

ONE HUNDRED NINETEENTH CONGRESS

Congress of the United States
House of Representatives

COMMITTEE ON THE JUDICIARY

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December 30, 2025

Mr. Alexandre Rebêlo Ferreira
Secretariat for Economic Reforms
Ministry of Finance
Esplanada dos Ministérios
Bloco P, Ed. Sede
70048-900, Brasília-DF
Brazil

Dear Secretariat Ferreira:

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 conduct by certain non-European companies, imposes burdensome regulatory obligations on American businesses, and is now being used as a template for similar legislation by other foreign governments.¹ Recently, the Federal Government of Brazil proposed its own DMA-style legislation that would stifle innovation, entrench market power, and escalate existing trade tensions between the U.S. and Brazil. We respectfully write to express our concerns that Brazil'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 subject 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 face 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

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); Letter from Rep. Jim Jordan, Chairman, H. Comm. on the Judiciary, to Han Ki-jeong, Chairman, Korea Fair Trade Commission (Jul. 24, 2025).

² *Id.*

³ European Commission, *About the Digital Markets Act* (last visited Dec. 29, 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).

gatekeepers are American companies or wholly owned subsidiaries of American companies.⁴ Comments from European policymakers suggest that the DMA was designed to remedy Europe's economic downturn by weaponizing burdensome regulations against American companies to the benefit of their 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 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 valuable, highly sensitive proprietary data to foreign-owned competitors and adversarial nations.¹⁰

Recently, other countries have started to follow in Europe's footsteps, advancing legislation modeled directly on the DMA.¹¹ For example, the Korea Fair Trade Commission (KFTC) has proposed two pieces of legislation that would impose prohibitive, overly burdensome regulatory obligations like those contained in the DMA.¹² As the National Bureau of Asian Research has noted, it is "clear that U.S. firms are the ones South Korea seeks to target,"

⁴ European Commission, *Gatekeepers* (last visited Dec. 29, 2025).

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 See Letter from Rep. Jim Jordan, Chairman, H. Comm. on the Judiciary, to Han Ki-jeong, Chairman, Korea Fair Trade Commission (Jul. 24, 2025).

¹² Lilla Nóra Kiss, *Will Korea Burn Its Digital Future Down?*, ITIF (Jun. 12, 2024); Kyung-Hwan Chung & Hye Sook Seo, *South Korea: Fresh online platform regulations kickstart new era of antitrust law*, GLOBAL COMPETITION REVIEW (Nov. 27, 2024); Nigel Cory & Robert Holleyman, *Safeguarding U.S. Companies from Unfair South Korean Competition Policies*, NATIONAL BUREAU OF ASIAN RESEARCH (Jun. 12, 2025).

as “the KFTC exempts smaller firms and, in effect, Chinese rivals.”¹³ Several officials within the Trump Administration have voiced their concerns about the KFTC’s legislative proposals, which have played a prominent role in recent trade negotiations with the United States.¹⁴

The Federal Government of Brazil recently proposed its own DMA-style legislation that would hinder innovation, entrench market power, and worsen trade tensions between the U.S. and Brazil.¹⁵ In September 2025, President Luiz Inácio Lula da Silva submitted a bill proposal to the Brazilian House of Representatives that would amend the Brazilian Competition Law (BCL).¹⁶ These amendments would establish a new Superintendence of Digital Markets within the Administrative Council for Economic Defense (CADE) and authorize it to designate certain companies as “economic agents of systemic relevance.”¹⁷ This designation would “last[] ten years and contains no mechanism for early review or termination.”¹⁸ The designation would allow CADE to impose special obligations, including increased merger scrutiny, mandatory disclosures, forced interoperability and data sharing, and restrictions on common practices and services.¹⁹ A platform’s designation and the resulting obligations broadly “appl[y] to the entire corporate group, even if its activities or technologies change.”²⁰ Companies that CADE deems noncompliant are subject to fines of up to 20 percent of their gross revenue in the “affected line of business.”²¹

Brazil’s proposed legislation “borrows heavily from foreign models like the EU’s Digital Markets Act (DMA) and the UK’s Digital Markets, Competition and Consumers Act—rather than focusing on what Brazil’s digital economy actually needs.”²² It is “designed to apply only to large technology platforms,”²³ with a specific focus on those that are “U.S. headquartered.”²⁴ By targeting American-owned companies, “the bill would foster a discriminatory regulatory environment, discourage investment, and undermine the very competition it aims to promote.”²⁵ In fact, the proposed legislation may actually “entrench market dominance rather than disrupt it,” as “requiring large platforms to share their technology, data, or infrastructure with smaller firms” creates a “dependency dynamic” that “reinforces the position of established platforms, making

¹³ Cory & Holleyman, *supra* note 12.

¹⁴ WHITE HOUSE, JOINT FACT SHEET ON PRESIDENT DONALD J. TRUMP’S MEETING WITH PRESIDENT LEE JAE MYUNG (Nov. 13, 2025); Robert C. O’Brien, *South Korea’s proposed tech regulations would be a gift to China*, THE HILL (Dec. 28, 2023); Kim Eun-jin, *South Korea’s Platform Law Faces Criticism, Potential Trade Clash with U.S.*, BUSINESS KOREA (Feb. 18, 2025); Jihoon Lee & Hyunjoo Jin, *Big tech rules, agriculture among issues in US trade talks with South Korea*, REUTERS (Jul. 7, 2025).

¹⁵ Lambrini Kolios, *Why Brazil Should Rethink Its Digital Markets Bill*, CHAMBER OF COMMERCE (Sept. 26, 2025); see also Lilla Nóra Kiss, *The Brussels Effect Comes to Brasilia: Why Its New Digital Markets Bill Misses the Mark*, ITIF (Oct. 17, 2025).

¹⁶ Dario Oliveira Neto & Lazar Radic, *Brazil’s Digital Markets Bill: A DMA Through the Back Door?*, TRUTH ON THE MARKET (Sept. 24, 2025).

¹⁷ Kolios, *supra* note 15.

¹⁸ Kiss, *supra* note 15.

¹⁹ Neto & Radic, *supra* note 16.

²⁰ Kiss, *supra* note 15.

²¹ Neto & Radic, *supra* note 16.

²² Kiss, *supra* note 15.

²³ *Id.*

²⁴ Kolios, *supra* note 15.

²⁵ *Id.*

them even more central to the digital ecosystem.”²⁶ As such, “[t]he bill risks reinforcing the status quo, leaving consumers with fewer choices and less innovation.”²⁷ Even more, the legislation includes “vague compliance requirements” that “would force companies to divert resources away from product development and service enhancements toward navigating complex and ambiguous regulatory demands.”²⁸

This law potentially creates more problems than solutions. Brazil, according to reports, “shows no clear signs of market failure in its digital sectors, and existing competition law already provides effective tools for addressing misconduct.”²⁹ Even so, the bill would create “a new system that preemptively polices potential harms.”³⁰ Worse, the bill “prohibits conduct that is often pro-competitive rather than harmful,” including practices that “enhance efficiency, reduce transaction costs, and/or improve user experience.”³¹ Most concerning, the proposed legislation “risks creating diplomatic and economic frictions between the United States and Brazil by disproportionately targeting American technology firms” in the middle of ongoing trade negotiations.³²

We write to respectfully explain our concerns with Brazil’s proposed legislation and the potential effect it could have on American companies. As we continue to conduct oversight of emerging anti-competitive trends that affect American innovation, we respectfully request a briefing on Brazil’s proposed legislation and how that legislation 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 January 13, 2026.

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.³³ If you have any questions about this matter, please contact Committee staff at +1 (202) 225-6906.

²⁶ *Id.*

²⁷ *Id.*

²⁸ *Id.*

²⁹ Kiss, *supra* note 15.

³⁰ *Id.*

³¹ *Id.*

³² *Id.*; Augusta Saraiva & Eric Martin, *Brazil Sees Provisional US Trade Deal Soon as Relations Improve*, BLOOMBERG (Nov. 13, 2025).

³³ Rules of the House of Representatives R. X (2025).

Mr. Alexandre Rebêlo Ferreira

December 30, 2025

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Thank you for your attention to this matter.

Sincerely,

Handwritten signature of Jim Jordan in blue ink.

Jim Jordan
Chairman

Handwritten signature of Scott Fitzgerald in blue ink.

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