



The Honorable Katherine C. Tai
Ambassador, United States Trade
Representative
600 17th Street NW
Washington, D.C. 20006

Mr Valdis Dombrovskis
Executive Vice-President, European
Commissioner for Trade
European Commission
Rue de la Loi 200
BE - 1049 Brussels

20 March 2023

Re: It's time to stop using trade rules to chill regulatory action

Dear Ambassador Tai and Executive Vice President Dombrovskis,

We write to you on behalf of leading consumer and digital rights organisations, members of the Transatlantic Consumer Dialogue (TACD), in the United States and Europe, to call on you not to use trade rules to chill regulatory action.

Indeed, this is a recurring pattern in our transatlantic relationship. After the U.S. passed the Inflation Reduction Act, the EU raised concerns by mentioning the possibility of launching a trade dispute. Now that the U.S. and EU have announced a possible solution to accommodate the EU's concerns, U.S. Big Tech companies and some senators have sent letters urging that the U.S. government should, in turn, take action against EU efforts to regulate the digital economy. They argue that EU laws such as the EU Digital Services Act (DSA) and the Digital Markets Act (DMA) are creating barriers to transatlantic trade.

Too often, trade rules are invoked to influence domestic policy making. In many cases, the objective is to weaken the regulatory ambition to better protect consumers. If we want to develop a strong transatlantic cooperation, this pattern must come to an end. TACD calls on you to stop threatening each other with trade retaliation or trade disputes whenever there are concerns over domestic regulations.

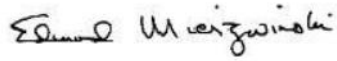
There are more transatlantic cooperation dialogues and task forces than we can count, so we urge you to instead use these channels to have in-depth discussions about these concerns and find solutions that do not come at the expense of consumer protection. This means that the U.S. government must not ask the EU to weaken the implementation of the DSA and the DMA, because this would mean that consumers would lose protection for the sake of business profits. We have seen this happen in the past when the U.S. pressured the EU into changing its food safety law as a tradeoff to launch the TTIP negotiations.

Voluntary cooperation between regulators can be positive for consumers. It should aim at enhancing the levels of consumer protection, not lowering them to the lowest common denominator. TACD is supportive of the work of the informal transatlantic consumer dialogue led by the FTC in the U.S. and the Directorate General for Justice and Consumers in the EU. Exchanging information about the problems faced by consumers and discussing together how they could be solved can make a difference in people's daily lives. We therefore call on you to focus your efforts on this type of cooperation.

Sincerely,



Monique Goyens
Director General, BEUC
European Co-Chair of TACD



Edmund Mierzwinski
Senior Director, Consumer Programmes, U.S. PIRG
U.S. Co-Chair of TACD

cc: Commerce Secretary Gina Raimondo,
Federal Trade Commission Chair Lina Khan
Executive Vice President Margrethe Vestager
Commissioner Didier Reynders