

ONE HUNDRED NINETEENTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON THE JUDICIARY

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July 24, 2025

Han Ki-jeong
Chairman
Korea Fair Trade Commission
95 Dasom 3-ro
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South Korea

Dear Chairman Han:

The Committee on the Judiciary of the U.S. House of Representatives is conducting oversight of how and to what extent foreign laws are being used to discriminate against innovative American companies and insulate their non-U.S. rivals from competition. The Committee has previously expressed concerns about the European Union's (EU) Digital Markets Act (DMA), which prohibits potentially pro-consumer behavior by certain non-European companies and subjects those companies to burdensome regulatory obligations.¹ Recently, the Korea Fair Trade Commission (KFTC) has proposed similar legislation modeled on the EU's DMA that would stifle innovation, disincentivize research and development, and benefit adversarial nations. We respectfully write to express our concerns that the KFTC's proposed legislation may be used to improperly target U.S. businesses.

In 2022, the EU adopted the DMA, giving the European Commission the ability to designate certain companies as "gatekeepers" and subjecting those companies to overly burdensome regulations in order to provide their European competitors with an advantage.² Gatekeepers that the Commission deems to have violated the DMA are subject to severe fines designed to compel businesses to follow European standards worldwide, tax American companies, and benefit European technology firms.³ Six of the seven businesses that the Commission has designated as gatekeepers are American companies or wholly owned subsidiaries of American companies.⁴ Comments from European policymakers suggest that the

¹ See Letter from Rep. Jim Jordan, Chairman, H. Comm. on the Judiciary, to Teresa Ribera, Exec. Vice-President for a Clean, Just, & Competitive Transition, European Comm'n (Feb. 23, 2025).

² *Id.*

³ European Commission, *The Digital Markets Act: ensuring fair and open digital markets* (last visited Jul. 7, 2025); Anu Bradford, *The Brussels Effect*, 107 NW. U. L. REV. 1 (2015); Makenzie Holland, *Trump Takes Issue with EU Actions Against U.S. Big Tech*, TECHTARGET (Jan. 23, 2025).

⁴ European Commission, *Gatekeepers* (last visited Jul. 7, 2025).

DMA was specifically designed to remedy Europe's economic downturn by weaponizing burdensome regulations against American companies to the benefit of European rivals.⁵

Foreign regulations like the DMA hurt consumers and small businesses,⁶ stifle innovation,⁷ and prevent innovative products and services offered by American companies from being released in the countries that adopt them.⁸ These regulations are not designed to protect consumers, but instead to benefit non-U.S. companies that are not subject to the regulations.⁹ These foreign regulations often benefit companies that have close ties to the People's Republic of China and require American companies to hand over vast amounts of highly valuable proprietary data to foreign-owned competitors and adversarial nations.¹⁰

Korea seems poised to follow in Europe's footsteps, advancing legislation modeled directly on the DMA.¹¹ On December 19, 2023, the KFTC announced a plan to advance the Platform Competition Promotion Act (PCPA), which would impose prohibitive and overly burdensome regulatory obligations like those contained in the DMA.¹² The PCPA would be enforced by "[p]re-designating a select number of core platforms as 'dominant platform operators' that possess the power to control the platform market" and prohibiting these platforms

⁵ Javier Espinoza, *EU should focus on top 5 tech companies, says leading MEP*, FINANCIAL TIMES (May 30, 2021); Dita Charanzová, *Turning Europe's internet into a 'walled garden' is the wrong path to take*, FINANCIAL TIMES (Feb. 17, 2021); *Europe is now a corporate also-ran. Can it recover its footing?*, THE ECONOMIST (Jun. 5, 2021); Mario Draghi, *The Future of European Competitiveness Part B | In-depth analysis and recommendations*, EUROPEAN COMMISSION 302 (Sept. 2024); Federico Steinberg & Max Bergmann, *The Draghi Report: A Strategy to Reform the European Economic Model*, CENTER FOR STRATEGIC & INTERNATIONAL STUDIES (Oct. 2, 2024).

⁶ Chris Comstock, *What The Digital Markets Act Means To US Brands and Consumers*, AD EXCHANGER (Jul. 19, 2022); Kati Suominen, *New Costs and Cybersecurity Challenges Flagged as DMA Compliance Starts*, CENTER FOR STRATEGIC & INTERNATIONAL STUDIES (Mar. 22, 2024).

⁷ Geoffrey A. Manne, et al., *Regulate For What? A Closer Look At The Rationale And Goals Of Digital Competition Regulations*, INTERNATIONAL CENTER FOR LAW & ECONOMICS (Aug. 19, 2024); Lilla Nóra Kiss, *Six Ways the DMA Is Backfiring on Europe by Harming Users, Innovation, and Allies*, ITIF (Jun. 30, 2025).

⁸ Richard Lawler, *Apple May Delay AI Features in the EU Because of its Big Tech Law*, THE VERGE (Jun. 21, 2025); Adam Cohen, *New Competition Rules Come with Trade-offs*, GOOGLE BLOG – THE KEYWORD (Apr. 5, 2024).

⁹ Charanzová, *supra* note 5; Doug Kelly, *How Europe's Digital Markets Act Undermines American Tech Leadership and Helps China*, AMERICAN EDGE PROJECT (Sep. 6, 2023) ("Last but not least, DMA forces American gatekeeper companies to disclose to competitors – even foreign adversaries – critical proprietary information and competitive expertise.").

¹⁰ Regulation (EU) 2022/1925 of the European Parliament and of the Council of 14 September 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), Art. 6(10)-(11); Kelly, *supra* note 9; Saxby Chambliss & Kent Conrad, *Europe's Digital Markets Act: A cautionary tale for U.S. policymakers*, ROLL CALL (Oct. 5, 2023); Robert C. O'Brien & Shigeru Kitamura, *The EU's Digital Markets Act is a Gift to China*, NATIONAL INTEREST (Mar. 28, 2024); Björn Lundqvist, *Reining in the Gatekeepers and Opening the Door to Security Risks*, CEPA (Mar. 30, 2023).

¹¹ Park Jae-hyuk, *Next president may lock horns with Trump over online platform laws*, KOREA TIMES (May 29, 2025); Yoon Myeong-jin, *With the completion of the floor leader group... Kim Byeong-gi "Commercial law revision is the first priority"*, DONG-A ILBO (Jun. 16, 2025); Lilla Nóra Kiss, *Why South Korea Should Resist New Digital Platform Laws*, ITIF (Dec. 9, 2024).

¹² Lilla Nóra Kiss, *Will Korea Burn Its Digital Future Down?*, ITIF (Jun. 12, 2024).

from engaging in certain “abusive practices.”¹³ Designated platforms that violate the PCPA would “be subject to corrective orders, penalty surcharges, and other remedies and penalties.”¹⁴

The PCPA would allow the KFTC to “target specific firms” and “establish thresholds to designate dominant firms and platforms (so-called gatekeepers) that align with the claimed market power of large U.S. tech firms.”¹⁵ As the National Bureau of Asian Research noted, it is “clear that U.S. firms are the ones South Korea seeks to target” as “the KFTC exempts smaller firms and, in effect, Chinese rivals.”¹⁶ If enacted, the PCPA would “trample on competition that clearly benefits consumers, ignore good regulatory practices fundamental to sound regulatory models, and place governments in a position of violating their trade commitments by arbitrarily targeting foreign firms.”¹⁷

Following pushback,¹⁸ the KFTC issued an alternative proposal known as the Partial Amendment Bill (PAB) that would modify Korea’s existing antitrust law to prohibit so-called “dominant online platform operators” from engaging in common practices like prioritizing their own offerings and bundling various products and services together.¹⁹ While the PAB was presented as a less-restrictive approach to platform regulation, it “effectively replicates DMA-style provisions—such as structural presumptions and expanded theories of harm—into traditional antitrust law” and poses the same risk of “regulatory overreach without clear justification.”²⁰

Several officials within the Trump Administration have voiced concerns about the KFTC’s legislative proposals. Former United States National Security Advisor and current member of the President’s Intelligence Advisory Board Robert C. O’Brien noted that DMA-style regulation would make Korea “more vulnerable to nefarious actors . . . putting at risk the national security of the ROK, the United States and beyond,” and would ultimately “be a gift to the Chinese Communist Party (CCP).”²¹ Mr. O’Brien warned that these “regulations would most certainly drive up compliance costs for just a few tech companies, likely leading to diminished investment, stymied innovation, fewer consumer choices and higher prices for customers.”²²

¹³ Kyung-Hwan Chung & Hye Sook Seo, *South Korea: Fresh online platform regulations kickstart new era of antitrust law*, GLOBAL COMPETITION REVIEW (Nov. 27, 2024).

¹⁴ *Id.*

¹⁵ Nigel Cory & Robert Holleyman, *Safeguarding U.S. Companies from Unfair South Korean Competition Policies*, NATIONAL BUREAU OF ASIAN RESEARCH (Jun. 12, 2025).

¹⁶ *Id.*

¹⁷ Charles Freeman, *U.S. Chamber Warns Against Rush to Pass Korea’s Online Platform Competition Promotion Act; Calls for Transparency and Dialogue*, CHAMBER OF COMMERCE (Jan. 29, 2024).

¹⁸ *Id.*; Jin Yu Young & Daisuke Wakabayashi, *The Antitrust Enforcers Aimed at Big Tech. Then Came the Backlash.*, N.Y. TIMES (Feb. 16, 2024); Andrew Yeo, *South Korea’s Digital Regulation Proposal Sparks U.S. Pushback*, LAWFARE (May 20, 2025);

¹⁹ Cory & Holleyman, *supra* note 15; Kiss, *supra* note 11.

²⁰ Robert D. Atkinson & Sejin Kim, *South Korean Policy in the Trump and China Era: Broad-Based Technological Innovation, Not Just Export-Led Growth*, ITIF (May 18, 2025).

²¹ Robert C. O’Brien, *South Korea’s proposed tech regulations would be a gift to China*, THE HILL (Dec. 28, 2023).

²² *Id.*

Similarly, during his confirmation hearing, United States Trade Representative Jamieson Greer said that the United States “should not be outsourcing our regulation to” foreign countries, and that attempts to discriminate against American technology companies through overly aggressive platform regulation “won’t be tolerated.”²³ Notably, Korea’s DMA-style regulatory proposals have played a prominent role in recent trade negotiations with the United States.²⁴

We write to respectfully explain our concerns with the KFTC’s proposals and their potential effect on American companies. As we continue to conduct oversight of emerging anti-competitive trends that affect American innovation, we request a briefing on the KFTC’s current approach to competition enforcement, proposed reforms, and how those reforms might affect American companies. We ask that you please direct your staff to arrange for the briefing to occur as soon as possible but no later than 10:00 a.m. ET on August 7, 2025.


Pursuant to the Rules of the House of Representatives, the Committee on the Judiciary has jurisdiction to conduct oversight of matters concerning “protection of trade and commerce against unlawful restraints and monopoly” to inform potential legislative reforms.²⁵ If you have any questions about this matter, please contact Committee staff at +1 (202) 225-6906.

Thank you for your attention to this matter.

Sincerely,



Jim Jordan
Chairman



Scott Fitzgerald
Chairman
Subcommittee on the Administrative State,
Regulatory Reform, and Antitrust

cc: The Honorable Jamie Raskin, Ranking Member

The Honorable Jerrold Nadler, Ranking Member, Subcommittee on the Administrative State, Regulatory Reform, and Antitrust

²³ Kim Eun-jin, *South Korea’s Platform Law Faces Criticism, Potential Trade Clash with U.S.*, BUSINESS KOREA (Feb. 18, 2025).

²⁴ Jihoon Lee & Hyunjoo Jin, *Big tech rules, agriculture among issues in US trade talks with South Korea*, REUTERS (Jul. 7, 2025).

²⁵ Rules of the House of Representatives R. X (2025).