

# Congress of the United States

Washington, DC 20515

June 21, 2023

President Joseph R. Biden  
The White House  
1600 Pennsylvania Avenue, NW  
Washington, DC 20500

Dear President Biden:

We write to raise our ongoing concerns with efforts by the European Union (EU) to regulate the digital economy in ways that harm American companies and workers. Left unaddressed, the discriminatory elements of these policies will weaken American competitiveness by unfairly advantaging domestic European firms and inadvertently benefitting Chinese, Russian, and other foreign-owned competitors. We encourage you to raise these issues with the EU, including through the Trade and Technology Council (TTC) and in discussions over the implementation of the Inflation Reduction Act, to ensure that the EU enforces these policies fairly and refrains from targeting American companies in future regulations.

America's innovation economy is essential to our competitiveness across the globe and our economic strength at home. Our leadership in the digital economy supports millions of American jobs and has the potential to create significant economic opportunities for years to come. We strongly believe that we must safeguard the success of the United States in this sector by ensuring that American companies and workers face a fair and level playing field when competing in foreign markets.

The growth of the internet also poses new challenges, and governments around the world have an obligation to protect consumers, safeguard privacy, encourage online competition, increase access to digital infrastructure, and regulate emerging technology in a fair and thoughtful way. We support the EU's right to regulate in these areas and recognize that the United States is also considering how to regulate the digital economy.

Unfortunately, elements of the EU's approach go beyond legitimate public policymaking and instead disproportionately and needlessly target American companies. Recent findings<sup>1</sup> from the Center for Strategic and International Studies (CSIS) show the direct threat to the U.S. economy from proposed EU digital regulations, estimating that they could raise costs on American businesses by \$97 billion, including \$45 billion on small businesses, and reduce American exports by \$13 billion or more.

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<sup>1</sup>Suominen, Kati, "Implications of the European Union's Digital Regulations on U.S. And EU Economic and Strategic Interests." *Center for Strategic and International Studies (CSIS)*, November 2022, <https://www.csis.org/analysis/implications-european-unions-digital-regulations-us-and-eu-economic-and-strategic>.

These policies include the recently enacted Digital Markets Act and Digital Services Act, proposals to limit access for American cloud service providers, and threats to revive digital services taxes, among others. These policies, which almost exclusively target American companies, collectively impose sweeping new regulations, forced technology transfers, compliance costs, hefty taxes, and potentially significant penalties while giving homegrown European rivals a leg up. Some of these policies also provide opportunities for Chinese, Russian, and other foreign-owned firms to increase market share in Europe.

There are many opportunities to push the EU to amend its proposals and enforce its laws in an even-handed manner, including through continued TTC discussions. We also believe that as the EU raises concerns over components of the Inflation Reduction Act, the United States should not hesitate to raise our own concerns over the EU's digital policies. We commend your success generally in bolstering the US-EU relationship, including by removing major trade irritants and jointly supporting Ukraine's defense, and hope that these issues too can be resolved.

Moving forward, we encourage you to continue consulting with Congress as we work to grow our economy and answer the challenging questions of how to regulate the digital world. To that end, we would greatly appreciate an update on your administration's efforts following the next TTC meeting at the end of May.

Thank you for your attention to this matter.

Sincerely,



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Darin LaHood  
Member of Congress



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Suzan K. DelBene  
Member of Congress



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W. Gregory Steube  
Member of Congress



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Gerald E. Connolly  
Member of Congress



Brian Fitzpatrick  
Member of Congress



Deborah K. Ross  
Member of Congress



Jimmy Panetta  
Member of Congress



Jeff Duncan  
Member of Congress



Mike Carey  
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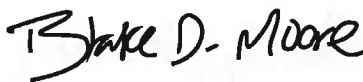
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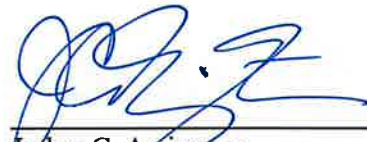
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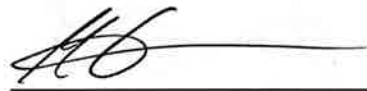
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