-the-App-Economy-Report 4.pdf.

doing business abroad and have further explored key use cases across these markets. We urge NTIA to consider the following:<sup>4</sup>

- Data Localization Policies: Companies looking to grow in new markets too often face regulations that force foreign providers to build and/or use local infrastructure in-country. These data localization requirements cause serious declines in imports and exports, reduce an economy's international competitiveness, and undermine domestic economic diversification. Our member companies do not have the resources to build, maintain, or use unique infrastructure in every country in which they may do business, and such requirements often effectively exclude them from commerce. With respect to data localization policies, the App Association is particularly concerned with requirements, some in place and others proposed, in key markets, including Russia, China, and India.
- Customs Duties on Digital Content: American app developers and technology companies
  need to take advantage of the internet's global nature to reach billions of new customers
  outside of the United States. However, the "tolling" of data crossing political borders in
  order to collect customs duties directly contributes to the balkanization and reduced
  efficiency of the internet and effectively blocks these innovative products and services from
  market entry (and the App Association notes that, since 1998, the World Trade
  Organization (WTO) has agreed to a moratorium on imposing customs duties on electronic
  transmissions<sup>5</sup>);
- Regulations on "Over the Top" Service Providers: In some key markets, regulators have
  placed a new layer of rules on "over the top" (OTT) service providers defined as any
  company providing a service or good over the top of a telecommunications network which
  impose data localization requirements, mandate joint ventures with domestic companies,
  require a local brick-and-mortar presence, etc. Such regulations fracture the global nature
  of the digital economy.
- Public Utility Style Regulations on Platforms: Some key markets have begun to implement policies that intend to treat mobile platforms as public utilities.<sup>6</sup> These policies, in effect, place foreign governments in the middle of private negotiations between platforms and app developers. Since its inception, the app economy has successfully operated under an agency-sale relationship that has yielded lower overhead costs, greater consumer access, simplified market entry, and strengthened intellectual property protections for app developers with little-to-no government influence. Foreign governments regulating platforms like a public utility stand to frustrate this harmonious relationship between small business app developers and platforms, and the practice ultimately serves as a significant barrier of entry for our members in those countries and as a balkanizer of the internet.
- The Ability to Use Strong Encryption Techniques to Protect End User Security and Privacy:
   App economy innovators across the United States depend on technical data protection
   methods, such as the use of strong encryption techniques, to keep users safe from harms
   like identity theft. However, some countries continue to demand that "backdoors" be built
   into encryption for the purposes of government access. These policies would degrade the

<sup>&</sup>lt;sup>4</sup> http://actonline.org/wp-content/uploads/022618-USITC Global Digital Trade 2 Brief-ACT-The-App-Association.pdf.

<sup>&</sup>lt;sup>5</sup> https://www.wto.org/english/tratop\_e/ecom\_e/mindec1\_e.htm.

<sup>&</sup>lt;sup>6</sup> E.g., ARCEP, Devices, The Weak Link in Achieving an Open Internet, Report (2018), *available at* <a href="https://www.arcep.fr/uploads/tx">https://www.arcep.fr/uploads/tx</a> gspublication/rapport-terminaux-fev2018-ENG.pdf.

safety and security of data, as well as the trust of end users, by creating known vulnerabilities that unauthorized parties can exploit. The viability of a small app development company's product from a security and privacy standpoint depends on the trust of its end users.

Further, in some instances, courts in other countries have issued internet-related judgments that attempt to apply national law to the global internet. Prominent examples include the *Google v. Equustek* matter in Canada, from which the U.S. courts have provided apparent relief,<sup>7</sup> and the *X v. Twitter Inc.* case in Australia. The App Association believes an unprecedented extraterritorial reach to apply one nation's law to the global internet poses a significant threat to the global internet economy and jeopardizes international comity. These actions have had a negative effect on U.S. small business innovators in their efforts to grow and create new jobs. The App Association believes the stakeholder community and other governments would benefit from an NTIA-led, detailed study of the jurisdictional challenges that arise on the internet, including a list of prominent instances from across jurisdictions. This action would advance a global dialogue to help develop solutions to these emerging issues.

From a content/free speech perspective, the App Association strongly supports the concept of fundamental free speech and supports NTIA's efforts to advance them globally. In some jurisdictions, laws and policies seek to actively inhibit the free flow of content and opinions online because of national security concerns. These laws add additional layers of complication and uncertainty for our members who do, or are planning to do, business in these jurisdictions. We are committed to ensuring the global internet fosters free speech for all. We believe the U.S. government should lead in forging partnerships with governments, companies, technical experts, civil society, and end users to advance free speech online, and fora like the Internet Governance Forum (IGF) should serve a venue for these partnerships to advance.

The negotiation of robust trade agreements provides a key mechanism to remove trade barriers. We support the negotiation of international agreements and actively partner with U.S. government agencies like the United States Trade Representative and the Department of Commerce as well as international governments and stakeholders to promote trade policies.

## II. Multi-stakeholder Approach to Internet Governance

The App Association strongly supports, and is an active participant in, the multi-stakeholder approach to internet governance. We believe that the continued use (and augmentation) of the multi-stakeholder model, which allows for input from the wide range of diverse communities that rely on the internet, is essential to the growth and prosperity of the global internet our members rely on to grow their businesses and create American jobs. The App Association believes that the multi-stakeholder approach has continued to demonstrate its value through NTIA-led initiatives addressing various aspects of internet security and privacy; and the value of the multi-stakeholder approach has been demonstrated further in key internet governance

<sup>&</sup>lt;sup>7</sup> Google LLC v. Equustek Solutions et al., USDC, Northern District of California, San Jose Division, case No. 5:17-cv-04207-EJD, December 14, 2017 (Order granting permanent injunctive relief).

for a such as the IGF and the Internet Corporation for Assigned Names and Numbers' (ICANN) efforts to oversee the global domain name system (DNS).

In its request for information, NTIA has posed a variety of questions specific to ICANN and its multi-stakeholder process. In years past, the App Association was not able to make a positive statement regarding the effectiveness of ICANN's multi-stakeholder approach. From ICANN's creation in 1998 until relatively recently, despite the best intentions of NTIA through its agreements with ICANN, a recurrence of missteps on the part of ICANN demonstrated the need for true accountability in its multi-stakeholder process. In May of 2015, the App Association testified before the House Judiciary Committee about the state of DNS management and its future<sup>8</sup> and discussed how ICANN's mistakes have affected a wide range of stakeholders in the internet ecosystem, particularly those who hold intellectual property (IP) rights. For example, difficulties arose with accuracy of the WHOIS resource, 9 contract compliance, and a need for defensive registration by trademark owners. Further, the new generic top-level domain (gTLD) program, and the resulting Trademark Clearing House (TMCH), have intensified these effects on rights holders. 10 The utility of U.S. government stewardship of ICANN peaked with the Affirmation of Commitments, necessitating a new, far more operational, form of accountability framework within ICANN. In 2014, NTIA took the significant step of requesting that ICANN convene global stakeholders to develop a plan for the IANA transition away from NTIA. NTIA required that this plan have "broad community backing" and:11

- support and enhance the multi-stakeholder model;
- maintain the security, stability, and resiliency of the internet DNS;
- meet the needs and expectations of the global customers and partners of the IANA services: and
- maintain the openness of the internet.

NTIA also affirmed that it would not accept a proposal that replaces the NTIA's role with another government-led or an inter-governmental organization solution.<sup>12</sup>

ICANN and the global community undertook an intensive effort to develop improved frameworks for IANA stewardship and accountability through two respective tracks, one addressing IANA stewardship and the other ICANN accountability. With updates to ICANN's

<sup>8</sup> https://actonline.org/wp-content/uploads/jonathan zuck act senate judiciary testimony 091416.pdf.

<sup>&</sup>lt;sup>9</sup> ICANN's WHOIS Lookup provides the ability to lookup any generic domains to find out the registered domain owner. *See* <a href="https://whois.icann.org/en">https://whois.icann.org/en</a>.

<sup>&</sup>lt;sup>10</sup> See Testimony of Jonathan Zuck, President, ACT | The App Association, on Stakeholder Perspectives on ICANN: The .Sucks Domain and Essential Steps to Guarantee Trust and Accountability in the Internet's Operation before the U.S. House Committee on the Judiciary Subcommittee on Courts, Intellectual Property and the Internet (May 13, 2015) at 4-6, available at <a href="https://judiciary.house.gov/wp-content/uploads/2016/02/Jonathan-Zuck-ICANN-Hearing-Statement-1.pdf">https://judiciary.house.gov/wp-content/uploads/2016/02/Jonathan-Zuck-ICANN-Hearing-Statement-1.pdf</a> (2015 ACT Testimony).

<sup>&</sup>lt;sup>11</sup> Press Release, NTIA, NTIA Announces Intent to Transition Key Internet Domain Name Functions (March 14, 2014), <a href="http://www.ntia.doc.gov/press-release/2014/ntia-announces-intent-transition-key-internet-domain-name-functions">http://www.ntia.doc.gov/press-release/2014/ntia-announces-intent-transition-key-internet-domain-name-functions</a>.

<sup>&</sup>lt;sup>12</sup> *Id*.

bylaws now finalized, for the first time, the community knows that it is guaranteed to be able to do things like:

- inspect ICANN's internal documents and records;
- veto the budget;
- challenge board actions using binding Independent Review Panels (IRPs);
- veto bylaw changes proposed by the ICANN board;
- · approve changes to fundamental bylaws;
- control the periodic reviews required by the Affirmation of Commitments; and
- remove individual ICANN Board members (or even recall the entire ICANN Board).

In addition, the strong constituencies within the ICANN structure provide crucial mechanisms for community input and oversight of ICANN.

In May 2015 testimony before Congress, the App Association noted that a threshold question that must be asked to ensure both transparency and accountability is whether, at the end of the day, the ICANN community that includes countless Americans has the ability to hold to account (i.e., discipline) those who have been placed in a position of power.<sup>13</sup> While we could not say this was true absent the new accountability framework, the App Association can now squarely answer "yes" to this question.

No community is more affected by intellectual property infringement than the small business community, and the App Association has long labored to ensure that ICANN honors its obligations to enforce on the contracts that provide these protections. Notably, through new language in its bylaws, <sup>14</sup> the new accountability measures in place today do not negatively impact ICANN's duties or abilities to enforce contracts, either through the use of the binding IRP arbitration process <sup>15</sup> or utilizing the established consensus process to improve the ICANN compliance department's interpretations and understanding of their obligations. Over time, needed changes to ICANN enforcement processes will undoubtedly be identified and appropriately addressed, consistent with the organization's mission to continue to improve.

We urge NTIA to continue to view ICANN as a constant work-in-progress, as it is constantly examining itself for faults and ways to improve them. For example, while ICANN's "Work Stream 1" (measures that need to be in place for the transition to occur) has concluded, the organization is now turning to "Work Stream 2" (those measures that would be developed and implemented over time after the IANA functions transfer). The App Association remains deeply engaged in these (and other) organizational improvement processes, and we urge NTIA to seek detailed status updates on how this work progresses.

The stakeholder community at large has poured an incredible amount of effort and resources into making improvements to ICANN to realize the original vision of the U.S. government to

<sup>14</sup> See Bylaws for the Internet Corporation for Assigned Names and Numbering, A California Nonprofit Public-Benefit Corporation (adopted by ICANN Board on May 27, 2016), *available at* <a href="https://www.icann.org/en/system/files/files/adopted-bylaws-27may16-en.pdf">https://www.icann.org/en/system/files/files/adopted-bylaws-27may16-en.pdf</a> (ICANN Bylaws).

<sup>&</sup>lt;sup>13</sup> See 2015 ACT Testimony at 7.

<sup>&</sup>lt;sup>15</sup> See ICANN Bylaws at Sec. 4.3 ("Independent Review Process for Covered Actions").

privatize the DNS. The engaged community, unanimously, is supportive of the IANA transition. However, some lingering concerns continue to be raised related to the appropriateness of the transition, and the App Association appreciates NTIA asking specific questions related to these concerns. Based on the history of the DNS and its operation, as well as the ICANN accountability mechanisms that the App Association has been involved in putting into place, we are able to address some of these concerns below:

- ICANN will not change its legal status and/or physically move its headquarters from California, and NTIA can be assured that ICANN will remain a California-based not-for-profit corporation. The Affirmation of Commitments obliges ICANN to remain a U.S.-headquartered not-for-profit corporation, and ICANN's CEO has publicly affirmed the organization's understanding of this pledge. Further, the requirement for ICANN to remain a California-based not-for-profit company is reflected in its Articles of Incorporation<sup>16</sup> in the ICANN Bylaws.<sup>17</sup> The new accountability framework ensures the community has the right to veto bylaw changes and to approve changes to the Articles of Incorporation.
- The IANA transition will have no effect on the role of any government or governments in ICANN's operations. The completed transition does not increase the role of governments over ICANN (or the internet). Governments including the U.S. government do and will continue to have an advisory role in the operations and policies of ICANN. The mechanism for this influence within ICANN is called the Governmental Advisory Committee (GAC) and serves a unique role namely to advise on governmental concerns related to laws and international agreements based on consensus.

It is true that GAC advice, when delivered without objection, is given some deference, but there is no obligation to accept or implement that advice. Instead, there is merely the requirement that the board attempt to find a compromise with the GAC recommendation. One of the important provisions of the new accountability framework is that this special deference only comes into play when GAC advice is delivered without objection, effectively giving the United States a veto within the GAC that was not previously ensured. If this consensus GAC advice, which must be accompanied by a clear rationale, is transmitted to the ICANN board, the board may reject this advice through a 60 percent majority vote; further, the board at this point shall try to find "a mutually acceptable solution." An IRP is available to examine whether, after accepting GAC advice, the ICANN board has stepped out of line with its Articles of Incorporation, bylaws, or mission. Finally, should GAC consensus advice be accepted by the ICANN board, the GAC is intentionally put in a position of less influence by ICANN bylaws, which prevent the GAC (and only the GAC, not other constituencies) from taking proactive steps within the ICANN process to challenge the implementation of GAC advice.

<sup>&</sup>lt;sup>16</sup> See Articles for Incorporation of the Internet Corporation for Assigned Names and Numbering (Rev. Nov. 21, 1998) at Sec. 3, available at <a href="https://www.icann.org/resources/pages/governance/articles-en">https://www.icann.org/resources/pages/governance/articles-en</a> (ICANN Articles of Incorporation).

<sup>&</sup>lt;sup>17</sup> ICANN Bylaws at Article XVIII ("OFFICES. The principal office for the transaction of the business of ICANN shall be in the County of Los Angeles, State of California, United States of America. ICANN may also have an additional office or offices within or outside the United States of America as it may from time to time establish.").

<sup>&</sup>lt;sup>18</sup> See ICANN Bylaws at Sec. 12.2.

<sup>&</sup>lt;sup>19</sup> *Id*.

Without question, authoritarian governments elsewhere in the world are seeking to use the internet in an abusive way to control those under their authority – and in some cases, they are able to do this through the management of traffic where it is crossing into their country's borders. However, these governments cannot control the global internet's core because it is governed by the multi-stakeholder community through ICANN. Further, ICANN's bylaws explicitly state that ICANN must not hold any governmentally authorized regulatory authority, and ICANN is limited from restricting services that use the internet's unique identifiers or the content that such services carry or provide outside of its specific established duties.<sup>20</sup> In summary, there are an exhaustive number of checks and balances (and limits) on the role of governments in ICANN, and NTIA can be assured that the completion of the IANA transition will give no increased control of ICANN (nor the internet) to any government or governments.

In its request for information, NTIA asks whether the IANA Stewardship Transition be unwound and, if so, how. We urge NTIA to ensure that U.S. government policymakers understand and carefully consider the harmful consequences of the undoing of the IANA transition. The U.S. government has already made a commitment to all Americans, and the rest of the world, to facilitate the operation of the DNS through a multi-stakeholder approach rather than one hostage to any government. The IANA transition has been central to efforts consistent with this goal for nearly 20 years. To change course would violate this commitment and throw the operation of the DNS into uncertainty, making it an easier target for those seeking to shift control of the DNS to the same governments we seek to prevent from controlling and abusing it. The internet will be significantly freer when no government controls the IANA resources. In addition, no credible legal basis or bases exist for an unwinding to occur. Even further, from a technical perspective, the unwinding of the transition is dubious at best. The App Association and a diverse community of engaged stakeholders stand ready to help educate and work with NTIA (and the U.S. government writ large) to ensure an effective, fair, and open DNS.

### Regarding ICANN, the App Association urges NTIA to:

- Affirm the need for the IANA transition and resolve the debate around an unwinding of the transition. Unwinding this long-labored transition would cause uncertainty and damage trust in the functioning of the internet, enabling those who seek to shift the DNS to the control of other governments or an international governmental organization.
- Continue to engage in ICANN's processes through the GAC to advance a secure and sustainable DNS across key issues which include:
  - Preserving access to registrant information that is needed for any legitimate purposes such as intellectual property rights enforcement, consumer protection by law enforcement authorities, business needs, etc.;
  - Facilitating a new round of top-level domains to be released to enable American innovation and job creation in the global digital economy;
  - Constructively contributing to efforts to resolve pressing trademark-related issues before the ICANN community, such as the dispute over the use of the .AMAZON top-level domain and other domain names of geographic or cultural significance; and
  - Increase the GAC's collaboration with other parts of the DNS community through cross-community working groups and other opportunities within the ICANN structure.

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<sup>&</sup>lt;sup>20</sup> ICANN Bylaws at Sec. 1.1.

The App Association also supports the IGF as a key multi-stakeholder forum for internet governance. We are active contributors to the IGF process on behalf of the small business innovator community and find the IGF to be an effective venue for U.S. thought leadership on internet governance opportunities and challenges, both established and emerging. We support NTIA's heightened engagement in IGF processes and greater educational outreach about IGF opportunities to all U.S. stakeholders.

## III. Privacy and Security

Cybersecurity threats harm the growth of the digital economy, the infrastructure that supports it, and the American end users who depend on it. They degrade the integrity of the internet and jeopardize international commerce and U.S. national cybersecurity. This issue is of great concern to our members who rely on a resilient and trustworthy internet ecosystem, alongside the development of 5G infrastructure that will drive next-generation IoT innovations and efficiencies.

In addition to the direct damage they cause, cybersecurity threats such as botnets indirectly, but effectively, reduce trust in the digital economy, driving customers away or destroying some businesses completely. As our members grow their businesses and create new jobs, we are cognizant that the more successful their businesses and websites, the greater the incentive and likelihood to be subject to a criminal or nation state-backed cybersecurity attack. App Association members represent the segment of the digital economy most vulnerable to advanced cyber-based attacks, often because small businesses do not have the resources to dedicate to cybersecurity risk management.<sup>21</sup> The App Association continues to work with its membership to advance the lifecycle security-by-design approaches and to improve education and awareness across stakeholder groups.

The App Association supports NTIA's efforts to appropriately to address questions of digital privacy and has been an active participant in NTIA multi-stakeholder efforts in the security and privacy space. We continue to support NTIA efforts to address emerging digital economy security and privacy issues through such a model. Further, the App Association notes its strong support for addressing data security and privacy through international trade negotiations and bilateral and multilateral dialogues.

We appreciate NTIA's request for views on which international venues are the most appropriate to address questions of digital privacy. The App Association notes its support for NTIA work to address digital privacy issues through the IGF, the Asia-Pacific Economic Cooperation (APEC) forum, the Organization of American States (OAS), the Organization for Economic Cooperation and Development (OECD), as well as the G7 and G20 forums. However, we do not believe that the United Nations' International Telecommunications Union (ITU) is an appropriate forum to address cybersecurity or digital privacy issues as such issues are beyond the core competencies of the ITU.

We urge NTIA to prioritize the advancement of data security and privacy frameworks that are voluntary and enforceable and which are designed to ensure the continued free flow of personal information across country borders while establishing meaningful protection for the privacy and security of personal information. The App Association believes that the APEC Cross-Border Privacy Rules (CBPRs) are a leading example of such a framework.

<sup>&</sup>lt;sup>21</sup> E.g., Deccan Chronicle, "Magala Trojan cashes-in at the expense of small businesses" (July 19, 2017), available at <a href="http://www.deccanchronicle.com/technology/in-other-news/190717/magala-trojan-cashes-in-at-the-expense-of-small-businesses.html">http://www.deccanchronicle.com/technology/in-other-news/190717/magala-trojan-cashes-in-at-the-expense-of-small-businesses.html</a> (last visited July 27, 2017).

# IV. Emerging Technologies and Trends

The App Association appreciates NTIA's questions posed regarding emerging technologies and trends. In the context of international policy discussions, we believe that the following cross-cutting priorities should be advanced:

- Developing frameworks and agreements that will ensure the seamless flow of data between economies and across political borders is essential to the functioning of the global economy.
- Developing frameworks and agreements that will help avoid regulations that force foreign providers to build and/or use local infrastructure in-country.
- Developing frameworks and agreements that will help avoid the "tolling" of data crossing
  political borders; collecting such customs duties directly contributes to the balkanization
  and reduced efficiency of the internet and effectively blocks these innovative products and
  services from market entry.
- Avoiding over-regulation of emerging technologies (e.g., "over-the-top" [OTT] services).
- Preserving global digital trade by allowing technical data protection methods, such as the use of strong encryption techniques, to be used.

In addition, we agree that specific emerging technologies such as IoT, 5G, artificial intelligence, and others need to be addressed. However, we urge the development of agreements/frameworks/etc., because of such emerging technology-specific discussions to adhere to the policy of technology neutrality so as not to inadvertently pick winners and losers in the marketplace.

The App Association agrees that NTIA should continue to lead U.S. engagement in key international fora like APEC and the OECD. We again note our concern with the ITU, specifically its Telecommunications Sector, which has waded into areas outside of the ITU's core competencies (e.g., cybersecurity, OTT regulation, etc.).

To this day, the American tech industry is the envy of the world. While no system is perfect, the U.S. government's measured, demonstrated harms-driven approach to regulation has undeniably enabled the tech sector to grow and create jobs. We support NTIA's formulation of best practices promoting innovation and investment for emerging technologies based on lessons learned through the growth of the American tech sector, which could be shared with other countries to influence their policies. Inevitably some best practices will be dependent upon a country's level of economic development (i.e., adequate broadband infrastructure), but many best practices will be universal. The App Association offers its assistance to NTIA in formulating such best practices.

The App Association appreciates the opportunity to share our views with NTIA regarding international internet policy. We support U.S. government efforts to advance the internet ecosystem and commit to assisting NTIA and other U.S. agencies towards this end.

Respectfully submitted,

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> Joel Thayer Policy Counsel

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