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United States Senate COMMITTEE ON FINANCE WASHINGTON, DC 20510-6200

KOLAN DAVIS, STAFF DIRECTOR AND CHIEF COUNSEL JOSHUA SHEINKMAN, DEMOCRATIC STAFF DIRECTOR

January 4, 2021

The Honorable Jason E. Kearns Chairman U.S. International Trade Commission 500 E Street, SW Washington, DC 20436

Dear Chairman Kearns:

Censorship is the prohibition or suppression of speech or other forms of communication. Foreign governments use many tools to carry out censorship, including technological measures that restrict digital trade. These tools, and the policies that enable them, allow authorities in foreign markets to limit speech by controlling the flow of information and services.

On June 30, 2020, the Senate Finance Committee's Trade Subcommittee held a hearing on "Censorship as a Non-tariff Barrier." During the course of this hearing, Members of the Finance Committee learned more about how foreign government censorship adversely impacts U.S. businesses and citizens. Of particular concern, it appears foreign governments in some cases try to apply their censorship practices extraterritorially. This effort undermines U.S. businesses – and more importantly, U.S. values.

The Members of this Committee rightly want to know more so they can better act on this important issue. Therefore, I am writing today to request that the Commission conduct an investigation, and prepare a report, informed by a survey of businesses in the United States, under section 332(g) of the Tariff Act of 1930. The report should provide detailed information on this important matter, including the following:

- 1. Identification and descriptions of various foreign censorship practices, in particular any examples that U.S. businesses consider to impede trade or investment in key foreign markets. The description should include to the extent practicable:
  - a. the evolution of censorship policies and practices over the past 5 years in key foreign markets;

- b. any elements that entail extraterritorial censorship; and
- c. the roles of governmental and non-governmental actors in implementation and enforcement of the practices.
- 2. To the extent practicable, including through the use of survey data, an analysis of the trade and economic effects of such policies and practices on affected businesses in the United States and their global operations. The analysis should include to the extent practicable, quantitative and qualitative impacts of the identified policies, including by reference, where identifiable, to:
  - a. impact on employment;
  - b. direct costs (e.g., compliance and entry costs);
  - c. foregone revenue and sales;
  - d. self-censorship; and
  - e. other effects the Commission considers relevant for the Committee to know.

I request the Commission deliver its report no later than 18 months from the date of this letter. As the Committee intends to make the report available to the public in its entirety, the report should not include any confidential business information.

Sincerely,

Charles E. Grassley Chairman Committee on Finance