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**House Committee on Ways and Means  
Subcommittee on Trade  
Hearing on American Trade Enforcement Priorities  
February 25, 2025**

**CTA Statement for the Record**

**Introduction**

Chairman Smith, Ranking Member Sanchez, and distinguished members of the Subcommittee on Trade, thank you for the opportunity to submit this statement for the record on behalf of the Consumer Technology Association (CTA). We appreciate the Subcommittee's focus on American Trade Enforcement Priorities and the critical issues raised during this hearing.

**Significant Points Raised by Witnesses**

During the hearing, several key points were highlighted by witnesses, including:

1. **Trade Enforcement and American Interests:** Witnesses emphasized the need for robust trade enforcement to protect American businesses, workers, and exporters. Ambassador Gregg Doud highlighted that America's exporters will benefit from trade enforcement and addressing trade barriers if creating market access is part of a holistic strategy. Ambassador Jeffrey Gerrish underscored the need for strong trade enforcement to protect the economic and national security interests of the United States, particularly in relation to China.
2. **Intellectual Property and Innovation:** Witnesses discussed the importance of safeguarding American innovation and intellectual property (IP) rights. Ambassador Gerrish and Jonathan McHale emphasized the need for the United States Trade Representative (USTR) to take an active role in ensuring foreign governments respect and safeguard American innovation, especially in countries with weak IP protections.
3. **Digital Trade and Discriminatory Practices:** Witnesses highlighted the challenges posed by discriminatory digital trade practices, such as Digital Services Taxes (DSTs), forced revenue transfers, and data localization requirements. Jonathan McHale discussed the negative impact of these practices on U.S. firms and the need for strong congressional support to counter these barriers.

4. **Trade Agreements and Enforcement Mechanisms:** Witnesses stressed the importance of comprehensive trade agreements with strong enforcement mechanisms. Kevin Rosenbaum highlighted the role of U.S. trade agreements in fostering the growth of copyright industries and ensuring high-standard copyright protections. Still, witnesses discussed the need to ensure that U.S. trade agreement partners fully implement their agreement obligations and follow through on their commitments.

### **CTA's Position and Recommendations**

CTA strongly supports the need for effective trade enforcement to protect American interests and ensure a level playing field for U.S. businesses. To this end, we offer the following recommendations:

1. **Ensuring Open Markets:** Trade enforcement is only a worthwhile pursuit if American businesses have access to existing and new markets. Trade enforcement tools and mechanisms must not result in reduced or no market access for U.S. exporters, who then lose market share to global competitors, perhaps permanently. CTA believes that opening global markets, not closing them, spurs American economic competitiveness.
2. **Strengthening Trade Enforcement:** CTA has consistently advocated for robust trade enforcement measures to address unfair trade practices. In our comments to the U.S. Trade Representative (USTR) on the Section 301 tariffs on imports from China, we emphasized the importance of negotiating and enforcing trade agreements to protect American innovation and competitiveness.<sup>1</sup>

We also cautioned USTR on relying on tariffs as an enforcement tool. To address unfair trade practices, the U.S. government should rely on an array of tools, all of which should be calibrated appropriately to address the problem without causing collateral damage to U.S. economic, trade, and investment interests. From this perspective, the Section 301 tariffs on imports from China remain overly broad and not narrowly tailored to address China's forced technology and IP theft practices. We have long argued that other tools are necessary and included a list of these tools in our comments to USTR.<sup>2</sup> Above all negotiations, diplomacy, and working with allies are essential to getting the job done.

3. **Protecting Intellectual Property:** CTA has long championed the protection of intellectual property rights as a cornerstone of innovation. In our comments to the USTR on the Trade Track of the Americas Partnership for Economic Prosperity,

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<sup>1</sup> CTA Comments on USTR's Request for Comments on Proposed Modifications of Section 301 Tariffs (USTR-2024-0007), Consumer Technology Association (Jun. 28, 2024), <https://cdn.cta.tech/cta/media/media/pdfs/cta-final-comments-to-ustr-on-china-section-301-tariff-rate-increases-and-exclusion-process-20240628.pdf>.

<sup>2</sup> Pages 15-19 of CTA Comment to Docket USTR-2022-0014, Request for Comments in Four-Year Review of Actions Taken in the Section 301 Investigation: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation, Consumer Technology Association (Jan. 17, 2023), <https://cdn.cta.tech/cta/media/media/pdfs/final-cta-comments-to-ustr-for-four-year-review-of-china-section-301-tariffs-20230117.pdf>.

we highlighted the need for strong IP protections in trade agreements.<sup>3</sup> We recommend that the USTR prioritize IP enforcement in its trade agenda and work with international partners to strengthen IP protections globally.

4. **Including Fair Use and Safe Harbors:** CTA has supported the inclusion of fair use and safe harbors in free trade agreements. These key internet provisions are a core part of America's free speech and innovation ecosystem. This would ensure all U.S. stakeholders are well-protected in free trade agreements, while also enabling our companies to export the online innovation and expression that are core to U.S. law.
5. **Addressing Digital Trade Barriers:** CTA has raised concerns about discriminatory digital trade practices in various public comments. In our comments on the Digital Services Taxes (DSTs) proposed by France and other nations, we stressed the need for a coordinated response to ensure fair treatment of U.S. digital service providers.<sup>4</sup> We urge the Subcommittee to support efforts to address digital trade barriers and promote open global markets for U.S. technology companies. CTA signed a letter to Ambassador Greer during the new administration to prioritize digital trade rules.<sup>5</sup>
6. **Promoting Comprehensive Trade Agreements:** CTA has consistently supported comprehensive trade agreements with strong enforcement mechanisms. Additionally, in our comments on the United States-Mexico-Canada Agreement (USMCA), we emphasized the importance of modernizing trade agreements to reflect the realities of the digital economy and ensure effective enforcement. We recommend that the USTR continue to pursue high-standard trade agreements that promote innovation, protect IP, and ensure fair market access for U.S. businesses.

In response to USTR's request for comments to assist in reviewing and identifying unfair trade practices, we have shared a list of barriers to trade that should be prioritized for stronger trade enforcement.<sup>6</sup> The Subcommittee should be aware of these barriers as well. The types of barriers include digital services taxes (DSTs), tariffs, trade facilitation and customs measures, restrictions on cross-border data flows, forced localization requirements, technical barriers to trade, good regulatory practices, digital regulatory measures, and measures concerning critical and emerging

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<sup>3</sup> CTA Comment on Americas Partnership for Economic Prosperity – Trade Track (89 FR 51935; Docket No. USTR-2024-0009), Consumer Technology Association (Jul. 22, 2024), <https://cdn.cta.tech/cta/media/media/pdfs/final-draft-cta-comments-to-ustr-on-apep-trade-track.pdf>.

<sup>4</sup> CTA Comment on Federal Register Docket Number USTR-2020-0022, Consumer Technology Association (Jul. 15, 2020), <https://www.regulations.gov/comment/USTR-2020-0022-0319>.

<sup>5</sup> Multi-Organization Letter Urges USTR to Restore U.S. Leadership on Digital Trade Rules, U.S. Chamber of Commerce (Mar. 3, 2025), <https://www.uschamber.com/international/trade-agreements/multi-organization-letter-urges-ustr-to-restore-us-leadership-on-digital-trade-rules>.

<sup>6</sup> Written comments to USTR to Assist in Reviewing and Identifying Unfair Trade Practices and Initiating All Necessary Actions to Investigate Harm From Non-Reciprocal Trade Arrangements, Consumer Technology Association (Mar. 11, 2025), <https://cdn.cta.tech/cta/media/media/pdfs/final-draft-cta-comment-to-ustr-on-unfair-trade-practices.pdf>.

technologies, such as artificial intelligence. We emphasize that the appropriate use of tariffs as a tool should be to negotiate the elimination of these barriers to trade. These barriers should not be an excuse for USTR or other U.S. government agencies with trade responsibilities to impose tariffs and leave them in place permanently.

**Conclusion**

In conclusion, CTA appreciates the Subcommittee's focus on American Trade Enforcement Priorities and the critical issues raised during this hearing. We stand ready to work with the Subcommittee, the USTR, and other stakeholders to strengthen trade enforcement, protect American innovation, and promote fair and open global markets. Thank you for the opportunity to submit this statement for the record.

Sincerely,

A handwritten signature in black ink, appearing to read "Edward J. Brzytwa III". The signature is fluid and cursive, with a prominent flourish at the end.

Ed Brzytwa  
Vice President, International Trade  
Consumer Technology Association (CTA)