

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



The American Consumer Institute
Center for Citizen Research
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

President
FreedomWorks



Tom Hebert

Executive Director
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Lorenzo Montanari
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Jenny Beth Martin
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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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