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  
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Bradley Scott Schneider  
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Ami Bera, M.D.  
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A. Drew Ferguson IV  
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