



December 18, 2025

The Honorable Scott Fitzgerald
Chairman
Subcommittee on the Administrative State, Regulatory Reform, and Antitrust
Committee on the Judiciary
United States House of Representatives
Washington, DC 20515

Re: Statement for the Record: Targeted Digital Market Regulations Threatening American Innovation and Competition Globally

Dear Chairman Fitzgerald:

The National Foreign Trade Council (NFTC) appreciates your leadership in highlighting threats to U.S. technology companies from foreign regulatory regimes. We welcome your organizing the hearing, *“Anti-American Antitrust: How Foreign Governments Target U.S. Businesses,”*, which builds on the Committee of the Judiciary’s prior work on *“Europe’s Threat to American Speech and Innovation.”* We respectfully submit this statement for the record.

As highlighted in the prior hearing on Europe, the EU continues to pursue a broad digital regulatory agenda that restricts U.S. innovation and purposefully extracts from U.S. competitiveness. This includes, among other regulations, the Digital Services Act (DSA), Data Act, Digital Markets Act (DMA), Digital Services Taxes (DSTs), Cybersecurity Certification Scheme for Cloud Services (EUCS), AI Act (AIA), and the General Data Protection Regulation (GDPR), while imposing unprecedented penalties on U.S. digital service providers. In recent concerning developments, the EU is taking steps to expand the already discriminatory DMA by applying it to U.S. cloud services and is contemplating expanding it to explicitly cover AI. The Commission launched DMA investigations into two U.S. cloud service providers and opened a separate competition investigation against a U.S. company based on its use of data from the open Web and YouTube “for AI purposes.” The EU’s entire discriminatory digital agenda is estimated to cost U.S. companies up to \$97.6 billion annually,¹ while largely exempting European and Chinese competitors.

¹ “New Study Finds EU Digital Regulations Cost U.S. Companies up to \$97.6 Billion Annually”. CCIA Research Center – July 28, 2025. <https://ccianet.org/research/reports/costs-to-us-companies-from-eu-digital-services-regulation/>

As witnesses at the hearing noted, concern relating to the DMA is no longer limited to the EU, and the NFTC appreciates the subcommittee highlighting the proliferation of targeted and harmful digital frameworks worldwide that use the EU's approach as a model. Governments including Brazil, Australia, India, Turkey, Japan, South Korea, and the United Kingdom, have adopted or proposed rules that replicate troubling elements of the DMA's discriminatory structure. Indeed, in many cases, these governments are being actively coached by European Union officials.² These policies deliberately burden U.S. firms with onerous compliance requirements and substantial fines; single out American companies while leaving local and other foreign competitors largely untouched; create uncertainty through overlapping rules and arbitrary thresholds; and restrict U.S. companies' flexibility and capacity to innovate:

- **Australia:** The Australian Competition and Consumer Commission (ACCC) is consulting on a proposed new digital competition regime that would allow the ACCC to designate large digital platforms for upfront, service-specific obligations and enforcement. Australia has already been targeting American-based global digital platforms with other troubling measures including recently adopted requirements for streaming platforms to invest billions in Australia to meet significant local content quotas and a proposed ['News Bargaining Incentive'](#) digital services tax.
- **Brazil:** Proposed Bill No. 4,675/2025 would create a new Superintendence of Digital Markets and allow designation of U.S. digital platforms as "systemically relevant in digital markets," with authority to impose "special obligations." The Lula Administration is seeking to fast track this legislation.
- **Germany:** Germany's competition regime designates major U.S. digital firms as companies of "paramount cross-market significance" to prohibit specified conduct without demonstrating traditional antitrust harm.
- **India:** Authorities continue to pursue DMA-inspired, *ex-ante* regulation tailor-made for U.S. firms, despite withdrawing the Digital Competition Bill. The bill was inspired by the DMA to target "Systematically Significant Digital Enterprises" based on services and size thresholds that would capture U.S. companies for regulation and fines.
- **Japan:** The so-called "Transparency Act" imposes targeted obligations on U.S. companies designated as "specified digital platform providers" for services including general online markets, app stores, and digital advertising platforms. Another law—the Mobile Software Competition Act—exclusively targets U.S. providers of smartphone operating systems.
- **Republic of South Korea:** Several proposals for DMA-like legislation have been introduced and are pending in South Korea, on top of existing discriminatory policies, such as the restrictions on American mapping and GPS deployment. South Korea was

² "JFTC dispatches one official to the EU to prepare for Japan's new digital competition law." MLex – September 4, 2024. <https://www.mlex.com/mlex/articles/2089618/jftc-dispatches-one-official-to-the-eu-to-prepare-for-japan-s-new-digital-competition-law>

also one of the first countries to pass a law regulating business models in digital economy that exclusively applies to U.S. technology leaders.³

- **Turkey:** Amendments to the Competition Act threaten U.S. firms with fines up to 20% of annual turnover.
- **United Kingdom:** The Digital Markets, Competition and Consumers Act 2024 establishes a digital markets regime under which exclusively American firms have been designated with “Strategic Market Status,” making them subject to impose bespoke conduct requirements.

The international spread of DMA-style regulation represents a coordinated strategy to curtail U.S. competitiveness and protect local rivals. These measures threaten American innovation, jobs, and technology leadership at a critical moment for AI, cloud, and digital platforms. These policies target U.S. companies for regulation and heavy-handed enforcement, while largely leaving their Chinese companies either unregulated or subject to much lighter enforcement.

Congress and the administration have firmly rejected DMA and are standing up against the EU and other countries that are weaponizing digital regulations to degrade U.S. competitiveness. We thank the House Judiciary Committee for investigating and addressing these policies, and urge the U.S. government to put a stop to the EU’s damaging approach and its proliferation globally.

About NFTC

The NFTC, organized in 1914, is an association of U.S. business enterprises engaged in all aspects of international trade and investment. Our membership covers the full spectrum of industrial, commercial, financial, and service activities, accounting for over \$6 trillion in revenue and employing nearly 6 million people in the United States.

We thank you for providing the opportunity to contribute to the record for this hearing. We would welcome continued dialogue on ways to open foreign markets for U.S. exporters. I would be happy to respond to any questions or provide further comments and can be reached at: tsmith@nftc.org.

Sincerely,



³ <https://www.cnn.com/2021/08/31/south-korea-first-country-to-curb-google-apples-in-app-billing-policies.html>