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Brussels, 06 March 2025

Mr Jim Jordan
Chairman
Committee on the Judiciary
U.S. House of Representatives
2138 Rayburn House Office Building
Washington, D.C. 20515

Mr Scott Fitzgerald
Chairman
Subcommittee on the Administrative State, Regulatory Reform, and Antitrust
U.S. House of Representatives
1507 Longworth House Office Building
Washington, D.C. 20515

Dear Messrs Chairmen

Thank you for your letter dated 23 February 2025.

As the Executive Vice-President for a Clean, Just and Competitive Transition and the Executive Vice-President for Tech Sovereignty, Security and Democracy in the European Commission, we share the responsibility for the implementation and enforcement of the European Union's Digital Markets Act (DMA).

Your letter gives us the opportunity to set out the key objectives of the DMA and to clarify its implementation.

Before doing so, we would like to underline that the EU is committed to fully embracing the digital and AI revolution, and is very positive about the contribution that US tech companies bring to Europe in this respect, as well as to tech products and services from other parts of the world that comply with our non-discriminatory domestic rules. AI and tech advances boost innovation and productivity, and will drive the competitiveness of virtually all sectors in the future. As a result, Europe has been and wishes to remain very open to US tech products and services. We are in fact the largest market for them outside the US. This benefits our economy as much as yours, by supporting Europe's digital transition.

Having said this, we also want to ensure that digital markets in the European Union remain contestable and fair to the benefit of all consumers and all companies, including smaller innovative companies, which is the main aim of the DMA. The concerns underpinning the goals of the DMA have also featured very prominently in the investigation on competition in digital markets carried out by the U.S. House of Representatives in 2020¹.

We are convinced that the European Union and the United States share the common goal of preventing the harmful effects of monopolization and restrictions of competition on consumers and businesses. This is at the heart of the U.S. Sherman Act and the EU rules on competition. We believe that strong antitrust enforcement will benefit consumers on both sides of the Atlantic. The investigations and lawsuits started under the first Trump administration and those subsequently filed by the US Department of Justice and the Federal Trade Commission together with a large bipartisan coalition of States since 2020 against gatekeepers in digital markets, such as Google², Apple³, Meta⁴ and Amazon⁵ to prevent monopolization bear witness to this common goal.

1. The DMA does not target U.S. companies

The DMA applies exclusively within the European Union. It has no extraterritorial application in the U.S. or any other non-EU country. It applies to all companies which fulfil the clearly defined criteria for being designated as a gatekeeper in the European Union irrespective of where they are headquartered. The criteria for being designated as a gatekeeper are neutral and objective and do not aim at building European champions. One central criterion to determine whether a company qualifies as a gatekeeper is its impact on the EU internal market in terms of its number of business users and end users in the European Union. The criteria for gatekeeper designation are based on objectively identified and transparent quantitative thresholds. They do not allow the Commission to discriminate against any company based on the location of its headquarters⁶.

This is confirmed by the fact that two of the gatekeepers which have so far been designated under the DMA are headquartered in the European Union and in China respectively.

As said, the DMA does not apply outside the European Union. Whilst companies have to comply with EU law, such as the DMA, when doing business in the European Union, they are free to deploy other business models in other jurisdictions.

Similarly, the DMA also does not advantage any company based on the location of its headquarters. In fact, any company that has a business presence in the European Union is a potential beneficiary of

¹ https://democrats-judiciary.house.gov/uploadedfiles/competition_in_digital_markets.pdf. See also “The Third Way, Rep. Ken Buck, Houses Judiciary Committee on antitrust, commercial and administrative law, 2020.

² <https://www.justice.gov/archives/opa/pr/justice-department-sues-monopolist-google-violating-antitrust-laws> ; <https://www.justice.gov/archives/opa/pr/justice-department-sues-google-monopolizing-digital-advertising-technologies>.

³ <https://www.justice.gov/archives/opa/pr/justice-department-sues-apple-monopolizing-smartphone-markets>

⁴ <https://www.ftc.gov/news-events/news/press-releases/2020/12/ftc-sues-facebook-illegal-monopolization>

⁵ <https://www.ftc.gov/news-events/news/press-releases/2023/09/ftc-sues-amazon-illegally-maintaining-monopoly-power>

⁶ Note also that the European Commission is the EU institution responsible for the application and enforcement of the DMA. As such, we cannot speak to statements of certain MEPs, or of former Italian Prime Minister Mario Draghi, which of course do not represent the position of the European Commission.

the DMA and many innovative US companies benefit from it. In certain instances, it also includes gatekeepers, themselves, which are seeking to benefit for example from the opportunities for innovation opened up through interoperability⁷. All companies doing business in the EU internal market can benefit from the DMA, for example, by launching alternative app stores or interoperable devices in the European Union.

2. The DMA opens up new opportunities and promotes innovation

By preventing gatekeepers from engaging in unfair practices vis-à-vis smaller companies, the DMA keeps the door open to the next wave of innovation in vital digital markets. It allows companies to become more independent from large digital platforms in terms of distribution of their products and services and to develop innovative business models. It also provides more choices for consumers. Concretely, the DMA facilitates consumer choice by means of choice screens for search engines and browsers.

By way of example, the DMA prevents gatekeepers from self-preferencing their own services, preventing them from monopolizing markets such as hotel search or comparison shopping to the detriment of consumers and smaller businesses. Similar concerns around monopolization of the online search market underpin the District Court of Columbia's recent judgement that found Google in violation of Section 2 of the Sherman Act following a lawsuit filed under the first Trump administration.⁸

The DMA also empowers consumers to take control, by means of consent, of the data they want to share with gatekeepers for advertising purposes. This is to avoid further entrenching the very strong market position of gatekeepers in the advertising value chain. A concern which is shared by the Department of Justice in the lawsuit filed in 2023 together with a bipartisan coalition of States on monopolizing digital advertising technologies.⁹

The rules on data sharing in the DMA allow businesses access to data that are generated by users of their services on gatekeeper platforms which aims to prevent monopolization of these valuable data. The explicit reference in this context to European data protection rules avoids abuses of this opportunity for example in cases when data transfers may create security risks. As you will know the personal data flows with the US have been adequately secured since the latest EU-US Data Privacy Framework.¹⁰

These examples show that the DMA is an enabler of innovation, also by smaller firms, rather than a hindrance to innovation.

3. Implementation

⁷ See, e.g. the criticisms in January 2025 by Mark Zuckerberg, CEO of Meta, of Apple for (i) taking 30 percent of profits from apps on the iOS App Store and (ii) in relation to the inability of third-party devices to work seamlessly with iPhones like AirPods. <https://www.theverge.com/2025/1/10/24341039/meta-apple-mark-zuckerberg-trash-talks-joe-rogan-interview>. Such practices are in fact the subject of ongoing investigations under the DMA.

⁸ United States, et al. v. Google, LLC, No. 20-cv-3010 (APM) (D.D.C. Aug. 5, 2024), Dkt. No. 1033.

⁹ <https://www.justice.gov/archives/opa/pr/justice-department-sues-google-monopolizing-digital-advertising-technologies>

¹⁰ https://commission.europa.eu/law/law-topic/data-protection/international-dimension-data-protection/eu-us-data-transfers_en

Designated gatekeepers had to comply with the obligations under the DMA six months after their designation. For the gatekeepers which were initially designated in September 2023 that means since 7 March 2024. The Commission has engaged with gatekeepers in continuous regulatory dialogues before and after that date in order to achieve compliance with the law. These dialogues, have, in many cases, already resulted in tangible benefits for businesses and consumers. Only in cases in which a gatekeeper fails to comply with the obligations under the DMA despite engaging in a regulatory dialogue, enforcement by way of sanctions may become necessary. The objective of DMA enforcement, as in any other piece of EU law, is to ensure compliance – not to issue fines. Possible sanctions, also common to US laws and regulations, are not an end in themselves but a prerequisite for credible engagement.

We remain fully committed to applying the DMA impartially and to ensuring that any enforcement action is based on solid evidence, proportionate compliance measures and fully respect the rule of law. Any measures or sanctions applied will be subject to independent and thorough scrutiny by the European Union's courts.

We trust that this letter provides you with the necessary clarifications as regards the implementation of the DMA. There is a lot of common ground between the United States and the European Union when it comes to ensuring that businesses and consumers are not harmed by the actions of powerful and resourceful gatekeepers.

Our joint team, including the EU Delegation in Washington DC, stands ready to answer any further question you might have regarding DMA implementation and enforcement.

We appreciate your attention to these important matters and look forward to constructive discussions in the spirit of our longstanding transatlantic partnership.

Yours sincerely,

Teresa Ribera

Henna Virkkunen