

The Red, White, and Blocked: Europe's Threat to American Voices and Innovation

September 2, 2025

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

Thank you for your leadership in holding a hearing on such a critical topic: the impact of the European Union's Digital Services and Digital Markets Acts on American interests. We appreciate the opportunity to share our perspectives on the impacts of these pieces of legislation and why it's so important for Congress and this administration to continue their excellent work in holding our allies accountable when they pursue policies that directly and negatively impact American consumers and businesses alike.

For years, we have seen the European Union pursue digital governance policies that increasingly target and harass American firms and impact American users. President Trump expressed this sentiment perfectly when stating recently that the EU had been treating American Tech firms as a "piggy bank" and "doormat".¹

Because of our organization's international presence, with staff spread out across the entire world, including the EU, we are uniquely positioned to offer comments on the extraterritorial impact of digital regulations from the bloc, not just on American consumers, but consumers around the globe.

The Cerberus of European Rulemaking

Owing to the opaqueness of European governance and rulemaking, much about this process is necessarily black boxed for ordinary citizens and consumers.

There is the European Commission, led by the College of Commissioners apportioned by national governments, led by the President of the European Commission who also makes calls on which Commissioners, appointed by the governments are later to be approved by the European Parliament. There is a European Parliament with 720 members, in which directly elected representatives can introduce amendments, set agendas, and vote on various EU Commission proposals, though in limited capacity.

And lastly, though most importantly, there is the Council of the European Union, made up of all heads of member state governments that acts as the arbiter of larger regulatory projects

¹Trump, Donald. TRUTH Social Post. August 25th, 2025.
<https://truthsocial.com/@realDonaldTrump/115092243259973570>

proposed by the Commission; however, often their impact is limited, because the Commission may interpret their feedback only to an extent.

The Commission's impact on setting the European political agenda is vast, and the input from either European Parliament members or separate Member States is limited and often diluted.

From this *Cerberus*, or three-headed dog, major regulatory efforts are issued, amended, and ultimately passed. This brings us to the specific digital regulations your committee is reviewing.

These regulatory projects, presented as consumer-protection and "digital sovereignty" measures in name, tend to have the impact of introducing regulatory overreach with global consequences: compelling censorship and severe content moderation, undermining innovation for entrepreneurs and digital service providers, and harming consumers on both sides of the Atlantic.

The Importance of a Democratic American Response

The Committee's recent report, [*The Foreign Censorship Threat: How the European Union's Digital Services Act Compels Global Censorship and Infringes on American Free Speech*](#)², correctly highlights how the EU's legal mandates compel the exportation of its restrictive model of digital governance into American digital markets. This impacts every connected American user and consumer.

We commend President Trump for his recent executive orders, statements, and trade negotiations that have attempted to push back on the EU's regulatory capabilities.³ His leadership and foresight have signaled that American free expression and innovation will not be undermined by less accountable regulators and bureaucracies located abroad.

These actions, paired with Congress's oversight, are essential to defending digital sovereignty here at home, as well as the vital principle of a free and open Internet.

For the committee, we would like to highlight specific areas where European regulatory mandates are threatening tech innovation and consumer choice, aiming to set a standard that is not conducive to open markets, permissionless innovation, or economic freedom.

What's more, many of these compliance requirements are being forced on American innovators above all else, revealing a large anti-American agenda that threatens prosperity. Despite the letter sent to this very committee by Henna Virkkunen, the EU's Executive Vice President of Tech Sovereignty, Security, and Democracy, suggesting that these laws are not discriminatory in nature

² U.S. House of Representatives, Committee on the Judiciary, *DSA Report & Appendix*, July 25, 2025, PDF file, https://judiciary.house.gov/sites/evo-subsites/republicans-judiciary.house.gov/files/2025-07/DSA_Report%26Appendix%2807.25.25%29.pdf.

³ White House, "Fact Sheet: President Donald J. Trump Issues Directive to Prevent the Unfair Exploitation of American Innovation." *The White House*, February 21, 2025. <https://www.whitehouse.gov/fact-sheets/2025/02/fact-sheet-president-donald-j-trump-issues-directive-to-prevent-the-unfair-exploitation-of-american-innovation/>.

because they apply to any company that offers goods and services in the EU, the early results suggest otherwise.⁴

While the DSA and DMA are the current regulations of concern, we would implore the committee to also consider the impact of the incoming EU AI Act, the longstanding General Data Protection Regulation (GDPR), the forthcoming European Digital Fairness Act (DFA), Digital Networks Act (DNA), Child Sexual Abuse Regulation (CSAM, also known as ‘Chat Control’), public procurement directives updates and many more initiatives that may impact American tech companies and their users in the long run.

In addition, many European innovators and entrepreneurs have had similar frustrations with European rulemaking from Brussels and have begun their own campaigns to suggest necessary modifications to these digital regulations.⁵ We hope that you will also reflect your actions and reports on these sentiments felt by the people most impacted by wayward regulations.

The Digital Services Act: Burdens of Compliance on American Tech

The DSA requires “Very Large Online Platforms” (VLOPs) to conduct systemic risk assessments, share algorithms, and provide unprecedented access to regulators. This category introduces additional regulatory and compliance requirements beyond those of ordinary digital services companies.

At present, the list of VLOPs contains twenty-two services, sixteen of which are owned by companies in the United States. Only four are based in the EU, while two are based in China.⁶

Beyond reports on systemic risks, annual audits, and algorithm sharing, VLOPs are required to submit information on their advertising practices, pay supervisory fees, and designate certain individuals as compliance officers who must reside (and be accountable) to European authorities.

Violating any portion of the DSA for VLOPs can accrue financial penalties amounting to up to **6%** of all global revenue, and risk suspension of all services to European consumers.

Specific examples of how the DSA has been weaponized to affect American users and innovators:

- **Compelled Censorship:** EU Commissioner Thierry Breton’s public warning to X (formerly Twitter) before a livestreamed “space” with then-candidate Donald Trump demonstrates the extraterritorial ambition of the law.

⁴ Virkkunen, Henna. Letter to U.S. House Judiciary Committee. September 1st, 2025.

<https://x.com/HennaVirkkunen/status/1962549865835028757/photo/1>

⁵ *The Tech Industry Is Huge—and Europe’s Share of It Is Very Small*, The Wall Street Journal, May 19, 2025, <https://www.wsj.com/tech/europe-big-tech-ai-1f3f862c>.

⁶ European Commission, *Supervision of the Designated Very Large Online Platforms and Search Engines under DSA*, last modified July 31, 2025, *Shaping Europe’s Digital Future*, <https://digital-strategy.ec.europa.eu/en/policies/list-designated-vlops-and-vloses>.

- Such interventions illustrate how European regulators seek to influence political speech outside their jurisdiction.⁷
- **Ad Restrictions:** By banning targeted ads to minors and restricting sensitive data, the DSA limits personalization tools relied on by small businesses, creators, and nonprofit organizations such as ours.
 - These changes cascade globally because platforms cannot easily maintain separate ad products.⁸
- **Research Mandates:** Data-access provisions create privacy risks while draining resources that would otherwise go toward innovation.

Practically, these measures serve to create a regulatory standard that is nearly impossible for a global digital business aiming to serve customers and clients no matter where they are.

Because platforms must adjust policies, practices, and sometimes entire algorithms to confine and comply with the European market, this has a deliberative impact on services offered in other regions and countries, including the United States.

This has the direct impact of limiting speech and innovation accessible to global users. While Henna Virkkunen's letter to this committee suggests that the DSA "fully respects and supports fundamental rights, including freedom of expression", we must caution the committee against taking such words seriously. As former Commissioner Thierry Breton more than capably demonstrated with his abuse of this legislation, the EU is always a bureaucrat away from trampling over individuals' civil liberties. What both of these individuals fail to understand and appreciate is that the internet is one globally shared space, and their censorious laws inherently impact the online experience of hundreds of millions of Americans. That is an outcome we find wholly unacceptable.

We would be remiss if we did not express disappointment in the minority's attempted "debunking" of the very real issues presented in the DSA.⁹ What their report seemingly comes off as is holding water for the European Union's bad ideas that they wish they could do here in the United States, but for the protections afforded to Americans by the First Amendment. This isn't exactly too surprising to us, though, as the previous administration during the 2024 election was

⁷ Ossowski, Yaël. "Breton's Elon Musk Regulatory Troll Earns One of the Most Epic Ratios of All Time." EU Tech Loop. Updated August 13, 2024.

<https://eutechloop.com/bretons-elon-musk-regulatory-troll-earns-one-of-the-most-epic-ratios-of-all-time/>.

⁸ Ossowski, Yaël. "Stopping Targeted Advertising Cuts Off Industries and Dumbs Down Tech." *The Parliament Magazine*, November 25, 2020.

<https://www.theparliamentmagazine.eu/partner/article/stopping-targeted-advertising-cuts-off-industries-and-dumbs-down-tech>.

⁹ House Committee on the Judiciary, Democrats. "Debunking Republicans' Misleading Report on the EU's Digital Services Act. 2025.

[debunking-republicans-misleading-report-on-the-eu-s-digital-services-act-dsa.pdf](#)

looking at a variety of legal strategies, including how to leverage the Digital Services Act to take down content they did not like about then-President Joe Biden.¹⁰

The Digital Markets Act: Industrial Policy Disguised as Competition Mandates

The DMA, on the other hand, targets “gatekeepers,” what the EU declares are “rule-makers” over private markets that could abuse their market position to adversely impact consumers.

The aim of the DMA is to promote fair competition in digital markets, prevent “abuse of power” in private markets, and to open opportunities for smaller competitors and startups to compete with larger firms. Designated gatekeepers maintain app stores and marketplaces, search engines, social media networks, video-sharing platforms, web services, and more.

Like the DSA, most DMA-deemed gatekeepers are American companies. Of the seven companies, five (Google, Amazon, Apple, Meta, and Microsoft) are headquartered in the United States and must adhere to strict European competition and antitrust regulation.¹¹

Within the regulatory remit of DMA, gatekeepers must follow rules and specific procedures:

- **Interoperability:** Gatekeepers must open their services to allow competing firms access to their platforms.
- **Punitive Fines:** Companies face fines of up to 20 percent of global revenue for repeated violations. Google, Apple, and Meta have already been subjected to these fines¹².
 - The violations relate to various aspects of self-preferencing on platforms, advertising consent rules, and interoperability.
- **Trade Distortion:** Because the criteria disproportionately capture U.S. firms, the DMA acts as an industrial policy designed to boost European competitors at the expense of American firms.

The outcome for European consumers is fewer integrated services, slower feature rollouts, and higher compliance costs passed on to consumers. In addition, many European users are blocked from accessing certain innovations, effectively cutting off the EU market for American innovators.

Concrete Examples

1. **Integrated Apple features:** Several features available to American Apple users, including iPhone mirroring, Visited Places, Live Activities, several apps in the AppStore, and even the latest iOS software updates are blocked to not defy DMA rules.

¹⁰ O’Sullivan, Donnie and Fung, Brian. “First on CNN: Biden Campaign prepares legal fight against election deepfakes. CNN. November 30th, 2023.

<https://www.cnn.com/2023/11/30/politics/biden-campaign-prepares-against-deepfakes>

¹¹ European Commission, DMA Designated Gatekeepers, Digital Markets Act (European Union), https://digital-markets-act.ec.europa.eu/gatekeepers_en.

¹² Gold, Ashley. “Big Tech Hopes for Trump Defense Against EU Fines.” *Axios Pro*, March 31, 2025. <https://www.axios.com/pro/tech-policy/2025/03/31/big-tech-hopes-for-trump-defense-against-eu-fines>.

2. **App Stores and Payments:** DMA rules force the acceptance of third-party app stores, sideloading of apps, and alternative payment methods, affecting Android and Apple users.
3. **LinkedIn Ad Tools Removal:** Under pressure, LinkedIn removed targeting features, diminishing value for advertisers globally.¹³
4. **Content Removal:** To avoid penalties, platforms like X are forced to over-remove content, chilling speech and free expression not only in Europe but globally.
5. **Self-preferencing restrictions:** Due to self-preferencing rules, users of Google Search cannot have Google Maps integrated in the search experience, and similar in Bing and Apple platforms.

New initiatives to watch: Chat Control and the Encryption Under Threat

Beyond the DSA and DMA, Europe is also advancing dangerous proposals on surveillance and encryption in the name of stopping sexual abuse material on encrypted messaging apps. While stopping the spread of such heinous material is a laudable goal, the solutions being put forward present serious privacy risks to billions of consumers and simultaneously subject them to an endless surveillance state.

The so-called “*Chat Control*” legislation, otherwise known as the *Regulation to Prevent and Combat Child Sexual Abuse*, is currently under review by the Council of the EU, would mandate scanning of private messages within messaging platforms, effectively outlawing secure end-to-end encryption by forcing backdoors.

While opposition in European Member States and among citizen initiatives has been strong, Brussels seems determined to pass this regulation to empower their police services without regard to the impact on consumers using messaging technology.¹⁴

For American users, this is not an abstract concern happening far away. US-based platforms with global footprints would be pressured to weaken encryption, as we have seen recently in the United Kingdom’s attempted demand for a backdoor access to Apple’s iCloud security, which was thankfully retracted after intervention by Vice President JD Vance.¹⁵ We are thankful for Representative Andy Biggs, who sits on this committee, for his efforts in working with Senator

¹³ Paul Sawers, “LinkedIn to Limit Targeted Ads in EU After Complaint over Sensitive Data Use,” *TechCrunch*, June 7, 2024, <https://techcrunch.com/2024/06/07/linkedin-to-limit-targeted-ads-in-eu-after-complaint-over-sensitive-data-use/>

¹⁴ Yaël Ossowski, “Return of Chat Control: Something Is Rotten in the State of Denmark,” EU Tech Loop, updated August 4, 2025, <https://eutechloop.com/return-of-chat-control/>

¹⁵ Margot Amouyal, “Why the U.K. Dropped Its Demand for Access to Apple Users’ Encrypted Data,” *The Washington Post*, August 21, 2025, <https://www.washingtonpost.com/politics/2025/08/21/tech-brief-uk-apple-data>.

Ron Wyden to send a letter to Tulsi Gabbard, the Director of National Intelligence, back in February of this year highlighting this exact issue and the threat it represents.¹⁶

Forcing a backdoor and breaking encryption would mean reduced security for journalists, dissidents, businesses, and ordinary citizens chatting with family and friends. As we at the Consumer Choice Center have noted, undermining encryption threatens not just privacy but also trust in digital services.

If Europe succeeds in compelling message-scanning backdoors, Americans will experience a less safe Internet, vulnerable to both state and criminal exploitation that would have wide ramifications.

New initiatives to watch: Digital Networks Act

Another important legislative initiative to be watched is the incoming *Digital Networks Act*, which previously outlined the introduction of network fees and extending legacy telecom rules (European Electronic Communications Code) to cloud and digital services.

The European Commission's notion that digital and cloud services are not being regulated as much as the telecom market is simply incorrect, as digital services providers are already held accountable under several relatively new regulations.

European telecom operators have long lobbied for the '*fair share*' concept — the idea that large Content Application Providers should directly contribute to the network infrastructure costs of Internet Service Providers (ISPs), as they generate most of the Internet traffic.

This idea did not receive widespread support and was postponed in 2023. Civil society and consumer organizations have expressed their criticism¹⁷ of the idea fearing a negative impact on the internet ecosystem, as well as Member States,¹⁸ stating that the current system today is both fair and just for users and innovators.

And while the US-EU trade deal outlines¹⁹ the European Union's commitment to not introduce network fees, it's important to survey whether 'network fees' would be hidden under a different phrasing, such as new '*IP interconnection dispute resolution mechanisms*', which essentially mean the same thing as network fees.

New initiatives to watch: Public Procurement directives' preference to European providers

¹⁶ Senator Ron Wyden and Representative Andy Biggs. "Wyden and Biggs Urge New Intel Chief Gabbard to Protect Americans' Communications From Foreign Surveillance" February 13th, 2025. <https://www.wyden.senate.gov/imo/media/doc/wyden-biggs-letter-to-dni-re-uk-backdoors.pdf>

¹⁷ European consumers say 'no' to network fees, *EU Tech Loop*. <https://eutechloop.com/european-consumers/>

¹⁸ What happened at the TTE-Council? Cyber, conclusions on the EU's digital infrastructure needs, Polish priorities, *EU Tech Loop*. <https://eutechloop.com/post-tte-council-2/>

¹⁹ Confirmed: the EU will not introduce network fees, *EU Tech Loop*. <https://eutechloop.com/confirmed-network-fees/>

French Commissioner Stéphane Séjourné will be responsible for revising the Public Procurement Directives, aiming to simplify the rules while also giving priority to European-made products (where possible).²⁰

Consumer Choice Center has consistently advocated for reform, adding that introducing additional protectionist measures risks exacerbating the already highly complex and cumbersome nature of European procurement procedures, further reducing competition and potentially impeding critical digital transformation efforts.

New initiatives to watch: Digital Fairness Act and the future of targeted advertising

The Digital Fairness Act (DFA) is a European Union initiative aimed at strengthening consumer protection in digital markets by addressing practices such as dark patterns, addictive interface designs, and undisclosed influencer marketing. The DFA also envisages closer scrutiny of personalized advertising and online profiling, with the goal of safeguarding consumer autonomy and reducing the risk of manipulation.

Irish Commissioner McGrath, responsible for the DFA, has indicated that no substantial amendments are anticipated in 2025, although preparatory work for future measures is already underway.

The Digital Fairness Act may significantly restrict the future of personalized advertising by tightening rules on the use of personal data across advertising and e-commerce platforms.

Such compliance requirements could render existing advertising business models unsustainable, with adverse consequences for European consumers as well as small and medium-sized enterprises (SMEs) that rely on these channels, including many American businesses.

Why Consumers Lose

Across these measures, consumers in Europe and abroad—not regulators—bear the brunt of the costs:

- **Reduced Innovation:** Companies delay or withdraw features to minimize legal risk.
- **Higher Costs:** Compliance expenses flow down to consumers through subscription fees and degraded free services.
- **Reduced Free Expression:** Platforms adopt EU-style moderation globally, limiting legitimate speech.
- **Security Risks:** Encryption-breaking proposals threaten all users, not just Europeans.
- **Trade Barriers:** US firms are disproportionately targeted, skewing global competition.

Conclusion

²⁰Top EU tech regulatory initiatives to watch in 2025 and beyond, *EU Tech Loop*

<https://eutechloop.com/techreg2025/>

The Digital Services Act, the Digital Markets Act, and proposals such as “Chat Control,” the introduction of network fees and new regulatory compliance for digital service providers, and public procurement updates, not to mention other longstanding or proposed European regulations, form a troubling pattern of regulatory overreach that impacts US users.

They compel censorship, undermine encryption, and disadvantage US innovators while creating trade barriers that serve as industrial policy to advantage domestic industries and innovators without regard for the impact on users.

The United States cannot remain passive. Defending free expression and innovation requires both tradecraft and statecraft:

- Tradecraft, by using trade tools to push back against discriminatory regulations that function as non-tariff barriers.
- Statecraft, by engaging diplomatically to press international regulators, including the European Commission, to modernize their rules for a free, secure, and global Internet.

The goal should not be a fragmented digital economy governed by the most restrictive regulator, but rather a global Internet that respects free expression, protects encryption, and fosters innovation for consumers everywhere.

President Trump’s executive orders against EU censorship and regulatory outreach, and this Committee’s report on the foreign censorship threat, are vital steps to furthering consumer choice both in the United States and EU. Congress should continue to champion these principles, ensuring that American consumers and innovators remain free to thrive in the digital age.

We stand ready to work with you and the committee as you continue to explore this subject and potential solutions to the problems identified with these burdensome, discriminatory, and censorious regulations coming out of both the European Union and the United Kingdom.

Yours,

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