

Congress of the United States
Washington, DC 20515

June 9, 2021

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

Dear President Biden:

As co-chairs of the Digital Trade Caucus, we write to express our concerns regarding Europe's growing "digital sovereignty" campaign and the threat it poses to American jobs and economic competitiveness. As you prepare for meetings with your European counterparts this month, we urge you to work with the E.U. to ensure non-discriminatory treatment for firms on both sides of the Atlantic.

Like you, we are optimistic about the opportunities that the upcoming U.S.-E.U. Summit provides for revitalizing the world's largest trade and investment relationship. We are encouraged by recent reports that your administration is seeking an agreement with the E.U. to restore confidence in cross-border data flows—which would positively impact thousands of businesses both at home and in the E.U.—and that the U.S. and E.U. may soon formally launch a transatlantic technology and trade dialogue. We are also pleased that your administration is working at the G-7 on digital services taxes (DSTs), which have proliferated across Europe in recent years and will continue to spread to other countries, including Canada, without strong U.S. leadership. While finding consensus on these global issues won't be easy, these are important steps in the right direction.

As with any diplomatic partnership, our economic ties must be constantly nurtured. To that end, we are troubled by a number of digital regulations that the E.U. is pursuing—in addition to DSTs and data flow restrictions—that appear to unfairly target American companies and would potentially undermine U.S. competitiveness in the innovative tech sector. These are areas where we should instead be forging joint approaches based on shared values.

Of primary concern are two pieces of legislation introduced in the E.U.—the Digital Markets and Digital Services Acts—which would regulate large technology firms and hit them with hefty fines for noncompliance. The Digital Markets Act in particular appears to only target a small group of American companies and limit their ability to operate in Europe. While there is a fair conversation to be had between the U.S. and E.U. about digital platform competition and online content regulation, European leaders are instead moving forward with these unilateral measures as part of a broader effort to set global rules and standards. E.U. measures that disproportionately harm American technology companies would have real-world consequences for the 19 million Americans that they employ across the country, as well as for our advanced manufacturing and service providers who rely on technology to remain competitive across the globe. We urge you to

Congress of the United States
Washington, DC 20515

raise concerns with the E.U. before these proposals are finalized by the European Parliament and Council.

To counter this approach, we encourage your administration to collaborate closely with European counterparts—for we have much more in common than not—to ensure that proposals to regulate the digital ecosystem do not jeopardize market access for U.S. digital products and services and the American workers that create and deliver them. U.S. firms must be able to operate on a level playing field with the E.U. and other countries if we want to maintain the technology leadership position we have built—particularly in a future defined by breakthroughs on artificial intelligence, machine learning, telecommunications, quantum computing, and the Internet of Things.

We welcome cooperation with the E.U., and strongly support deeper economic and diplomatic collaboration devoted to the promotion of shared market economic values worldwide. To that end, we urge you to work with the E.U. to establish international rules and standards to ensure non-discriminatory treatment for digital and technology firms on both sides of the Atlantic. In addition, we urge you to work with the E.U. to develop on a joint strategy to counter the growing challenge posed by China and its authoritarian, discriminatory, and non-market approach to the digital realm.

We thank you for your continued efforts to re-engage with America's allies at this important time. We look forward to working with you as these issues continue to unfold.

Sincerely,



Suzan K. DelBene
Co-Chair
Member of Congress



Darin LaHood
Co-Chair
Member of Congress