

119TH CONGRESS
2D SESSION

H. R. 8025

To provide for an investigation of Canadian digital trade practices, and
for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 19, 2026

Mr. SMUCKER (for himself, Mr. STEUBE, Ms. MALLIOTAKIS, Mr. MORAN, Mr. KELLY of Pennsylvania, and Mrs. MILLER of West Virginia) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To provide for an investigation of Canadian digital trade
practices, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Protecting American
5 Streaming and Innovation Act”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

8 (1) Digital trade is a critical engine of the
9 United States economy, allowing American compa-

1 nies to deliver innovative audiovisual and audio
2 products and services globally, creating high-paying
3 jobs in the United States and exporting American
4 culture and values.

5 (2) The United States-Mexico-Canada Agree-
6 ment (USMCA), which entered into force on July 1,
7 2020, includes a robust digital trade chapter in-
8 tended to prevent discriminatory barriers and ensure
9 a level playing field for North American digital serv-
10 ice providers.

11 (3) Canada’s law, the Online Streaming Act,
12 empowers Canadian regulators to apply “contribu-
13 tion” and “discoverability” obligations to audio and
14 audio-visual content, resulting in a revenue-based
15 tax that targets American companies.

16 (4) Canada has chosen to exempt domestic
17 streaming companies from these obligations, while
18 applying strict obligations to U.S.-based companies.
19 The contribution obligations currently require U.S.
20 companies to pay mandatory high-percentage con-
21 tributions based on models derived from traditional
22 broadcasters and direct these funds exclusively to
23 domestic cultural funds. They also require U.S.
24 audio streaming companies to pay twice because roy-
25 alties paid by audio services to Canadian

1 rightsholders are included in services’ taxable rev-
2 enue. Discoverability obligations potentially require
3 U.S. companies to undertake costly and technically
4 burdensome platform modifications, including the
5 implementation of invasive data collection and re-
6 porting systems, to enforce content prioritization or
7 quotas. These obligations are discriminatory and
8 place a disproportionate burden on United States
9 commerce.

10 (5) These measures appear to contravene Can-
11 ada’s commitments under the USMCA to provide
12 non-discriminatory treatment to United States dig-
13 ital products and services and avoid unnecessary
14 barriers to digital trade, and appear to be unreason-
15 able, discriminatory, and excessively burdensome to-
16 wards United States commerce. These measures also
17 appear to be a prohibited performance requirement.

18 (6) Canada has invoked the USMCA “cultural
19 industries” exception to defend measures like the
20 Online Streaming Act that affect audiovisual and
21 music services. However, the exception traces to the
22 Canada-U.S. Free Trade Agreement era and retains
23 a legacy definition of “cultural industry” centered
24 on traditional publishing, recordings, and broad-

1 casting, rather than modern means of digital deliv-
2 ery.

3 (7) If left unchecked, Canada's discriminatory
4 digital policies will set a harmful global precedent,
5 encouraging other nations to adopt similar protec-
6 tionist digital sovereignty regimes that target suc-
7 cessful United States streaming companies and con-
8 tent producers. Trading partners such as Australia,
9 Brazil, Israel, and others have adopted or are con-
10 sidering similar discriminatory digital policies that
11 primarily impact U.S.-based services. Additionally,
12 even within Canada, Quebec is considering an over-
13 lapping regime targeting United States companies.

14 (8) It is in the national economic interest of the
15 United States to enforce its rights under trade
16 agreements and statutory authorities and take ap-
17 propriate action to address foreign practices that are
18 unreasonable, discriminatory, and burden or restrict
19 United States commerce.

20 **SEC. 3. INVESTIGATION OF CANADIAN DIGITAL TRADE**
21 **PRACTICES.**

22 (a) IN GENERAL.—Not later than 30 days after the
23 date of the enactment of this Act, the United States Trade
24 Representative shall initiate an investigation under section
25 301 of the Trade Act of 1974 (19 U.S.C. 2411) to deter-

1 mine whether Canada's implementation of its Online
2 Streaming Act (Bill C-11), including the related regu-
3 latory actions of the Canadian Radio-television and Tele-
4 communications Commission (CRTC), constitutes an act,
5 policy, or practice that is unreasonable or discriminatory
6 and burdens or restricts United States commerce.

7 (b) CONSULTATIONS.—In conducting the investiga-
8 tion required by subsection (a), the Trade Representative
9 shall—

10 (1) consult with affected United States busi-
11 nesses providing online audiovisual or audio stream-
12 ing services;

13 (2) seek information from relevant trade asso-
14 ciations, labor representatives, and cultural organi-
15 zations; and

16 (3) coordinate with the Department of Com-
17 merce, the Department of State, and the United
18 States International Trade Commission.

19 (c) DETERMINATIONS AND ACTION.—

20 (1) AFFIRMATIVE DETERMINATION.—If the
21 Trade Representative makes an affirmative deter-
22 mination under subsection (a), the Trade Represent-
23 ative shall—

24 (A) publish such determination in the Fed-
25 eral Register; and

1 (B) consider appropriate action under sec-
2 tion 301(c) of the Trade Act of 1974 (19
3 U.S.C. 2411(c)), which may include the suspen-
4 sion of trade agreement benefits or imposition
5 of duties commensurate with the burden im-
6 posed.

7 (2) NEGATIVE DETERMINATION.—If the Trade
8 Representative makes a negative determination
9 under subsection (a) and determines that no action
10 described in paragraph (1)(B) is warranted, the
11 Trade Representative shall transmit to the appro-
12 priate congressional committees a report explaining
13 the determination.

14 **SEC. 4. REPORTING REQUIREMENTS.**

15 (a) INITIAL REPORT.—Not later than 90 days after
16 the date of the enactment of this Act, the United States
17 Trade Representative shall submit to the appropriate con-
18 gressional committees a report on—

19 (1) the implementation of the requirements of
20 section 3;

21 (2) Canada’s regulatory implementation sched-
22 ule for the Online Streaming Act (Bill C-11); and

23 (3) the preliminary findings on the impact of
24 these measures on United States digital service pro-
25 viders.

1 (b) QUARTERLY UPDATES.—The Trade Representa-
2 tive shall submit updates to the report required by sub-
3 section (a) on a quarterly basis for a period of two years
4 describing—

5 (1) consultations held with affected stake-
6 holders;

7 (2) any remedial or enforcement actions under-
8 taken; and

9 (3) the state of bilateral engagement with Can-
10 ada on digital trade issues.

11 (c) PUBLIC SUMMARY.—The Trade Representative
12 shall make publicly available a non-confidential summary
13 of each report and update submitted under this section.

14 **SEC. 5. RETALIATORY ACTIONS IF CANADA FAILS TO REM-**
15 **EDY DISCRIMINATORY MEASURES.**

16 (a) DETERMINATION OF NON-COMPLIANCE.—If, not
17 later than 180 days after publication of an affirmative de-
18 termination under section 3(c)(1), the United States
19 Trade Representative determines that Canada has not
20 taken satisfactory steps to remove or amend the discrimi-
21 natory measures identified in the investigation with re-
22 spect to which the determination was made, the Trade
23 Representative shall take appropriate action under section
24 301(c) of the Trade Act of 1974 (19 U.S.C. 2411(c)).

1 (b) FORMS OF ACTION.—Actions under subsection
2 (a) may include—

3 (1) the suspension, withdrawal, or modification
4 of trade agreement concessions or benefits to Can-
5 ada under the United States-Mexico-Canada Agree-
6 ment or other agreements; and

7 (2) the imposition of additional duties on goods
8 of Canadian origin in amounts commensurate with
9 the harm from implementation of Canada’s Online
10 Streaming Act (Bill C-11).

11 (c) NOTICE AND CONSULTATION.—Before taking any
12 action under this section, the Trade Representative
13 shall—

14 (1) notify the appropriate congressional com-
15 mittees of the proposed action; and

16 (2) consult with affected stakeholders to ensure
17 that measures are targeted, proportionate, and mini-
18 mize unintended consequences for United States
19 consumers and allies.

20 (d) TERMINATION OF ACTION.—The Trade Rep-
21 resentative may terminate any action under this section
22 if—

23 (1) Canada eliminates or modifies the measures
24 to the satisfaction of the Trade Representative; and

1 (2) the Trade Representative notifies Congress
2 in writing thereof.

3 **SEC. 6. RELATION TO OTHER GLOBAL FREE TRADE AGREE-**
4 **MENTS.**

5 To the extent that any other foreign country with
6 which the United States has in effect a free trade agree-
7 ment takes actions that are similar to the actions of Can-
8 ada described in section 3(a), the Trade Representative
9 shall apply the provisions of sections 3, 4, and 5 to such
10 other foreign country.

11 **SEC. 7. DEFINITIONS.**

12 In this Act—

13 (1) the term “appropriate congressional com-
14 mittees” means—

15 (A) the Committee on Ways and Means of
16 the House of Representatives; and

17 (B) the Committee on Finance of the Sen-
18 ate; and

19 (2) the term “online streaming service” means
20 any digital service delivering audiovisual or audio
21 programming to users in Canada via the internet.

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