

Congress of the United States

Washington, DC 20515

November 15, 2023

Ambassador Katherine Tai
United States Trade Representative
600 17th St NW
Washington, DC 20006

Dear Ambassador Tai:

We write to express our opposition to the Office of the U.S. Trade Representative's (USTR) decision to abandon important bipartisan digital trade proposals at the World Trade Organization (WTO). This action, which was made without sufficient consultation with Congress, runs counter to the interests of American workers and businesses of all sizes and cedes more leverage to other foreign powers, including the Peoples' Republic of China (PRC), that seek to write the rules of the 21st-century digital economy. We urge the administration to reconsider its approach.

Digital trade is vital to American workers and businesses of all sizes and virtually all industries, and the growth of e-commerce has only accelerated in recent years. In 2021, the U.S. digital economy produced \$3.70 trillion in gross output, a 36-percent increase from 2016, and the sector supported over 8 million jobs. Further, U.S. digital services exports equated to more than 75 percent of total services exports or \$594 billion in 2021. Digital trade is more critical than ever, impacting the competitiveness of nearly every American industry, from manufacturing and traditional technology to agriculture and services.

We are concerned by an increasing number of policies and proposals around the world that unfairly target American businesses and workers and threaten to undermine the leading position U.S. innovators have achieved. These policies include restrictive data localization requirements that fail to advance legitimate public policy objectives, controls on cross-border data flows, intellectual property theft and the forced transfer of technology, discriminatory regulations and digital service taxes, web filtering, and cybercrime.

American leadership in shaping digital trade rules is critical for competing globally in the long-term and countering the unfair trade practices of other foreign powers, including the PRC. We are especially concerned by the PRC's efforts to advance a model of digital governance domestically and through its Digital Silk Road Initiative that permits censorship, surveillance, human and worker rights abuses, forced technology transfers, and data flow restrictions.

We wholeheartedly agree that the United States and our allies must maintain sufficient room to regulate the digital economy in a fair and transparent manner. Further, we agree that consumers must be protected as they interact with the digital economy, including by bolstering consumer data privacy protections and cybersecurity safeguards. That said, the U.S. can regulate companies within our borders without giving foreign countries, including our adversaries, the impression that the United States will no longer protect our industries and workers against

discrimination, push back against the PRC's model of data censorship and surveillance, promote the free and secure flow of data across borders, and defend American companies against source code theft.

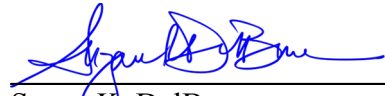
To combat these challenges, we have encouraged the Biden administration to embrace a bold digital strategy that puts American values front and center. We continue to support an approach that ensures fair competition by addressing protectionist data flow and localization restrictions, prohibiting web blocking, and protecting against forced source code transfer as a condition of market access. All these objectives were advanced by successive administrations, implemented in the bipartisan United States-Mexico-Canada Agreement, and previously supported by the United States in the WTO Joint Initiative on E-Commerce.

These provisions maintain broad support in the United States, and we are troubled that USTR has abandoned these positions without meaningful consultations with Congress and without putting forth any alternative approaches to advance the key objectives we outline above. The void created by this decision will harm American workers, companies, security, and innovation, while benefitting our largest competitors in the digital space. We reiterate our request for the administration to reassess its decision.

Sincerely,



Darin LaHood
Member of Congress



Suzan K. DelBene
Member of Congress



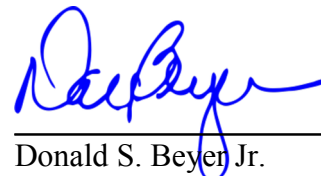
Adrian Smith
Member of Congress



Terri A. Sewell
Member of Congress



Vern Buchanan
Member of Congress



Donald S. Beyer Jr.
Member of Congress



Mike Kelly
Member of Congress



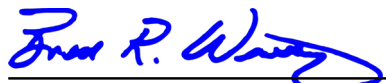
Bradley Scott Schneider
Member of Congress



David Schweikert
Member of Congress



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Member of Congress



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Member of Congress



Gregory W. Meeks
Member of Congress



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Member of Congress



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Ron Estes
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J. Luis Correa
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Lloyd Smucker
Member of Congress

Josh Gottheimer

Josh Gottheimer
Member of Congress

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Carol D. Miller
Member of Congress

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Jim Himes
Member of Congress

Brian Fitzpatrick

Brian Fitzpatrick
Member of Congress

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