

November 2025

## State of Play on Key Digital Trade Barriers and the US-EU Framework Agreement

On August 21, 2025, the United States and the European Union jointly announced the U.S.-EU Framework on an Agreement on Reciprocal, Fair, and Balanced Trade,<sup>1</sup> outlining initial commitments to address market-access barriers and strengthen the transatlantic trade relationship. Digital trade, included in the Framework, is a particularly critical component of this relationship: in 2024, the United States exported \$200 billion in digitally enabled services to the Euro area, generating a \$107.6 billion surplus.<sup>2</sup> Yet, in recent years, the EU and its member states have enacted or proposed 67 digital trade barriers, ranging from data restrictions to platform regulation, significantly constraining the potential of the transatlantic digital economy.<sup>3</sup> Moreover, a significant number of digital barriers have been enacted since the announcement of the August 21 Framework Agreement (described below).

As the U.S. government engages with the EU, it should ensure that implementation of the bloc's digital regulations aligns with both the letter and the spirit of the August 21 Framework Agreement, including by halting discriminatory use of platform regulation, refraining from network usage fees or measures with similar effect, repealing digital services taxes, and addressing other unjustified digital trade barriers more broadly. CCIA estimates that the broad range of EU digital regulation, if not reined in, could cost U.S. firms a total of up to \$2.2 trillion by 2030.<sup>4</sup> Details on key areas of concern, relevant to the Framework pledge to address unjustified trade barriers, are as follows.

### Asymmetric Platform Regulations Targeting U.S. Firms

The **Digital Markets Act** (DMA) continues to impose substantial and growing burdens on U.S. firms designated as 'gatekeepers,' who account for six of the seven companies and 23 of the 24 services currently subject to the regime. Since the DMA's obligations took effect in March 2024, implementation has been marked by significant compliance challenges and disruption for affected firms, including massive fines and an inability to launch new services. These concerns have intensified as the European Commission has continued to open new DMA investigations solely against U.S. companies while also failing to resolve earlier non-compliance inquiries.<sup>5</sup> These investigations do away with the most basic legal principles (e.g., putting the burden on

<sup>1</sup> The White House. (2025, August 21). *Joint Statement on a United States-European Union Framework on an Agreement on Reciprocal, Fair, and Balanced Trade*.

<https://www.whitehouse.gov/briefings-statements/2025/08/joint-statement-on-a-united-states-european-union-framework-on-a-n-agreement-on-reciprocal-fair-and-balanced-trade/>.

<sup>2</sup> U.S. Bureau of Economic Analysis. (2025, July 3). *U.S. Trade in ICT Services and Digitally Deliverable Services, by Country or Affiliation*. BEA Data. <https://apps.bea.gov/iTable/?reqid=62&step=6&isuri=1&tablelist=359&product=4>.

<sup>3</sup> CCIA. (2025). *Key Threats to Digital Trade 2025 European Union*.

<https://ccianet.org/wp-content/uploads/2025/10/2025-Digital-Trade-Barriers-in-the-EU.pdf>.

<sup>4</sup> CCIA. (2025). *Costs to U.S. Companies from EU Digital Regulation*.

[https://ccianet.org/wp-content/uploads/2025/03/CCIA\\_EU-Digital-Regulation-Factsheet\\_reportfinal.pdf](https://ccianet.org/wp-content/uploads/2025/03/CCIA_EU-Digital-Regulation-Factsheet_reportfinal.pdf)

<sup>5</sup> European Commission. (2025, November 12). *Commission opens investigation into potential Digital Markets Act breach by Google in demoting media publishers' content in search results*. [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_25\\_2675](https://ec.europa.eu/commission/presscorner/detail/en/ip_25_2675).

the government to prove a harm). and other procedural safeguards, while constantly moving the goalposts for compliance and forcing the continual redesign of U.S. products.

The Commission is simultaneously exploring further extensions of DMA obligations, including in areas such as cloud services,<sup>6</sup> AI, and anti-spam policies, despite limited evidence of consumer harm and early signs of unintended negative consequences for European and American businesses, SMEs, and users.<sup>7</sup> Collectively, the growing investigatory caseload, unresolved enforcement actions, and expanding substantive expectations place disproportionate burdens on U.S. companies, costing the average large U.S. technology company \$200 million annually in compliance costs alone,<sup>8</sup> as well as significant lost business opportunities.

Relatedly, the EU's proposed **Financial Data Access Regulation** (FiDA) has shifted from its original goal of expanding consumer-controlled data sharing toward a framework that would categorically exclude U.S. "gatekeeper" firms from accessing financial data, even with user consent. Although the Commission's 2023 proposal sought to extend open-banking rules to areas such as insurance, investments, and mortgages to spur competition and innovation, both the Council and Parliament have introduced provisions barring gatekeepers, and recent Danish Presidency texts present options for either full or partial exclusion. These positions, driven by pressure from incumbent European banks and supported by key member states such as Germany,<sup>9</sup> reflect a political effort to protect domestic financial institutions rather than a risk-based justification. As trilogue negotiations near completion, the emerging consensus would deny U.S. firms access to the EU's financial data-sharing system, limiting consumer choice, constraining competition in digital finance, and creating a discriminatory outcome likely to strain transatlantic trade relations. If accepted, this would further exacerbate discriminatory data-related limits faced by US firms. The EU Data Act also bars DMA 'gatekeepers' from receiving user data generated by connected devices such as wearables or smart appliances. The result is the exclusion of US companies from valuable data pools available to European competitors.

At the member-state level, Germany has continued to advance its own parallel regulatory regime to the DMA through **Section 19a** of the Act Against Restraints of Competition, which empowers the Federal Cartel Office (FCO) to impose heightened obligations on firms deemed to hold 'paramount significance for competition across markets.' The FCO has used this authority to initiate proceedings or make such designations as recently as July 2025 against Apple, Amazon, Google, Meta, and Microsoft, applying rules that, like the DMA, restrict pro-competitive conduct available to their European rivals.

**CCIA urges the U.S. government to press the European Commission and key Member States to curb the discriminatory application and expansion of the DMA and parallel competition regimes by securing a commitment to reconsider arbitrary thresholds and**

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<sup>6</sup>; European Commission. (2025, November 17). *Commission launches market investigations on cloud computing services under the Digital Markets Act*. [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_25\\_2717](https://ec.europa.eu/commission/presscorner/detail/en/ip_25_2717).

<sup>7</sup> CCIA Europe. (2025). *Position Paper on the Review of the Digital Markets Act CCIA Europe response*. <https://ccianet.org/wp-content/uploads/2025/09/CCIA-EUROPE-POSITION-PAPER-ON-DMA-REVIEW.pdf>.

<sup>8</sup> See supra, note 4.

<sup>9</sup> Moens, B. and Tama, P. (2025, September 22). *EU to deny Big Tech financial data access*. Financial Times. <https://www.ft.com/content/6596876f-c831-482c-878c-78c1499ef543>.

**service definitions that uniquely burden U.S. firms; and to refrain from extending gatekeeper-style designations to additional sectors or AI. The EU should also expeditiously wrap up investigations that have dragged on indefinitely, and institute a moratorium on new investigations pending the current mandated review of this legislation (i.e., until May 2026); and work to ensure that member state intervention (e.g., Germany) does not introduce an additional layer of regulation that undermines consistent, single-market outcomes.**

## Imposing Legacy Telecommunications Rules on Internet-Enabled Services

In June 2025, the European Commission launched a call for evidence on the **Digital Networks Act**, signaling potential action on long-standing disputes between CAPs and European telecom operators. Despite broad opposition from industry, civil society, consumer groups, and regulators, the Commission is considering extending the European Electronic Communications Code to IP interconnection, which would subject CAPs and CDNs to out-of-court dispute-resolution procedures that telcos could use to seek additional payments for traffic delivery. Italy has already unilaterally taken steps to this effect.<sup>10</sup> Such a regime would effectively create *de facto* network usage fees targeting U.S. providers, in direct contradiction to the EU's commitment under the August 21 Framework Agreement not to adopt or maintain such fees. The Commission is also weighing extending the EECC to private networks operated by large cloud and content firms, a move that would disproportionately affect U.S. cloud and infrastructure providers. The Digital Networks Act is expected in January 2026.

**CCIA urges USTR to continue engaging the EU firmly to ensure it upholds its August 21 Framework commitment not to adopt or maintain network usage fees, and to dissuade the advancement of any discriminatory or anticompetitive measures that would result in such fees under another name. In parallel, the EU should engage with Italy to remove its measure as inconsistent with sound telecommunications policy and the EU's commitment to the United States.**

## Taxation of Digital Products and Services

Several EU Member States still impose **digital services taxes**, with others now proposing to introduce or broaden such regimes, while the European Commission included a proposal for a digital services tax in its 2026 work programme. Despite USTR's previous findings that such DSTs in Austria, France, Italy, and Spain discriminate against U.S. digital services providers,

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<sup>10</sup> CCIA Europe. (2025, September 23). *Italy's Move Towards Network Fees Sets Blueprint for EU Under Digital Networks Act, Study Finds*.  
<https://ccianet.org/news/2025/09/italys-move-towards-network-fees-sets-blueprint-for-eu-under-digital-networks-act-study-finds/>.

unreasonably contravene international tax principles, and burden or restrict U.S. commerce,<sup>11</sup> they remain in place, costing U.S. firms billions in costs.<sup>12</sup>

New proposals to introduce or broaden DSTs risk raising these costs. In August 2025, Poland's Ministry of Digital Affairs proposed two variants of a digital services tax that would disproportionately burden foreign, particularly U.S., providers while carving out domestic competitors.<sup>13</sup> Both the "wide" and "narrow" options impose high turnover-based rates of 3–7.5 percent on e-commerce, search engine marketing, and display advertising, with projected revenues of US\$470–930 million under the wide option and US\$130–200 million under the narrow one. The narrow variant is especially protectionist: it targets sectors dominated almost entirely by U.S. firms, applies higher rates than the wide option, and exempts equivalent offline services. Revenue would flow into a discretionary fund controlled by the Minister of Digital Affairs to support Polish tech and media companies, effectively transferring wealth from foreign providers to domestic firms. The structure mirrors earlier discriminatory DSTs identified under U.S. Section 301 investigations and raises significant concerns under Poland's WTO and bilateral trade obligations.

On October 28, 2025, the French National Assembly passed a proposal to double France's digital services tax from 3 to 6 percent and raise the revenue threshold from €750 million to €2 billion. If enacted, this would substantially increase the burden on U.S. firms already disproportionately affected by the DST, while further excluding the few remaining European and Chinese firms still in scope.<sup>14</sup> France currently collects roughly US\$866 million annually under the tax, predominantly from U.S. providers; doubling the rate could push that figure above US\$1.7 billion. The amendment's text makes the discriminatory intent explicit, framing the increase as a response to U.S. tariffs and an assertion of "digital sovereignty." The measure could be adopted as part of must-pass budget legislation before the end of the year, underscoring the need for strong U.S. engagement to prevent further entrenchment of discriminatory tax policies.

**CCIA urges USTR to obtain a commitment from the European Commission not to institute EU-wide DSTs and to seek to prevent key Member States from instituting new or expanded DSTs. USTR should put the EU on notice that, unless European governments withdraw or rescind existing DSTs that the suspended Section 301 proceedings will be revived.**

<sup>11</sup> Office of the United States Trade Representative. (2021). *Section 301 Investigation Report on Austria's Digital Services Tax*. <https://ustr.gov/sites/default/files/files/Press/Releases/AustriaDSTSection301Report.pdf>; Office of the United States Trade Representative. (2019). *Section 301 Investigation Report on France's Digital Services Tax*. [https://ustr.gov/sites/default/files/Report\\_On\\_France%27s\\_Digital\\_Servicesproposals\\_Tax.pdf](https://ustr.gov/sites/default/files/Report_On_France%27s_Digital_Servicesproposals_Tax.pdf); Office of the United States Trade Representative. (2021). *Section 301 Investigation Report on Italy's Digital Services Tax*. <https://ustr.gov/sites/default/files/enforcement/301Investigations/Report%20on%20Italy%E2%80%99s%20Digital%20Services%20Tax.pdf>; Office of the United States Trade Representative. (2021). *Section 301 Investigation Report on Spain's Digital Services Tax*. <https://ustr.gov/sites/default/files/files/Press/Releases/SpainDSTSection301Report.pdf>.

<sup>12</sup> CCIA. (2025). *Status of Key Digital Services Taxes*. <https://ccianet.org/wp-content/uploads/2025/07/Status-of-Key-Digital-Services-Taxes-in-July-2025.pdf>.

<sup>13</sup> CCIA. (2025). *Poland's Proposed Digital Services Tax*. <https://ccianet.org/wp-content/uploads/2025/09/Polands-Proposed-Digital-Services-Tax.pdf>.

<sup>14</sup> CCIA. (2025). *France's Proposed Digital Services Tax Increase*. <https://ccianet.org/wp-content/uploads/2025/10/CCIA-Explainer-on-Frances-Proposed-Digital-Services-Tax-Increase.pdf>.

## Barriers to Satellite Deployment

The European Commission's proposed Space Act (EUSA), published in June 2025, would establish a new regulatory regime for satellite operators that risks creating substantial and asymmetric barriers for non-EU firms.<sup>15</sup> The draft EUSA requires foreign satellite providers to undergo a burdensome authorization process through a new "Compliance Board" housed within the EU Agency for the Space Programme, which simultaneously operates competing EU constellations, a structural conflict of interest. By contrast, EU operators would register through their Member State authorities. The Act also imposes additional obligations on "giga-constellations," defined in a way that captures only major U.S. systems while excluding EU competitors, and contemplates restricting certain communications services to EU-headquartered operators.

**CCIA urges USTR to press the Commission to (1) eliminate the dual-track registration regime that forces foreign operators through the Compliance Board while EU firms rely on national procedures; (2) revise or remove constellation-size classifications that arbitrarily capture U.S. systems; and (3) drop proposals restricting market or service access based on headquarters location.**

## Exclusionary Measures on Cloud Providers and in Public Procurement

The European Commission has signaled a renewed push towards protectionist cloud and digital sovereignty measures. In April 2025, the Commission launched a call for evidence on the upcoming Cloud and **AI Development Act** and the **Cybersecurity Act**, signaling potential adoption of non-technical requirements that cloud providers must satisfy to access public procurement or critical infrastructure tenders. Despite sustained industry opposition, these measures would be designed to favor EU cloud service providers over U.S. providers solely based on their country of establishment. These Acts are expected in the first quarter of 2026.

Relatedly, DG Digital Services has already advanced a **Cloud Sovereignty Framework** to assign SEAL assurance levels for the Cloud III Dynamic Purchasing System, creating a de facto restriction on U.S. providers in EU procurement contrary to the EU's WTO GPA commitments.

In parallel, the European Commission launched a call for evidence in November 2025 on public procurement rules, reviving proposals for "European preference" or "**Made in Europe**" requirements to "strengthen EU economic security, sovereignty and resilience," with strong backing from Member States such as France.<sup>16</sup> These measures would restrict all U.S. product and service providers with unfair measures that would favor EU competitors, with a specific focus on cloud service providers. This push coincides with the Franco-German Summit on European Digital Sovereignty on November 18, 2025, where European leaders openly called for the market exclusion of US companies.<sup>17</sup>

<sup>15</sup> CCIA. (2025). *CCIA Position Paper on the Proposal for the EU Space Act: Making EU space regulation fit for the future.* <https://ccianet.org/wp-content/uploads/2025/11/CCIA-position-paper-EUSA.pdf>.

<sup>16</sup> France 24. (2025, November 18). *EU must avoid becoming tech 'vassal' of US and China, Macron says.* <https://www.france24.com/en/live-news/20251118-merz-macron-to-push-for-european-digital-sovereignty>.

<sup>17</sup> French President Emmanuel Macron went as far as to say, "Europe doesn't want to be the client of the big entrepreneurs, or the big solutions, either from the U.S. or China" with the German chancellor Frederic Merz saying that "'Europe must not cede this field [digital realm] to them [US and China].'"



**CCIA urges USTR to continue engaging the EU firmly to ensure it upholds its WTO GPA obligations, particularly with respect to cloud computing, and to dissuade the advancement of any discriminatory measures that would restrict market access for US ICT product and service providers.**