



January 12, 2026

The Honorable Jason Smith
Chairman
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

The Honorable Richard Neal
Ranking Member
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

The Honorable Adrian Smith
Chairman
Subcommittee on Trade
U.S. House of Representatives
Washington, DC 20515

The Honorable Linda Sanchez
Ranking Member
Subcommittee on Trade
U.S. House of Representatives
Washington, DC 20515

Dear Chairmen Smith and Smith and Ranking Members Neal and Sanchez:

The U.S. Chamber of Commerce welcomes the opportunity to offer testimony for the record for the January 13 hearing of the House Ways and Means Subcommittee on Trade on “Maintaining American Innovation and Technology Leadership.”

Foreign governments have long relied on non-tariff barriers to tilt the playing field against U.S. companies, especially in the context of the digital economy. These non-tariff barriers take many forms. They include targeted tax measures that single out business models and services where U.S. firms are global leaders; competition and regulatory policies that focus enforcement almost exclusively on U.S. companies while leaving similarly situated local firms largely untouched; data localization and other data-related mandates that require U.S. companies to store or process data locally, fragmenting digital operations and undermining efficient, secure services; and an expanding array of digital regulations that in effect function as de facto trade barriers. These policies create a patchwork of discriminatory measures that raise costs of doing business for U.S. companies and can discourage investment, innovation, and market entry.

The impact of these measures is significant. They erode the ability of American innovators to scale globally, limit the diffusion of cutting-edge technologies, threaten intellectual property protections, and slow productivity growth. They drive up costs for businesses and consumers, reduce choice, and weaken the incentives for companies to develop and deploy new tools, services, and platforms. For smaller and medium-sized enterprises that rely on digital tools, cloud services, and online platforms to

reach customers abroad, such barriers can be especially damaging, closing off opportunities that are critical to growth, exports, and job creation.

The Chamber appreciates that the Trump administration has been clear in opposing discriminatory and protectionist policies and has made securing strong digital trade outcomes a priority in its engagement with trading partners. Recent commitments from countries in Asia, Latin America, and elsewhere to avoid the adoption of new digital trade barriers and work toward open, predictable markets represent important wins for American workers, exporters, and innovators. The Chamber has supported this progress and will continue to encourage the administration to secure similar commitments in ongoing negotiations.

Congressional leadership on these issues is essential, including via the committee's advancement of policies that support American innovation and competitiveness overseas, alongside the important work of other panels that have prioritized strengthening U.S. business in global markets. The Chamber welcomed the December 9 introduction of the bipartisan Digital Trade Promotion Act. This legislation represents an important tool for addressing digital trade barriers, promoting high-standard digital trade principles, and ensuring that the United States remains at the forefront of writing the rules that will govern the modern economy.

Getting these policies right in the context of U.S. trade policy is essential to maintaining American technology leadership. U.S. companies are global leaders in areas such as cloud computing, digital services, advanced manufacturing technologies, artificial intelligence and data-driven tools, as well as the platforms and infrastructure that underpin modern commerce. When foreign governments deploy practices that target these strengths, they not only undermine specific firms but also threaten the broader ecosystem of suppliers, service providers, and small businesses that depend on U.S. innovation to compete and grow.

Sustained attention to these issues is vital to safeguarding U.S. competitiveness. The Chamber encourages the Trade Subcommittee and the full Committee on Ways and Means to continue exercising robust oversight of foreign regulatory and tax measures that unfairly target U.S. companies and undermine national sovereignty; to support high-standard trade commitments that protect cross-border data flows, promote nondiscriminatory treatment of digital services, and guard against future digital trade barriers. It is imperative that Congress continue working closely with U.S. trade negotiators to ensure that American priorities on innovation and technology leadership are reflected in our broader trade agenda.

The Chamber looks forward to continuing our work with you, the Committee on Ways and Means, and your colleagues across Congress and within the administration to address these challenges and strengthen the environment for American innovation and competitiveness.

Sincerely,

A handwritten signature in black ink, appearing to read "John Murphy". The signature is fluid and cursive, with a long, sweeping tail that extends to the right.

John Murphy
Senior Vice President and
Head of International
U.S. Chamber of Commerce

cc: Members of the House Committee on Ways and Means Subcommittee on Trade