30 Free Market Groups and Activists Oppose Biden's Surrender on Digital Trade

The Honorable Jason Smith
1011 Longworth House Office Building
Washington, D.C., 20515-2508

January 11, 2024

Dear Chairman Smith:

We write in opposition to the Biden administration's decision to surrender leadership on digital trade rules to China. Left unchecked, these policies will damage the American economy and undermine American economic leadership abroad.

Thank you for your strong leadership on this issue. We stand ready to support your efforts to push back against the Biden administration's recklessness in this area.

American ingenuity and leadership largely created the modern digital economy as we know it. American innovation is responsible for adding $2.3 trillion to the nation's economy and supports 18.2 million American jobs. This has contributed to American economic and technological leadership becoming the envy of the world, particularly to governments that have crippled their own technology companies through crushing regulations and heavy-handed, authoritarian approaches to the internet. Unfortunately, this leadership has come under assault by allies and adversaries alike, who actively discriminate against U.S. companies and aggressively pursue a walled-off digital economy.

The European Union has advanced its so-called "digital sovereignty" agenda to the detriment of American companies. Laws like the Digital Markets Act and the Digital Services Act are explicitly designed to treat American companies like a piggy bank to the tune of tens of billions of dollars per year. American innovation is paying to fill the coffers of unelected European bureaucrats.

The EU's wrongheaded approach is a direct giveaway to China. A recent Center for Strategic and International Studies survey of five-hundred European firms found that nearly 20 percent believe cost increases from increased EU regulation on U.S. digital services providers would cause them to likely change to cheaper Chinese technology.

Instead of standing up for American companies, the Biden administration works hand in glove with progressive activists to cripple them. U.S. Trade Representative Katherine Tai recently announced that she is dropping longstanding U.S. digital trade demands in talks with the World Trade Organization. Tai's move, which blindsided the White House, was swiftly denounced by members of Congress on both sides of the aisle that rightfully see it as further proof that USTR is abandoning its mandate to advocate for U.S. companies and is instead ceding digital leadership to adversaries. This

is part and parcel with FTC Commissioner Lina Khan sending staff to collude with European bureaucrats on DMA implementation.

Amid an era of intense technological competition, the Biden administration should start standing up for its leading industries abroad instead of actively undermining them. Anything less is a giveaway to Communist China, Russia, and other countries that are gleeful at the opportunity to thwart American innovation.

Sincerely,

Grover Norquist
President
Americans for Tax Reform

Richard Manning
President
Americans for Limited Government

Jim Martin
Founder and Chairman
60+ Association

Brent Wm. Gardner
Chief Government Affairs Officer
Americans for Prosperity

Sauilus "Saul" Anuzis
President
60+ Association

Phil Kerpen
President
American Commitment

Dick Patten
President
American Business Defense Council

Bob Carlstrom
President
Association of Mature American Citizens

Tirzah Duren
Director of Tech Policy
American Consumer Institute

Daniel J. Mitchell
President
Center for Freedom and Prosperity

Tanner Avery
Director
Center for New Frontiers (Frontier Institute)

George Landrith
President
Frontiers of Freedom

Ashley Baker
Director of Public Policy
Committee for Justice

Dr. Edward J. Longe
Director of the Center for Technology and Innovation
James Madison Institute

Iain Murray
Vice President of Strategy
Competitive Enterprise Institute

Charles Sauer
President
Market Institute

Gerard Scimeca
Chairman
Consumer Action for a Strong Economy

Brandon Arnold
Executive Vice President
National Taxpayers Union

Tom Schatz
President
Council for Citizens Against Government Waste

Doug Kellogg
Executive Director
Ohioans for Tax Reform

James Erwin
Executive Director
Digital Liberty

Jonathan Small
President
Oklahoma Council of Public Affairs

Adam Brandon
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FreedomWorks

Tom Hebert
Executive Director
Open Competition Center

Lorenzo Montanari
Executive Director
Property Rights Alliance

Jenny Beth Martin
Honorary Chairman
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Karen Kerrigan
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Dr. Steven J. Allen
Vice Chairman
The Conservative Caucus

David Williams
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Casey Given
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