

CCIA Statement for the Record: Committee on the Judiciary Hearing: “Europe’s Threat to American Speech and Innovation”

September 3, 2025

The Honorable Jim Jordan
Chair, Committee on the Judiciary
U.S. House of Representatives
2129 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Jamie Raskin
Ranking Member, Committee on the Judiciary
U.S. House of Representatives
2141 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Jordan, Ranking Member Raskin, and Members of the Committee:

In light of the upcoming hearing held by the Committee on the Judiciary titled “Europe’s Threat to American Speech and Innovation,”¹ the Computer & Communications Industry Association (CCIA)² takes this opportunity to address several major industry concerns with two specific European Union (EU) regulations that have been harming American companies—the Digital Markets Act (DMA)³ and the Digital Services Act (DSA)⁴—and two similar United Kingdom (UK) regulations—the Digital Markets, Competition and Consumers Act (DMCC) and the Online Safety Act (OSA). CCIA asks that this statement be made as part of the record.

EU regulations on digital services are imposing enormous costs on American companies—up to \$97.6 billion annually.⁵ Of these, EU digital regulations lead to an estimated \$2.2 billion in

¹ *Europe’s Threat to American Speech and Innovation*, Hearing Before the H. Comm. on the Judiciary, 119th Cong. (2025), <https://judiciary.house.gov/committee-activity/hearings/europes-threat-american-speech-and-innovation>.

² CCIA is an international, not-for-profit trade association representing a broad cross-section of technology and communications firms. For over fifty years, CCIA has promoted open markets, open systems, and open networks. The Association advocates for sound competition policy and antitrust enforcement. CCIA members employ more than 1.6 million workers, invest more than \$100 billion in research and development, and contribute trillions of dollars in productivity to the global economy. For more, visit www.ccianet.org.

³ Regulation (EU) 2022/1925 of the European Parliament and of the Council of Sept. 14, 2022 on contestable and fair markets in the digital sector and amending Directives (EU) 2019/1937 and (EU) 2020/1828 (Digital Markets Act), 2022, O.J. (L 265) 1, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.L_2022.265.01.0001.01.ENG&toc=OJ%3AL%3A2022%3A265%3ATOC.

⁴ Regulation (EU) No. 2022/2065 of the European Parliament and of the Council of 19 October 2022 on a Single Market for Digital Services and amending Directive 2000/31/EC (Digital Services Act), O.J. (L 277) 1 (Oct. 27, 2022), <https://eur-lex.europa.eu/eli/reg/2022/2065/oi/eng>.

⁵ CCIA, *Costs to U.S. Companies from EU Digital Services Regulation* (July 25, 2025), <https://ccianet.org/research/reports/costs-to-us-companies-from-eu-digital-services-regulation/>.

direct compliance costs annually for U.S. companies, including roughly \$1 billion annually from the DMA and \$750 million annually from the DSA.⁶ In the UK, the DMCC has been projected to result in a £55-£160 billion (\$73.7-\$214.4 billion USD) net present value impact on consumer welfare, resulting from delays over 10 years, reaching £8-£35 billion (\$10.7-\$47 billion USD) a year by 2033, as well as a four to eight percent loss in investment in digital services.⁷

The Digital Markets Act Unfairly Disadvantages American Companies Competing Against Foreign Rivals

Contrary to the European Commission's claims today that American tech companies merely "are subject to the same laws and regulations [as] any other player," the DMA was written deliberately to target certain U.S. companies and avoid burdening any European companies.⁸ Under the DMA, the European Commission has designated seven "gatekeeper" companies (Alphabet, Amazon, Apple, Booking, ByteDance, Meta, and Microsoft) that are subject to increased scrutiny and burdensome obligations. Five of these seven companies are American, one is owned by a U.S. company, and none are headquartered in Europe.⁹ The DMA has primarily targeted American companies, while excluding similarly positioned foreign competitors.

By designating these "gatekeeper" companies through the DMA, the EU imposes onerous restrictions and burdensome obligations on them, including a ban on self-preferencing practices, mandatory data-portability and interoperability requirements, and anti-tying obligations.¹⁰ Importantly, these obligations are not required of other foreign rivals competing against American companies in the EU, providing said foreign rivals with a competitive advantage. Studies have found that policy discussions around the DMA largely overlooked competition and innovation models.¹¹ Specifically, Articles 5 and 6 of the DMA fail to consider the innovation dynamics resulting from the initial creation and subsequent innovations of a

⁶ *Id.*

⁷ CCIA, DMCC: *Economic Impact* (Jan. 25, 2024), at 5, <https://ccianet.org/research/reports/dmcc-economic-impact/>.

⁸ Compare Barbara Moens and Henry Foy, *Stand up to Trump on Big Tech, says EU antitrust chief*, Financial Times (Aug. 29, 2025), <https://www.ft.com/content/010c5b1e-e900-4ec2-b22a-61300c70e531> ("American tech companies 'are making great profits out of this market, but they are subject to the same laws and regulations than any other player, independently of where their headquarters are based,' she added.") with Javier Espinoza, *EU should focus on top 5 tech companies, says leading MEP*, Financial Times (May 30, 2021), <https://www.ft.com/content/49f3d7f2-30d5-4336-87ad-eea0ee0ecc7b> ("The EU lawmaker who will steer the EU's flagship tech regulation through the European parliament has said it should focus on the largest five US tech companies. ... He said Google, Apple, Amazon, Facebook and Microsoft, were the 'biggest problems' for EU competition policy.") and Dita Charanzová, *Turning Europe's internet into a 'walled garden' is the wrong path to take*, Financial Times (Feb. 17, 2021) <https://www.ft.com/content/d861af6a-eb92-4415-881a-be798f018401> (European parliament vice-president: "we must state the truth: these [Digital Markets Act and Digital Services Act] proposals target US companies.").

⁹ Although founded in Europe, Booking.com's parent company, Booking Holdings, was founded and is headquartered in the U.S.

¹⁰ See Articles 5 - 7 of the DMA.

¹¹ Meredith Broadbent, *Implications of the Digital Markets Act for Transatlantic Cooperation* (CSIS, Sept. 15, 2021), <https://www.csis.org/analysis/implications-digital-markets-act-transatlantic-cooperation>; David J. Teece & Henry J. Kahwaty, *Is the Proposed Digital Markets Act the Cure for Europe's Platform Ills? Evidence from the European Commission's Impact Assessment* (Berkeley Research Group, Apr. 12, 2021), https://media.thinkbrg.com/wp-content/uploads/2021/04/11215103/Is-the-DMA-the-Cure_Teece_Kahwaty.pdf.

service. Companies that are closing in on the threshold for meeting gatekeeper status may be disincentivized from creating new and innovative services that would increase competition in digital markets.¹²

Additionally, conservative estimates suggest that the total fines and compliance costs under the DMA could range from \$22 billion to \$50 billion,¹³ with annual costs of around \$200 million for U.S. digital service providers operating in Europe.¹⁴ What makes some enforcement actions particularly concerning is that regulators have imposed fines or business model changes for allegedly deficient compliance even in cases where the regulator cannot clearly specify what would constitute adequate compliance, leading to prolonged proceedings that serve as a forum for rivals' (and/or the regulator's) parochial demands—often with no obvious consumer benefit.

Furthermore, the DMA overenforces competition laws by restricting a range of business practices that commonly occur both offline and online, and that are often procompetitive and enhance consumers' welfare or at least are competitively benign.¹⁵ Unlike traditional antitrust and competition laws that apply to all companies, however, these DMA prohibitions apply only to designated companies, creating discriminatory treatment between designated and non-designated companies, where undesignated foreign rivals gain an unfair competitive advantage over designated American companies. Additionally, the mandatory introduction of choice screens, data sharing, sideloading, and payment link-outs not only can degrade the user experience but also open the door for consumers to inadvertently allow malicious actors to access their data, or introduce malware that erodes their privacy.¹⁶ Rather than looking out for consumers, these burdensome requirements appear to benefit foreign competitors while harming consumers and designated “gatekeepers.”

Unfair Competitive Impact of the Digital Markets, Competition and Consumers Act on U.S. Firms

In the UK, though the DMCC has only been in full effect since April 2025, the UK Competition and Markets Authority (CMA) has already launched three “Strategic Market Status”

¹² Meredith Broadbent, *Implications of the Digital Markets Act for Transatlantic Cooperation* (CSIS, Sept. 15, 2021), <https://www.csis.org/analysis/implications-digital-markets-act-transatlantic-cooperation>.

¹³ Kati Suominen, *Implications of the European Union’s Digital Regulations on U.S. and EU Economic and Strategic Interests*, Center for Strategic & International Studies, (Nov. 22, 2022), https://csis-website-prod.s3.amazonaws.com/s3fs-public/publication/221122_EU_DigitalRegulations.pdf?VersionId=iuEl9KteAl_SKhjPCEWN8LlvqqORV02X.

¹⁴ CCIA, *Costs to U.S. Companies from EU Digital Regulation* (Mar. 11, 2025), <https://ccianet.org/research/stats/costs-to-us-companies-from-eu-digital-regulation/>.

¹⁵ See e.g., Felipe Flórez Duncan, *How Platforms Create Value for Their Users: Implications for the Digital Markets Act* (Oxera, May 12, 2021), <https://www.oxera.com/insights/reports/how-platforms-create-value/>; D. Bruce Hoffman & Garrett D. Shinn, *Self-Preferencing and Antitrust: Harmful Solutions for an Improbable Problem* (June 2021), <https://www.clearygottlieb.com/-/media/files/cpi--hoffman--final-pdf.pdf>; Sam Bowman & Geoffrey A. Manne, *Platform Self-Preferencing Can Be Good for Consumers and Even Competitors* (Mar. 4, 2021), <https://truthonthemarket.com/2021/03/04/platform-self-preferencing-can-be-good-for-consumers-and-even-competitors/>.

¹⁶ Kati Suominen, *New Costs and Cybersecurity Challenges Flagged as DMA Compliance Starts*, CSIS Commentary (Mar. 22, 2024), <https://www.csis.org/analysis/new-costs-and-cybersecurity-challenges-flagged-dma-compliance-starts>.

investigations. All three investigations have concerned just two American companies,¹⁷ while no non-U.S. company has been subject to these investigations.

The impact of the UK DMCC is more uncertain than the impact of the EU DMA, as the UK law gives more discretion to the CMA. However, the very wide scope of potential interventions included in the CMA's "roadmaps" (including replicating many DMA requirements mentioned above) creates enormous uncertainty for in-scope American companies innovating and competing with foreign rivals. In particular, the CMA has singled out AI services in the roadmaps so far for open-ended potential conduct requirements, creating an unpredictable threat to the in-scope American companies competing with rivals in a highly dynamic sector.

The UK DMCC will also create significant compliance costs and fine risks, albeit these are less predictable at this earlier stage.

The Digital Services Act Burdens U.S. Online Services Providers

The DSA imposes broad obligations on affected online intermediaries. Since August 2023, the designated "Very Large Online Platforms" (VLOPs) and "Very Large Online Search Engines" (VLOSEs) with more than 45 million users have faced additional duties.¹⁸

The DSA imposes extensive requirements, including notice-and-takedown systems, know-your-customer rules, detailed transparency mandates, forced disclosure of recommendation system parameters, annual risk assessments and audits, and strict reporting obligations, resulting in significant compliance costs. These costs are amplified by potential fines of up to 6 percent of a company's annual global turnover.

The DSA's scoping approach places heavier obligations on a small group of large firms, which includes U.S. companies, while leaving smaller and potentially higher-risk rivals subject to far less oversight.¹⁹ The yearly audits create operational and financial burdens, and pose risks to proprietary information and user privacy.²⁰ Additionally, industry reports indicate that, in the course of good-faith compliance efforts with the DSA's requirements, firms are often subjected to formal proceedings by the Commission without being informed of an established path towards compliance. Accordingly, designated companies may have an incentive to over-restrict content, given ambiguity in what constitutes compliance and the steep cost of potential enforcement actions. This not only reduces the diversity of content available online

¹⁷ See, Competition and Markets Authority, *SMS Investigation Into Apple's Mobile Platform*, GOV.UK (Jan. 23, 2025, updated July 23, 2025), <https://www.gov.uk/cma-cases/sms-investigation-into-apples-mobile-platform>; Competition and Markets Authority, *SMS Investigation Into Google's Mobile Platform*, GOV.UK (Jan. 23, 2025, updated July 23, 2025), <https://www.gov.uk/cma-cases/sms-investigation-into-googles-mobile-platform>; Competition and Markets Authority, *SMS Investigation into Google's General Search and Search Advertising Services*, GOV.UK (Jan. 14, 2025, updated Aug. 21, 2025), <https://www.gov.uk/cma-cases/sms-investigation-into-googles-general-search-and-search-advertising-services>.

¹⁸ European Comm'n, DSA The impact of the Digital Services Act on digital platforms (last updated July 15, 2025), <https://digital-strategy.ec.europa.eu/en/policies/dsa-impact-platforms>.

¹⁹ European Comm'n, Supervision of the Designated Very Large Online Platforms and Search Engines Under DSA (last updated Oct. 11, 2024), <https://digital-strategy.ec.europa.eu/en/policies/list-designated-vlops-and-vloses>.

²⁰ CCIA, Feedback on the Digital Services Act's Draft Delegated Regulation, Rules on the Performance of Audits (June 2, 2023), <https://ccianet.org/library/ccia-europe-draft-feedback-dsa-delegated-regulation-on-audits/>.

but also chills expression and undermines user choice, as DSA-style rules increasingly dictate what information can be displayed, limit access to user reviews and other forms of expression, and give governments leverage to pressure websites into removing politically disfavored speech.

Throughout implementation, the European Commission continues to use the DSA to further regulate online services beyond the scope of the legislation.²¹ Online marketplaces, including a large number of U.S. companies, are required to compile a significant amount of information on traders before allowing them to use the marketplace to reach consumers. Given the risk of high fines under the DSA, the resulting verification burden is onerous. As a result, marketplaces may have an incentive to take down traders who are difficult to verify, meaning fewer products are available online, and some categories of products considered too risky are simply dropped.²²

The Online Safety Act Imposes Costly and Unpredictable Compliance Burdens on U.S. Digital Services

The UK OSA creates similar tiered requirements for services to the DSA. However, the implementation of those standards by the regulator (Ofcom) has meant many services face greater regulatory and compliance costs than expected. In some cases, this is due to overly broad standards—such as whether they recommend content. This regulatory overreach has brought services like Wikipedia, online marketplaces, and maps potentially into scope.

In the UK, American companies have made significant investments to comply with the OSA and requirements like age checks. This has already posed serious risks to the models for some services with overreach into areas with limited risks. For example, the Wikimedia Foundation, the nonprofit host of Wikipedia, has taken legal action over the threat to its anonymous contributor model posed to it by the OSA. It also appears to have led to a significant increase in the use of VPNs by British users seeking to access content.

Companies are not being given a stable regulatory environment. Despite the regime only recently coming into effect, with hundreds of pages of regulatory guidance around how covered digital services should address content that might be illegal or accessed by children, Ofcom is already moving onto “additional safety measures” with significant free speech concerns. Other Government departments like the Home Office are also imposing new legal duties parallel to the OSA that exacerbate compliance costs (separate requirements for specific categories of content, for example). The next phase of the OSA could also include blocking unverified users, which could limit unverified U.S. users from engaging with UK audiences or the UK market.

²¹ Mathilde Adjutor, *The Digital Services Act’s Moment of Truth: Implementation*, Disruptive Competition Project (Oct. 20, 2022), <https://www.project-disco.org/european-union/102022-the-digital-services-actsmoment-of-truth-implementation>.

²² CCIA, Comments for the 2025 National Trade Estimate Report (Oct. 17, 2024), https://ccianet.org/wp-content/uploads/2024/10/CCIA_Comments-for-the-2025-USTR-National-Trade-Estimate-Report.pdf#page=104.

Conclusion

Thank you for your continued leadership in bringing attention to the growing challenges that unfair foreign regulations pose to U.S. companies, which undermine their ability to compete on a level playing field.

We applaud the Committee's oversight of Europe's digital regulations. If Europe continues this discrimination, we encourage this Committee, as well as the full Congress and Administration, to consider all available tools and remedies to ensure Europe stops targeting U.S. companies, limiting speech, and harming innovation that benefits consumers.

CCIA appreciates the Committee's efforts to defend American interests and looks forward to engaging with the Committee to identify constructive solutions to address foreign regulations that threaten U.S. competitiveness abroad.

Respectfully submitted,

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CC: Members of the House Judiciary Committee