



February 13, 2024

The Honorable Katherine Tai
U.S. Trade Representative
Executive Office of the
President
Washington, DC 20508

The Honorable Jacob J. Sullivan
Assistant to the President for
National Security Affairs
Executive Office of the
President
Washington, DC 20500

The Honorable Lael Brainard
Director, National Economic
Council
Executive Office of the
President
Washington, DC 20500

Dear Ambassador Tai, Mr. Sullivan, and Director Brainard:

We, the undersigned association leaders, urge the United States to provide its full support for the renewal of the World Trade Organization (WTO) multilateral Moratorium on Customs Duties on Electronic Transmissions at the ministerial conference in Abu Dhabi in late February. The overwhelming majority of WTO members support the renewal of this moratorium, including almost all developing countries. However, a small group of WTO members including, South Africa, India, and Indonesia, are threatening to block renewal. If that occurs, this nearly 30-year-old foundational agreement will cease to exist, as will the tremendous benefits it has yielded to U.S. industry, workers, and consumers.

Our associations collectively represent companies both large and small that employ more than 100 million workers across a broad array of sectors, including aerospace, agriculture, automotive, energy, electronics, film, music, entertainment software, financial and payment services, health, logistics, retail and consumer goods, technology, and telecommunications, among others. Our member companies view with significant concern the potential collapse of the moratorium, which is a core pillar of the WTO system. This collapse would also deal a major blow to the credibility and durability of the WTO as an institution, as it would be the first time WTO members have changed the rules to make it substantially harder to conduct trade.

Accepting anything short of a multilateral extension of the moratorium that applies to all WTO members would open the door to the introduction of new customs duties and related cross-border restrictions that

would hurt U.S. workers in industries across the entire economy. Workers in every sector rely on the constant flow of data – including design, development R&D, sales, logistics, and manufacturing information – to create new content, services, and products; to power production flows and supply chains; and to reduce carbon footprints and increase energy efficiency.

Most at risk are the 60 million American workers employed by small businesses, since small and medium-sized enterprises would find it harder to navigate these new restrictions and to bear the additional tariffs and onerous compliance costs. The failure of all WTO members to continue the application of the moratorium would also hike prices for both consumers and businesses in a period of recent inflation, and when communities and companies across our country are still recovering from the disruptions of the COVID-19 pandemic.

The end of the moratorium would also undermine ongoing multilateral efforts to eliminate discriminatory digital services taxes and restore certainty, stability, and predictability to the global tax and trade environment. Absent renewal of the moratorium, jurisdictions could begin haphazardly imposing tariffs on cross-border digital services and restart the fragmentation of the international tax system that the multilateral negotiations intend to address.

We believe it should be possible to gain consensus to renew the moratorium while at the same time being responsive to developing country concerns by providing for additional work around scope and definition issues associated with the moratorium, as well as digital trade capacity building, coupled with an annual report to Ministers. We urge the Administration to do its utmost at the WTO ministerial to ensure the multilateral moratorium remains intact and that U.S. stakeholders continue to benefit from its terms.

Sincerely,

Morgan Reed
President
ACT | The App Association

Scott Whitaker
President and Chief Executive Officer
AdvaMed | Advanced Medical Technology Association

Jennifer M. Safavian
President and Chief Executive Officer
Autos Drive America

Victoria A. Espinel
President and Chief Executive Officer
BSA | The Software Alliance
Global Data Alliance

Joshua Bolten
Chief Executive Officer
Business Roundtable

Adam Kovacevich
Founder and Chief Executive Officer
Chamber of Progress

Christine Bliss
President and Chief Executive Officer
Coalition of Services Industries

Matt Schruers
Chief Executive Officer
Computer & Communications Industry Association

Gary J. Shapiro
President and Chief Executive Officer
Consumer Technology Association

Stanley Pierre-Louis
President and Chief Executive Officer
Entertainment Software Association

Jean Prewitt
President and Chief Executive Officer
Independent Film & Television Alliance

Jason Oxman
President and Chief Executive Officer
Information Technology Industry Council

Charles H. Rivkin
Chairman and Chief Executive Officer
Motion Picture Association

Jake Colvin
President
National Foreign Trade Council

Steve DelBianco
President and Chief Executive Officer
NetChoice

Mitch Glazier
Chairman and Chief Executive Officer
Recording Industry Association of America

John Neuffer
President and Chief Executive Officer
Semiconductor Industry Association

Linda Moore
President and Chief Executive Officer
TechNet

David Stehlin
Chief Executive Officer
Telecommunications Industry Association

Ted Osius, Ambassador (ret.)
President and Chief Executive Officer
US-ASEAN Business Council

Suzanne P. Clark
President and Chief Executive Officer
U.S. Chamber of Commerce

Whitney Baird
President and Chief Executive Officer
United States Council for International Business

Att: Global Industry Statement re WTO Moratorium on Customs Duties on Electronic Transmissions

cc:

The Honorable Antony J. Blinken, Secretary of State
The Honorable Janet L. Yellen, Secretary of the Treasury
The Honorable Gina M. Raimondo, Secretary of Commerce
The Honorable Alejandro N. Mayorkas, Secretary of Homeland Security