

What Lawmakers Said at the 2024 USTR Oversight Hearings in Congress

Digital Trade Rules Promote U.S. Interests Abroad and Still Enjoy Bipartisan Support

U.S. Trade Representative (USTR) Ambassador Katherine Tai testified before the [House Ways & Means](#) and [Senate Finance](#) Committees on April 16 and April 17, respectively, for oversight hearings examining the Biden Administration’s trade agenda. In these hearings, Amb. Tai doubled down on recent statements suggesting digital trade rules should be revised and weakened if not abandoned. This narrative of digital trade being unworthy of policy support, even when involving U.S. interests abroad comes as the USTR withdrew support for strong digital trade provisions at the World Trade Organization and in the Indo-Pacific Economic Framework and removed several key digital trade barriers from the congressionally-mandated National Trade Estimate report.

However, the hearings made it clear that strong engagement on digital trade commitments—through new agreements and enforcement of existing ones—is still a bipartisan ideal that U.S. trade policy should prioritize. Below are a collection of quotes from lawmakers on both sides of the aisle highlighting the importance of digital trade to their interests.

Key Quotes in Support of Strong Digital Trade Rules and Engagement in the Senate

Senate Finance Committee Chairman Ron Wyden (D-OR)

“I’ll also note our country, particularly my home state, has set the standard on hightech, innovative industries. The United States needs to be a leader in setting the rules of the road for digital trade so our creators and innovators get a fair shake in foreign markets. I take a backseat to no one when it comes to privacy, security, and antitrust enforcement. While lawmakers look to domestic tech regulation, we must also push for digital trade rules that will protect the free and open internet, help small businesses, and push back on China’s model of digital surveillance and censorship.”

“On this question of technology policy, I showed up in the US Senate when only one senator knew how to use a computer... I decided then that it was one of the areas that I wanted to go in on, and my horse was small business. I put on this kind of prism that the big guy is going to be able to take care of themselves, my interest is small business. So I’m very glad that the White House is now working with everybody on this, the whole of government approach. Just so everybody knows, I am going to be pushing hard that these policies like forced localization are just poison for small businesses. There is just no way they can move ahead if they are going to be paying for servers and all the rest.”

“On this point with respect to digital, I feel strongly that keeping these markets for digital free and open and fighting these sleazy data brokers are not mutually exclusive, we can do both.”

Senate Finance Committee Ranking Member Mike Crapo (R-ID)

“When it comes to discriminatory trading practices, our trading partners expect USTR to simply note that it is considering all options, as it did with Canada’s decision to move forward with its discriminatory digital services tax, and further expect that USTR’s consideration of all options is likely to be indefinite...(USTR) should at least...negotiate key rules on technical barriers to trade... [in areas like] intellectual property and key digital provisions such as non-discrimination and free data flows.”

“Thus far, USTR has failed to do so...and the trade agenda indicates this will continue...This benefits China...The proposals... for USMCA for technical barriers to trade, for intellectual property and for digital trade ensured we could regulate and also rise to China’s challenge. Simply abandoning coordinated and reasoned proposals without consulting Congress—is a profound mistake.”

Senator Tom Carper (D-DE)

“In February this year, the American Civil Liberties Union, along with Freedom House and a number of other advocacy groups as well as academics, sent a letter expressing concern with the United States decision to withdraw from the key digital commitments at the World Trade Organization. That letter outlines the impact of digital trade across sectors, and the importance of ensuring that the United States has a seat at the table in order to help write the rules of the road, both for creators and small and medium-sized businesses that must adapt to the changing digital landscape.”

“Here's my question. As you work with our friends in the White House and other agencies to develop the United States position on digital trade, can you commit to us to working with a broad group of stakeholders as well as US creators across industries to build out the United States posture on digital trade commitments?”

Senator Chuck Grassley (R-IA)

“There has been a bipartisan agreement on this committee on critical issues such as cross-border data flows, data localization, open markets, and intellectual property protection. However, this has been undermined by actions of this Administration, so other countries end up setting the rules on digital trade. These bipartisan principles are the foundation of the digital economy and U.S. companies enjoy a significant competitive advantage relative to foreign competitors.”

“Our competitors repeatedly seek to discriminate against U.S. companies and impede access to their markets, yet the Biden Administration has pulled back from negotiations on digital services trade and rejected long-term, long-held bipartisan principles against discriminatory practices of our partners. USTR has abdicated its leadership role in this important issue. So why is USTR allowing other countries to set the rule that will put American companies at a disadvantage? This can't be consistent with USTR's mission.”

Senator Marsha Blackburn (R-TEN)

“I do want to talk to you about digital trade. I thank you for the response to my letter on small business impact of the digital trade rules. I disagree with you on that because I think the

change in digital trade policy is not one that has been welcome. The Biden Administration might think the change is going after ‘big tech,’ but what you’re doing is really hurting countless small businesses. And you made a comment in your opening that you were slow-walking the changes, you brought up the work we were doing in the Judiciary Committee on privacy and you brought up KOSA as a justification for not doing something on digital trade provisions. And I would remind you that international agreements on digital trade do not preclude countries from passing privacy laws. You can look at the EU, you can look at GDPR, you can look at New Zealand, you can look at Canada, you can look at Australia, so that is an excuse and not an accuracy.”

Senator Todd Young (R-IN)

“I am going to continue to pull on the thread that Senators Carper and Wyden have, as they have emphasized the importance of digital trade to our country, to our national security, to our people. I think not everyone associates the state of Indiana and the industrial Midwest with digital trade and the importance of digital trade, but they should. This is a potential opportunity for countless Hoosiers to lower costs, especially something top of mind at a time of inflation concerns. This creates new opportunities for consumers and workers alike, this is an opportunity for us to advance our global competitiveness, increasingly services industries and IT-related industries, are an important part of Indiana’s economy and the rest of the country’s economy.”

I happen to believe, and I think our committee has demonstrated on a broadly bipartisan basis that digital trade is increasingly important to our country. At this moment in history however, our government has not acted as though it is as important as this committee seems to believe. Under your leadership, USTR is diminishing our role in defending open digital trade rules, to put it pointedly.”

Senator John Thune (R-SD)

“I would echo what my colleague Senator Grassley said about digital trade, and that’s something I’ve worked with the Chairman on a lot. It seems like we have abdicated our role as a leader on digital trade and very quickly allowing China to step into the gap.”

Key Quotes in Support of Strong Digital Trade Rules and Engagement in the House

Rep. Darin LaHood (R-IL)

“Rather than providing a free market alternative to the CCP’s digital governance model, this administration sends mixed messages on the global stage by walking back long-held bipartisan digital trade proposals outlined at the World Trade Organization without clearly articulating a policy path forward. Last November, Congresswoman DelBene and I led a bipartisan letter along with 36 house colleagues to you underscoring how your decision threatens America’s leadership and ultimately harms American businesses and workers.”

“This decision, as we mentioned, was made without any sufficient Congressional input. So when I mentioned frustration, Ambassador Tai, we continue to have concerns and frustration

with this decision and the successive abandonment of digital trade in IPEF or to understand what the policy position of the administration is moving forward.”

Rep. Jimmy Panetta (D-CA)

“I do believe that if we want to incentivize countries to implement labor, environment, and enforcement mechanisms, it takes more. It takes deals, it takes multilateralism, it takes FTAs, and it does take working with Congress... There is a perception that trade is toxic. And what we don’t want is for us to be sitting on the sidelines just because of that perception. We want to make sure that we are a part of the economic integration that is going on right now, as we’re seeing in the Pacific, especially as China tries to fill that void with its being a part of the CPTPP and RCEP.”

Rep. Kevin Hern (R-OK)

“In an increasingly interconnected global community, access to free digital trade is critical to U.S. economic growth and innovation. Preventing digital trade barriers has historically been bipartisan. It is also a requirement of the 2015 bipartisan Congressional Trade Priorities and Accountability Act.”

“Yet USTR has continuously failed to protect digital trade, USTR pulled back on its support for digital trade protections at the WTO, sidelined digital trade negotiations in the Indo-Pacific Economic Framework deal, and most recently failed to include digital trade barriers in the 2024 National Trade Estimate report on foreign trade barriers. Internet and digital technologies have revolutionized commerce, enabling businesses of all sizes to access global markets and consumers like never before. However, this potential is being undermined by the rise of digital trade barriers imposed by some of our trading partners.”

“These barriers come in various forms, from data localization requirements to discriminatory regulations and censorship measures. They not only stifle innovation and economic growth, but also undermine the competitiveness of American businesses in the digital age. An increasing number of U.S. trading partners are adopting digital restrictions, modeled after Chinese laws, that hurt American workers and impede foreign market access of U.S. exports, which is why I was greatly concerned to see USTR fail to include the majority of these restrictions in this year’s NTE. USTR stated that these exclusions only applied to any barrier that is an effort to regulate in the public interest. Ceding these protections to the interests of foreign governments who would undermine the success of American companies and as a result the people they employ is simply unacceptable.”

Rep. Brian Fitzpatrick (R-PA)

“U.S. digital trade policy has consistently been a bipartisan issue in this Chamber and in this Congress, and Congress has remained committed to supporting the promotion of digital trade and the removal of foreign barriers to digital trade that directly harm our companies right here in the United States. Moreover, digital trade bolsters American leadership and encourages innovation and levels the playing field for U.S.-based companies and workers competing against foreign businesses while also promoting democracy abroad.”



“Ambassador Tai, last year, your office made the unilateral decision to withdraw support of the WTO’s digital trade principles. I believe this to be an unfortunate decision, I believe it abandoned longstanding bipartisan digital trade principles, it allows communist China to have more of a say over the global rules of the road for internet, for e-commerce, and cross-border data flow rules and information access. I believe this change in posture by the USTR will hurt U.S. businesses and will threaten our national security interests if adversaries like China are able to impose national requirements for data localization and get away with harming American businesses at the WTO.”

Rep. Suzan DelBene (D-WA)

“Trade is critical for Washington state’s economy. More than 40% of our jobs are tied to trade... I do worry we are not doing enough to negotiate trade rules that are commercially meaningful, enforceable, supported by Congress, and reflective of the modern-day challenges we face as a nation.”

Rep. Lloyd Smucker (R-PA)

“Let me start by echoing several of my colleagues’ comments regarding our disappointment to see digital trade barriers not included in the National Trade Estimate.”

“I am very concerned about the global proliferation of digital services taxes, but I am equally concerned with the fact that our own Administration sees the rise of DSTs around the globe as an opportunity to question if digital innovation born and bred in the U.S. actually is American. I believe comments like that send the wrong signal to the international community that our administration welcomes their efforts to cut into the share of taxes that companies are paying. I strongly urge you to pursue aggressive action to ensure our companies are not discriminated against and I hope new Section 301 investigations or other tools to respond to DSTs are under consideration. We need to show other countries that there are consequences for unfair practices.”