

Congress of the United States

Washington, DC 20510

June 10, 2022

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

Dear Ambassador Tai:

We write to express support for the World Trade Organization (WTO) Moratorium on Customs Duties on Electronic Transmissions (the Moratorium) and urge the Biden administration to make its renewal a top priority at the twelfth WTO Ministerial Conference (MC12).

Since 1998, the United States and all other WTO members have agreed to refrain from imposing tariffs on electronic transmissions. The WTO members have extended the Moratorium at subsequent WTO Ministerial Conferences. The Moratorium covers electronic transmissions of both digital goods (*e.g.*, e-books, music, movies, and video games) and digital services (*e.g.*, software, emails, and text messages), enabling a stable environment for growing digital trade and American jobs.

The international flow of digital goods and digital services has become increasingly vital to American workers and businesses of all sizes, including the countless small businesses that use digital tools to export products and services across the globe. Failing to renew the Moratorium, as we have done for more than twenty years, would undermine the strength of the American economy, jobs, and innovation.

If the Moratorium is not renewed, governments around the world would be free to impose tariffs and other trade barriers on numerous American industries that transmit products and services electronically and rely heavily on the free flow of data around the globe, including manufacturing, agriculture, entertainment, software, financial services, semiconductors, aerospace, autos, robotics, and medical devices. For example, Indonesia has already established a customs regime to impose tariffs on certain digital goods and services. Additionally, the proliferation of these trade barriers could further disrupt supply chains and increase prices for American consumers, given that digital goods and services have enabled our economy to persist through COVID-19 restrictions and lockdowns.

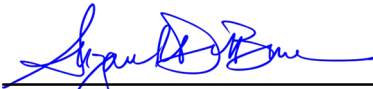
Although some countries have advocated for ending the Moratorium on the grounds that it deprives them of tariff revenue, studies¹ have found that if countries were to apply customs

¹ Andrea Andrenelli and Javier Lopez Gonzalez, “Electronic Transmissions and International Trade – Shedding New Light on the Moratorium Debate,” *OECD* (November 2019): 7; Hosuk-Lee Makiyama and Badri Narayanan, “The Economic Losses from Ending the WTO Moratorium on Electronic Transmissions,” *European Centre for International Political Economy* (August 2019): 15.

duties on electronic transmissions, they would lose considerably more in broader economic growth than they would gain in tariff revenue.

The United States has been a consistent defender of the Moratorium, and we urge your continued support and advocacy at MC12. Thank you for your attention to this important matter.

Sincerely,



Suzan K. DelBene
Member of Congress



Darin LaHood
Member of Congress



Earl Blumenauer
Member of Congress
Chairman, Subcommittee on
Trade



Adrian Smith
Member of Congress



Terri A. Sewell
Member of Congress



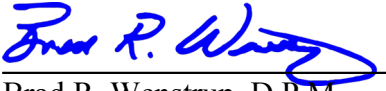
Jimmy Panetta
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Thomas R. Suozzi
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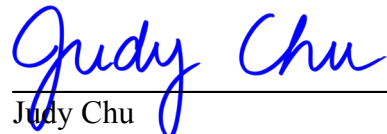
Dwight Evans
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Danny K. Davis
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Susie Lee
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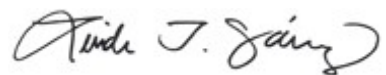
Carol D. Miller
Member of Congress



Jackie Walorski
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Jim Himes
Member of Congress



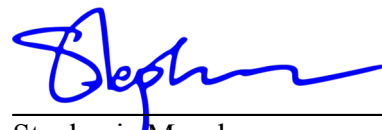
Linda T. Sánchez
Member of Congress



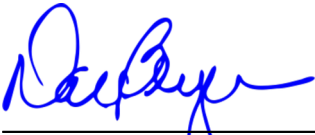
Stacey E. Plaskett
Member of Congress



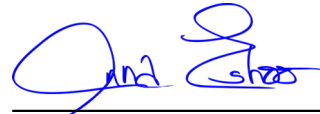
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