

















March 8, 2023

Mr. Jacob J. Sullivan Assistant to the President for National Security Affairs The White House Washington, DC 20500

Dr. Lael Brainard Assistant to the President for Economic Policy and Director, National Economic Council The White House Washington, DC 20500

Dear Mr. Sullivan and Dr. Brainard:

Prior to European Commission President Ursula von der Leyen's arrival in Washington this week, the undersigned trade associations urge the Biden administration to address the EU's discriminatory digital regulatory agenda with the same tenacity that European officials have deployed in raising their concerns with elements of the Inflation Reduction Act (IRA).

The EU's digital agenda, and the specific measures that will carry it forward — both recently concluded and actively under debate — will damage U.S. jobs and growth, erode our long-term competitiveness, and undermine transatlantic national security cooperation. A recent CSIS <u>analysis</u> estimates that EU digital regulation could amount to more than \$13 billion in annual U.S. export losses and a 2% decrease in U.S. global services exports. We are troubled that the pillars of their agenda target American companies and workers and restrict U.S. companies' ability to participate in the European market.

We are aware that numerous EU officials have raised concerns with their counterparts in Washington regarding the IRA's incentives. While we support the objective of resolving trade irritants before they become entrenched disputes, the Administration would be remiss if it did not at the same time seek EU commitments to address U.S. concerns with the discriminatory aspects of the EU's push to achieve "Digital Sovereignty."

Last December, the U.S.-EU Joint Statement of the Trade and Technology Council (TTC) noted that the United States and EU must recognize one another as trustworthy and reliable trade, technology, investment, and security partners.² The European Commission's discriminatory regulatory agenda runs contrary to our shared goals to reduce unnecessary barriers to trade and investment.³

¹ https://csis-website-prod.s3.amazonaws.com/s3fs-public/2023-02/221122 EU DigitalRegulations-3.pdf?VersionId=04r7zBzS2kHNhsISAqn4NkC6lGNgip7S.

² Joint Statement, para. 14.

³ Joint Statement at 43.

We urge the Biden administration to stand up for U.S. workers and businesses threatened by the EU's discriminatory policies with the same resolve that European officials have shown on the IRA. Measures that undercut American companies' ability to compete in Europe should be opposed. Now is the time to press the EU to commit to fair implementation and enforcement of existing measures, including the Digital Markets Act and the Digital Service Act, and to insist that they refrain from adopting additional discriminatory measures, including provisions in the EU Cloud Services Scheme, and Data Act. Doing so will strengthen the U.S.-EU partnership as we work together to promote shared values, take on challenges in third countries, and create new opportunities for both U.S. and EU companies and workers.

Sincerely,

ACT | The App Association

Chamber of Progress

Coalition of Services Industries (CSI)

Computer & Communications Industry Association (CCIA)

Consumer Technology Association (CTA)

Information Technology Industry Council (ITI)

National Foreign Trade Council (NFTC)

Software & Information Industry Association (SIIA)

United States Chamber of Commerce