ITIF | INFORMATION TECHNOLOGY & INNOVATION FOUNDATION

AEGIS PROJECT FOR DEFENDING U.S. TECH LEADERSHIP

The Case for Using Section 301 to Retaliate Against Discriminatory EU Policies

MEREDITH BROADBENT, RODRIGO BALBONTIN, JOSEPH V. CONIGLIO, AND STEPHEN EZELL | JUNE 2026

The EU has an array of discriminatory policies that target major U.S. tech firms, a legitimate basis for action under Section 301 of the Trade Act of 1974. U.S. policymakers should favor amicably negotiated solutions, but this tool is available as a last resort if necessary.

KEY TAKEAWAYS

- EU's Digital Markets Act (DMA) operates as a discriminatory, extractive regulatory regime aimed at America's biggest technology companies, giving the United States a strong case to examine the DMA under Section 301 of the Trade Act of 1974.
- Section 301 offers far more remedies than just tariffs, including also provisions for targeted retaliation and other actions that can help push trading partners to remove discriminatory practices.
- The United States should use the threat of a possible Section 301 case against the DMA as a tool of pressure and negotiation, not as an excuse to trigger a broader trade war escalation with Europe.
- The DMA matters not only because of its direct effects in Europe, but also because it is encouraging copycat digital regulations in other countries that could multiply the damage to U.S. firms—the so-called "Brussels Effect."
- There are asymmetries in how the United States treats European companies and vice versa—European technology firms have long operated freely in the U.S. market.
- The right U.S. strategy should make clear that discriminatory digital regulation carries consequences while still leaving room for a negotiated solution with Europe.

CONTENTS

INTRODUCTION

The transatlantic alliance constitutes a central pillar for both the United States and Europe. But alliances do not imply acquiescence. When one partner adopts rules that disproportionately burden the other's leading firms—especially in sectors central to economic and technological leadership—the affected partner has both the right and the responsibility to respond.

That is the situation that has now emerged in the European Union, for example, with the Digital Markets Act (DMA). Regulation is legitimate when it is neutral, evidence based, proportionate, and grounded in sound economics. It becomes a trade problem when it functions as a discriminatory tool. The European Union has every right to regulate digital markets—however flawed doing so may be as a policy choice—but it should expect retaliation if it pursues those objectives through rules that, in design or application, overwhelmingly target U.S. firms.

The DMA represents a discriminatory policy against U.S. companies, and its model has been replicated in other jurisdictions. Although framed as a competition law for large digital "gatekeepers," the DMA applies in practice overwhelmingly to American companies. Five of the seven designated gatekeepers are U.S. firms, and U.S. firms' products account for nearly all designated core platform services. The law imposes sweeping obligations, product-design mandates, interoperability requirements, restrictions on business models, and penalties tied to global revenue. These impose global costs on American firms, constrain innovation, and risk transferring valuable market opportunities away from strategically relevant U.S. technology firms.

The DMA represents a discriminatory policy against U.S. companies, and its model has been replicated in other jurisdictions. Although framed as a competition law for large digital "gatekeepers," the DMA applies in practice overwhelmingly to American companies.

The United States should increase pressure on Europe, through diplomacy and trade negotiations, and move to an investigation under Section 301 of the Trade Act of 1974 if diplomatic engagement fails to remedy the issue. Properly used, Section 301 provides a tool for leverage, evidence-building, and a formal determination regarding unfair and discriminatory treatment of U.S. businesses. It can help prompt a serious transatlantic discussion about whether the DMA comports with the principle of nondiscrimination that has long underpinned the international trading system and procedural due process in competition law.

This dispute is among friends and allies, and it should be resolved as such. To be clear, the preferred outcome is a negotiated solution that preserves the broader U.S.-EU relationship while correcting the DMA's discriminatory effects. But such an outcome would require the EU to negotiate over these rules, and the United States to insist on the negotiation.

On December 16, 2025, the Office of the United States Trade Representative (USTR) posted a message to the EU threatening retaliation if the EU continues on a course of relentless, discriminatory, and unfair targeting of U.S. tech companies:

> The European Union and certain EU Member States have persisted in a continuing course of discriminatory and harassing lawsuits, taxes, fines, and directives against U.S. service providers. U.S. services companies provide substantial free services to EU citizens and reliable enterprise services to EU

> companies, and they support millions of jobs and more than $100 billion in direct investment in Europe. The United States has raised concerns with the EU for years on these matters without meaningful engagement or basic acknowledgment of U.S. concerns.[1]

Encouragingly, recent press reports indicate that the United States and the EU are establishing a "dialogue" to address "massive tensions between the two sides over how the EU enforces its tech rules on American tech giants."[2] In April 2026, USTR Greer confirmed that the U.S. government is "having discussions with the European Commission, I would say, really for the first time ever, on DMA."[3] Because negotiations on the Transatlantic Trade and Investment Partnership (TTIP) and the more recent effort, the EU-U.S. Trade and Technology Council (TTC), ended in different states of failure after reams of meetings, this report attempts to anticipate measured next steps. In the unwelcome event that the new dialogue fails to break the EU's entrenched intransigence in its approach to working with the United States on tech regulation, the report explores the rationale and content of a future Section 301 trade remedy investigation into the DMA.

OVERVIEW OF THE DIGITAL MARKETS ACT

The DMA regulates competition in the digital sector by imposing many obligations and prohibitions on a limited number of designated "gatekeepers."[4]

After a decade of antitrust investigations in the digital sphere, the European Commission began to take the view that ex post actions under Article 102 of its competition law were too slow and ineffective to adequately police supposedly anticompetitive conduct by digital firms and that some form of ex ante regulation was necessary. In December 2020, the Commission formally proposed the DMA to the European Parliament, explaining that it would allow the Commission to "address effectively harmful practices in a timely and effective manner."[5] The DMA was approved in July 2022 and entered into force later that year, with then Competition Commissioner Vestager stating that "it is only fair to acknowledge that our antitrust enforcement in digital has had its limits, as it is ex post intervention based on a deep dive in a specific market, and it is time- and resource-intensive. One implication of this is to acknowledge that, sometimes, there is a place for the prescriptive approach when a problem is systemic, and that is perfectly well-illustrated in the Digital Markets Act."[6]

There are three main features of the DMA that are worth highlighting here. First, it applies to "gatekeepers" that satisfy a revenue threshold of either an annual EU turnover of at least €7.5 billion in each of the past three years or €75 billion in market capitalization the last year alone, as well as provides a "core platform service" that over the past three years satisfies a user threshold of 45 million monthly active end users established or located in the Union and at least 10,000 yearly active business users.[7] That means, unlike regular competition law, no proof of market dominance is required before the restrictions on unilateral conduct attach. Second, for the designated core platform services, gatekeepers are subject to a long list of requirements and prohibitions that range from allowing third parties to interoperate with their platform and providing data portability, to users to bans on "self-preferencing," whereby a platform gives favorable treatment to its own ancillary services, and restrictions on anti-steering practices whereby platforms try to limit users' ability to use external third-party services. These bans are "per se" in the sense that conduct is presumed to be anticompetitive without any showing that it resulted in anticompetitive harm, and firms lack any ability to present procompetitive

justifications for their behavior. Finally, the DMA includes penalties of up to 10 percent of a company's worldwide annual turnover and up to 20 percent for repeat offenses. Structural remedies are also a possibility in certain cases.

Europe began to apply these rules in May 2023 and in September of that year designated Google, Amazon, Apple, China's ByteDance, Meta, and Microsoft as gatekeepers across 22 core platform services that spanned social networks, messaging, video sharing, search, browser, operating system, ads, mobile, and other intermediation markets.[8] (Booking.com, the only EU-based gatekeeper, would later be designated in May 2024.)[9] A six-month period was set for gatekeepers to comply with the DMA's rules, with companies submitting reports to the Commission outlining the steps they had taken to comply. Not satisfied, the Commission opened its first noncompliance investigations into Apple, Meta, and Google in March 2024 and subsequently opened four specification proceedings into Apple and Google to clarify how they must comply with the Act's provisions, with the aim to impose heavy-handed measures.[10] In April 2025, the Commission issued its first DMA fines, penalizing Apple €500 million for purportedly violating its antisteering rule and Meta €200 million for supposedly failing to provide users with sufficient choice through its "consent or pay" model.[11]

The Brussels Effect: Exporting DMA's Model to Other Jurisdictions

The DMA is an example of the "Brussels Effect," whereby countries adopt a policy approach modeled on European rules. In 2024, the United Kingdom enacted its Digital Markets, Competition and Consumers Act (DMCCA), which regulators have already used in order to designate Apple's iOS and Google's Android and search platforms as having "strategic market status," thereby justifying the imposition of regulatory requirements.[12] And late last year, Japan's Mobile Software Competition Act (MSCA) took effect, regulating Apple's and Google's mobile platforms. Many other jurisdictions are also actively considering enacting ex ante digital antitrust regulation worldwide. In Asia, South Korea has put forward several proposals that would impose heavy restrictions on its digital sector, most recently through its Online Platform Fairness Bill.[13] Last year, Australia issued its Digital Platform Services Inquiry final report, which recommends "additional competition measures to protect and promote competition in markets for digital platform services."[14] And earlier this year, Brazil voted to fast-track Bill 4675/2025, which would implement ex ante regulation, like the DMA does, including a number of per se bans.[15]

To be sure, there is considerable variation among the proposals for ex ante antitrust regulation. As the Information Technology and Innovation Foundation (ITIF) has explained, some models, such as the United Kingdom's DMCCA, differ from the DMA by virtue of setting forth company-specific rules rather than general requirements that apply to all firms that fall within the regulation's scope, and they allow companies to provide pro-competitive justifications for their behavior. By contrast, Brazil's model is a middle ground between the DMCCA and the DMA: while it contemplates per se bans, it appears to follow the latter in seeking to design company-specific codes of conduct. Other proposals, such as Japan's MSCA, differ in that they focus on a single industry in which competition concerns are believed to exist, rather than on a broader targeting of the business activities of large digital firms. In addition, some DMA-like proposals do not necessarily have high revenue thresholds for the firms that they will apply to, suggesting that they may capture several smaller domestic players rather than primarily target large American multinationals.

Instead of reflecting a new phenomenon of European soft power in the antitrust space, the Brussels effect is nothing novel. Over the past several decades, as leading scholar Bill Kovacic has highlighted, "Since the late 1980s, the number of jurisdictions with competition laws has soared from roughly thirty to more than 130, and more are on the way."[16] And as multiple other commentators have noted, the vast majority of these new competition regimes have followed the European rather than the U.S. model of antitrust enforcement.[17] Indeed, the global adoption of a more European model for competition policy is not because the U.S. approach is not well understood, "[r]ather, much of the global community understands U.S. antitrust law and policy, but has rejected its current narrow form in favor of a broader vision of what competition law means, what legal rules are appropriate, and how they should be enforced."[18]

Many countries are again looking to the EU model for guidance to address concerns that antitrust has not sufficiently addressed anticompetitive behavior by digital firms, rather than following the U.S. model, despite the clear disparity in growth and innovation between the two jurisdictions over the past 40 years.[19] Indeed, while recognizing the innovation-driven productivity gap between Europe and the United States and the need for reducing regulatory barriers to growth, the EU's landmark Draghi Report nonetheless doubles down on the DMA, calling for the regulation's "strong enforcement."[20]

THE POWER OF SECTION 301 OF THE TRADE ACT OF 1974

Section 301 of the Trade Act of 1974 is a proven, established procedure in U.S. law to impose penalties or trade restrictions on foreign countries that violate U.S. trade agreements or engage in acts that are "unjustifiable" or "unreasonable" and burden U.S. commerce.[21] In 1984, Congress expanded the president's authority to respond to unfair trading practices in services—understood now to include digital trade and investment.[22] The 1984 Trade and Tariff Act also defined the terms "unreasonable," "unjustifiable," and "discriminatory" trade practices. An "unreasonable" action is one that "burdens or restricts" U.S. commerce.[23] An act, policy, or practice, while not necessarily in violation of—or inconsistent with—the international legal rights of the United States, is unreasonable if it is otherwise unfair and inequitable.

Acts, policies, and practices that are discriminatory include those that deny national or most-favored-nation (MFN) treatment to U.S. goods, services, or investment. Section 301 also includes the goal of combating foreign nations' industrial targeting, in which a country strategically selects industries, sectors, or firms to enhance the global competitiveness of those chosen entities, at the expense of U.S firms[24]

Unlike many other Trump trade initiatives, Section 301 is a statute more appropriate and perhaps better designed to achieve the goal of bringing about a shift in Europe's willingness to negotiate on the implementation of the DMA.

Section 301 is arguably one of the most powerful trade tools the U.S. government possesses to address other countries' unfair trade practices. Authorities across the aisle have acknowledged its value. Ambassador Robert Lighthizer, USTR during the first Trump administration, mentioned in 2018 that "Section 301 is a statute that gives substantial power, authority to the president to correct actions in certain circumstances where there are unfair acts, policies, or practices by our trading partners."[25]

Likewise, president Biden's USTR, Ambassador Katherine Tai, mentioned in 2024 that "Section 301 is one of the most important enforcement tools that USTR brings to bear to address unfair trade practices."[26] Unlike many other Trump trade initiatives that have stretched the domestic consensus surrounding the original intent of U.S. trade law, Section 301 is a statute more appropriate and perhaps better designed to achieve the goal of bringing about a shift in Europe's willingness to negotiate on the implementation of the DMA.

According to the Congressional Research Service, "the Section 301 'injury test' (i.e., determining what actions 'burden or restrict' U.S. commerce) may not be as stringent as that of other U.S. trade laws, in that taking action under Section 301 does not demand evidence of 'substantial,' 'serious,' or 'material injury.'"[27] Nevertheless, petitioners do have to demonstrate a certain level of "credible injury," which enhances the due process quality of the investigation.

The "Section 301 Committee," a staff-level interagency body charged with conducting Section 301 investigations, is chaired by an official from USTR, appointed by the agency. Subject to invitation by the chair, members represent agencies with expertise in the issues raised by the investigation, such as the U.S. Departments of Homeland Security, the Treasury, Commerce, and State. Once constituted, the Section 301 Committee reviews the Section 301 complaints in the petition, holds public hearings, and makes recommendations to USTR regarding potential actions of retaliation under Section 301. USTR is required to seek public comment on the proposed retaliation list in the Federal Register and may also conduct an additional public hearing. USTR bases its final decision on the Committee's recommendations, taking into account public input. Decision-making based on the organized input of relevant agencies, wherein Congress and stakeholders can have their say, is the hallmark of a sound, respected process under U.S. law.

Additionally, USTR may initiate a Section 301 case as a result of a petition filed by a private party, or can "self-initiate" a case.

There is a strong case for filing a petition under section 302(a) of the Trade Act of 1974 to investigate and address the unreasonable and discriminatory acts, policies, and practices under the DMA that unfairly target American technology companies.

With the Trump administration's trade policy is now being driven by several investigations of unfair and discriminatory practices under Section 301, a potential case against the DMA should be, more than ever, rooted in due process and evidence. This includes consultations with the U.S. private sector and other stakeholders; seeking bipartisan congressional input about the offending foreign practices, as evidenced by hearings and letters to the administration; and an assessment or measure of the overall economic damage incurred by U.S. interests as a result of the barriers.

If Europe continues to resist engaging substantively with U.S. negotiators, there is a strong case for filing a petition under section 302(a) of the Trade Act of 1974—the petition-based trigger for starting a Section 301 investigation—to investigate and address the unreasonable and discriminatory acts, policies, and practices under the DMA that unfairly target American technology companies with 1) fines, 2) restrictions, 3) product redesign demands, 4) data sharing obligations, 5) sovereignty requirements, and 6) forced sharing of intellectual property,

proprietary technology, or know-how related to permission to operate in Europe, which facilitate the transfer of advanced technologies to domestic and strategic competitors, including China.

SECTION 301: A TOOL FOR CONFRONTING DISCRIMINATION UNDER THE DMA

Putting a stake in the ground to defend U.S. companies in the digital sector should be a clear strategic objective for the United States because of the essential contribution these firms make to U.S. national power. The deep-rooted nature and intent of the persistent and growing unfair digital practices in Europe—not to mention the export of the EU's heavy-handed regulatory frameworks to other key trading partners—stands as a fundamental challenge to the future global competitiveness of the U.S. economy.

Fair Market Access: A Key to U.S. and European Tech Competitiveness

As fast as the digital sector grows, data collection agencies in the United States are not keeping up with estimating the sector's current growth and contribution to gross domestic product (GDP) and exports. The digital economy accounts for roughly 10 to 18 percent of the U.S. economy, depending on the source.[28] In 2022, the United States exported over $191 billion in digitally deliverable services to the EU—the last year for which data is available—resulting in a $104 billion trade surplus in this sector.[29]

Protecting U.S. technology companies is a matter of U.S. national power in the context of its techno-economic competition with China. U.S. advanced technology companies, especially those in the digital economy, undergird the United States' ability to remain competitive with China. So far, the United States has avoided losing as much ground to China in advanced tech industries as it has in traditional manufacturing. According to ITIF's Hamilton Index (a measure of national techno-economic strength), the strong performance and contribution of information technology (IT) services explain why the United States has not lost even more ground to China in advanced industries—in other words, "U.S. strength in IT services masks a real, structural weakness in advanced manufacturing."[30] Simply put, preserving the U.S. lead in IT services is linked to improving the United States' future performance in advanced manufacturing, another key objective of U.S. policymakers.

Irritants such as the DMA have inspired other jurisdictions—for example, Brazil and South Korea—to adopt similar discriminatory policies, eroding global digital norms.[31] Fair digital rules among third countries also matter to the United States, as some of America's largest and most significant companies benefit when third countries trade with one another. When third parties trade digitally deliverable services with one another, they often use U.S. standards, software, and technologies, thereby indirectly reducing market entry barriers for U.S. companies.

Cross-border trade in digital services and the free flow of data contribute dynamically to the U.S. economy. Conversely, in Europe, regulatory intervention hampers many potential enhancements to growth and productivity that U.S.-designated gatekeepers can offer to indigenous European tech partners.

First, in the United States, companies across sectors can access higher-quality digital products because data is scaled and optimized globally. In contrast, regulatory interventions under the DMA and other European laws lead to a degradation of the European user's experience in managing data.[32] Second, the five U.S.-designated gatekeepers—Alphabet, Amazon, Apple,

Meta, and Microsoft—make research and development (R&D) investments that surpass those of the U.S. federal government and any EU economy.[33] Third, digital trade and cross-border data flows boost U.S. productivity by lowering transaction costs and information asymmetries, and by broadening market access.[34]

As innovation in Europe continues to stagnate, negotiations with the United States should be seen as an opportunity for Europeans to reassess the burdens their governments impose on the tech sector. Doubling down on the same path of overregulation will not break the dangerous cycle facing countries of the Western alliance in Europe. A 2024 European Commission report (the so-called Draghi Report) states, "Only four of the world's top 50 tech companies are European and the EU's global position in tech is deteriorating."[35] That report further states that "from 2013 to 2023, [the EU's] share of global tech revenues fell from 22% to 18%, while the US share rose from 30% to 38%. Europe urgently needs to accelerate its rate of innovation both to maintain its manufacturing leadership and to develop new breakthrough technologies."[36] Europe relies on American technology for roughly 90 percent of its cloud infrastructure.[37] In 2024, U.S.-based institutions produced 40 notable AI models, China produced 15, and Europe produced 3. U.S. AI investments reached $286 billion—more than 13 times Europe's $21 billion and 23 times China's $12 billion.[38]

Europe continues to rush headlong in the wrong direction toward overregulation, giving the United States leeway to ramp up its engagement to agitate for change to the DMA's discriminatory nature.

These trends, combined with current unfortunate geopolitical threats to Europe, have ignited a long-smoldering movement in Europe to pursue digital and technological sovereignty policies, often by ramping up regulatory protections against U.S. tech platforms. As two Washington-based analysts have observed that "the debate over digital sovereignty has moved from a discussion of whether there should be limits on non-EU companies to a discussion of how many restrictions there will be."[39] In 2026, two European initiatives, the Cloud and AI Development Act (CADA) and a revision of public procurement regulations, should be watched. Potentially new destructive tools now under European consideration include 1) domestic content procurement mandates, 2) data localization requirements leading to fragmentation of tech markets, and 3) subsidies for indigenous firms. If adopted, these policies would likely damage the U.S. tech sector.[40] Europe continues to rush headlong in the wrong direction toward overregulation, giving the United States leeway to ramp up its engagement to agitate for change to the DMA's discriminatory nature.

How the U.S. Trade Reset Is Turning to Section 301 as a Preferred Tool

If the United States initiates a Section 301 investigation under the Trade Act of 1974, Europe will have to grapple with how to respond to U.S. entreaties to fix the DMA. While some in Europe will likely view negotiations with the United States as a challenge to their sovereignty, others may see engagement with the United States as an opportunity to review and adjust an overbearing law that offends Europe's largest trading partner. It should be recognized that Europeans have had an historic aversion to negotiating under the legal framework of Section 301.[41] Characterizing Section 301 as a unilateral, coercive trade tool, European negotiators also assert that it is illegal under World Trade Organization (WTO) rules. The threatened imposition of unilateral tariffs that undermine what Europeans view as their regulatory sovereignty will not be taken lightly in

Europe. This strong negative predisposition to Section 301 will play into Europe's response to any U.S. request to negotiate.

Also relevant to Europe's consideration of whether to engage with the United States will be the fact that the Trump administration has recently invoked the Section 301 trade remedy tool, unconventionally, against Europe for excess manufacturing capacity and an alleged failure to prohibit the importation of goods produced with forced labor.[42] These precedents will serve as a backdrop to any Section 301 case initiated against Europe regarding the DMA.

Europeans have had an historic aversion to negotiating under the legal framework of Section 301. Characterizing Section 301 as a unilateral, coercive trade tool, European negotiators also assert that it is illegal under WTO rules.

The Trump Administration

Following the Supreme Court's decision to invalidate the system of "reciprocal" tariffs imposed by President Trump under the International Emergency Economic Powers Act (IEEPA), the Trump administration launched a series of new investigations against multiple countries for unfair, discriminatory foreign practices under Section 301 of the Trade Act of 1974.[43] These investigations are likely motivated to replace the "IEEPA tariffs." If USTR makes a determination of unfair and discriminatory practices, Section 301 grants the administration broad authority to impose tariffs and other sanctions. President Trump has said that "various investigations necessary to put fair tariffs, or tariffs period, on other countries" would take "about five months."[44] So far, USTR has launched two major investigations into structural excess capacity in manufacturing and forced labor across 60 countries.[45]

The United States is conducting these cases on an accelerated timeline, with the likely goal of having re-engineered the tariffs struck down by the Supreme Court within 150 days of February 24, 2026, or July 24, 2026.[46] This date corresponds to the expiration of interim tariffs imposed under Section 122 pursuant to a Presidential Proclamation issued on February 26, 2026.

The administration's 2026 Trade Policy Agenda of the United States underscores that stated goal, signaling that:

> USTR will continue robust efforts to combat unreasonable and discriminatory measures that burden or restrict U.S. commerce through existing Section 301 actions. USTR will also evaluate whether it is appropriate to initiate new Section 301 investigations or use other enforcement mechanisms to address additional "structural and cross-cutting distortions" to the global trading system. The United States has substantial concerns regarding … digital services taxes and digital discrimination.[47]

USTR General Counsel Jennifer Thornton, the lead on any Section 301 investigation, delivered a slightly different message than the White House did, stating that the new investigations will, as the law directs, delve into trading partners' "unreasonable or discriminatory practices," with no focus on the revenue side of tariffs.[48] She also mentioned that "we at USTR are not really thinking about revenue at all. The 301 statute permits the USTR to impose tariffs to try and encourage our trading partners to eliminate acts, policies and practices that we conclude are

unreasonable or discriminatory. So the goal is not revenue generation but really leverage."[49] She added that:

> we don't know what the tariff rates will be at the end of those investigations. [Some] might not result in any tariff rates at all, either because we feel that our trading partners are addressing our concerns in the context of our existing negotiations, or because, as a result of the consultation that is required by the statute, trading partners come to us and signal that they're willing to really work with us to remove the barriers that we've identified. So I can't predict what the landing zone is.[50]

The two Section 301 cases initiated in the wake of the Supreme Court's decision to repeal the IEEPA tariffs are insufficient to achieve—and arguably not aimed at achieving—the necessary reset of the global trade policy environment, as unfair treatment of American technology companies will likely continue.[51] A Section 301 case directed at discrimination under the DMA should be pursued methodically, with ample facts on the investigatory record, independent of the tariff-raising goal.

The two Section 301 cases initiated in the wake of the Supreme Court's decision to repeal the IEEPA tariffs are insufficient to achieve—and arguably not aimed at achieving—the necessary reset of the global trade policy environment, as unfair treatment of American technology companies will likely continue.

Achieving fair treatment for U.S. digital services companies in Europe has been a long-standing, bipartisan goal of the Trump administration as well as Congress. The Trump administration has seemingly acknowledged this. In February 2025, President Trump issued a memorandum to USTR and other top administration officials that defines policy in the digital space and instructs the administration to pursue measures to counter such conduct:[52]

> It is the policy of my Administration that where a foreign government, through its tax or regulatory structure, imposes a fine, penalty, tax, or other burden that is discriminatory, disproportionate, or designed to transfer significant funds or intellectual property from American companies to the foreign government or the foreign government's favored domestic entities, my Administration will act, imposing tariffs and taking such other responsive actions necessary to mitigate the harm to the United States and to repair any resulting imbalance.[53]

The memorandum also outlines categories of foreign government measures that should be considered for action, including 1) regulations imposed on U.S. companies by foreign governments that could inhibit the growth or intended operation of U.S. companies; 2) any act, policy, or practice of a foreign government that could require a U.S. company to jeopardize its intellectual property; and 3) any other act, policy, or practice of a foreign government that serves to undermine the global competitiveness of U.S. companies.[54]

Congress

There is a bipartisan, bicameral consensus that nondiscriminatory treatment of American companies abroad should be a priority for U.S. trade policy. In a letter to President Biden, the

chairman and ranking member of the Senate Finance Committee, Senators Ron Wyden (D-OR) and Mike Crapo (R-IO), respectively, along with 30 Senate colleagues, described their view of the importance of securing fair treatment for U.S. digital companies in foreign markets:

> The principle of nondiscrimination has been a central component of U.S. trade policy for decades and underlies the international trading system that the United States helped create.... At its core, non-discrimination ensures that foreign governments treat U.S. companies fairly. It ensures that countries cannot gain a competitive edge by targeting their regulations on imports from one or multiple countries without regulating similarly situated domestic businesses.[55]

Indeed, congressional trade-negotiating objectives, last signed into law in 2015, direct the president to obtain commitments from trading partners that regulations affecting U.S. firms are "the least restrictive on trade, non-discriminatory, and transparent."[56] More recently, Ways and Means Trade Subcommittee Chairman Adrian Smith observed in January 2026 that:

> technology products are a crown jewel of American competitiveness. Our tech sector … employs 8.9 million Americans and pays 33 percent more than other industries on average. However, our status as an innovation powerhouse is under threat. In recent years, our strategic and economic rivals have sought to erode America's competitive edge through a series of discriminatory digital trade and tax measures targeting American companies. There is no question this is contrary to our national interest … Look no further than the European Union, which continues its regulatory assault against American Enterprise.[57]

During that same session, Congressman Kevin Kiley (I-CA) stated his concern:

> about how laws like the Digital Markets Act are being weaponized against American companies—many of them based in California … This kind of overreach doesn't just burden innovation; it effectively shifts wealth from the U.S. to Europe. That's not something we can ignore, and it should be front and center in future U.S.–EU negotiations.[58]

Diplomatic Efforts With the EU

A continuation of this clear display of the united front between the Trump administration and bipartisan, bicameral congressional concerns regarding the DMA should prompt Europe to engage with the United States regarding discriminatory treatment under it.

Unfortunately, previous bilateral talks outside the framework of Section 301, such as those held under the U.S.-EU TTC during the Biden administration, turned into wide-ranging, ineffective talk fests. According to the two parties, the TTC's overall objective was to "promote U.S. and EU competitiveness and market-oriented values in products and services of emerging technology, strengthen technological and industrial leadership, boost innovation, and protect and promote critical and emerging technologies and infrastructure."[59] Sadly, after days of meetings held over several years, these attractive rhetorical goals resulted in nothing concrete in terms of improved regulation or increased market access for U.S. firms. The experience raises the question of whether there are concrete areas where Europe and the United States could cooperate to boost innovation in Europe. Innovative technology partnerships, either public or private, would be an important vein to explore as Europe and the United States decide where to go next.

For his part, U.S. Secretary of Commerce Howard Lutnick said in November 2025 that the United States could modify its approach to steel and aluminum tariffs if the EU implemented changes to its digital rules.[60] European Commission Executive Vice President Teresa Ribera, Europe's competition official, characterized this as blackmail, turning the episode into an unhelpful tit-for-tat of declarations.[61]

Absent a reframing of bilateral discussions, Europe appears determined to resist the United States' requests to reform and moderate its processes for regulating digital services, despite high-level commitments in the recent bilateral trade agreements. In August 2025, the United States and Europe released a Joint Statement on a bilateral Framework Agreement on Reciprocal, Fair and Balanced Trade, in which Europe committed to "address unjustified digital trade barriers."[62] This diplomatic signal notwithstanding, the EU shows no sign of moderating its systemic discrimination, implemented through regulations and fines under the DMA, aimed directly at large American digital companies.

European officials have been direct in saying that the DMA is not up for negotiation, characterizing it as a "settled legal reality."[63] In fact, Ribera has declared that the "EU would not accept attempts to strong-arm it on a topic that it considers to be a matter of sovereignty."[64] She has said that the DMA is not a "bargaining chip" in trade negotiations with the United States and has ruled out softening the rules to accommodate U.S. concerns.

And German center-right MEP Andreas Schwab, who serves as European People's Party Group Coordinator in the European Parliament's Committee on the Internal Market and Consumer Protection (IMCO), said, "There is a certain level of fatigue in Brussels when it comes to responding to these talking points from Washington."[65]

The intractable position of European regulators and Member States poses a formidable diplomatic challenge for the United States, which seeks fair treatment under the DMA rather than the imposition of tariffs, fines, or taxes, even if Section 301 would permit such measures. An investigation focused on the discreet issue of the DMA, properly vetted with Congress regarding USTR's negotiating objectives, would likely help focus the attention of the European Commission and Member States on a solvable bilateral trade dispute. Europe will have to calculate its response very carefully.

THE EU'S DMA AS A SECTION 301 VIOLATION

U.S. policymakers have options to stem the regulatory tide led by the DMA before it is too late. As discussed, Section 301 allows USTR to impose countermeasures against policies that discriminate against American firms in ways that burden or restrict U.S. commerce, providing a possible response to the deluge of potential digital antitrust regulations spreading around the world in the mold of the DMA.

De Jure Discrimination and the DMA

The first question, then, is whether the DMA is discriminatory. In law, discrimination can generally take two broad forms: de jure and de facto. In simplest terms, de jure discrimination refers to regimes that intentionally discriminate by the very nature of the law itself, whereas de facto discrimination alone reflects merely a pattern of discrimination in practice devoid of any discriminatory intent or purpose. De jure discrimination can be readily apparent in a law's text—

which is known in jurisprudence as "facial discrimination"—but it also can be proven circumstantially through evidence of discriminatory intent in how the law is applied. In the context of U.S. jurisprudence, a famous example in the Supreme Court of this latter type of intentional or de jure discrimination involved a facially neutral "neighborhood school policy" by the Denver school board in 1973 that was intentionally applied in a way to maintain the then segregated character of Denver's school system.[66]

In this respect, three features of the EU's DMA stand out. First, with respect to its text, the DMA does not mention any American technology companies by name, and it does not reflect any clear facial discrimination. Rather, as noted, its strictures apply only to "gatekeepers" that meet high revenue and user thresholds.[67] However, given that American firms encompass 5 of the 7 designated gatekeepers and 21 of the 23 core platform services, there is a strong prima facie case that, as applied, the revenue and user-based thresholds in the DMA de jure discriminate against U.S. technology companies.[68] And, as noted, the DMA also includes fines tied to global penalties, which disproportionately affect U.S. technology firms that are far more global in scope than are their foreign counterparts.

While it is, of course, not unreasonable for the DMA to have some revenue and user thresholds, the legislative history of the DMA confirms that thresholds were intentionally set to target U.S. platforms while exempting European players. Specifically, Andreas Schwab, rapporteur of the DMA, expressly confirmed that the law should focus on "the top five" companies rather than include any European firm just to "appease the U.S."[69] In fact, the European Parliament's IMCO report, which Schwab drafted, advocated for adjusting the DMA's thresholds in ways that keep U.S. firms within scope while exempting most EU competitors.[70] The upshot is simple: high aggregate revenue and user thresholds, as well as fines based on global revenues, were set to target and penalize American tech multinationals while exempting smaller, more local European digital players that may enjoy dominant positions.

To be sure, one potential defense against this charge that the DMA intentionally targets U.S. firms is that the DMA is designed to address abuses of market power by dominant technology platforms—a nonpretextual and legitimate objective—and many of these platforms are, as a simple matter of fact, American. However, this argument only goes so far: the DMA applies if a firm's total revenues and product users are sufficiently high, regardless of whether those revenues and users are derived from a dominant position in a relevant antitrust market. This is, notably, in contrast with the United Kingdom's DMCCA, which requires demonstration that a firm enjoy "substantial and entrenched market power" in a digital activity before it can be designated.[71] In other words, European firms such as Spotify and SAP may enjoy dominant digital positions, and perhaps even more so than the American "Big Tech" firms in certain cases, but because they are not as large in the aggregate in terms of revenues or users—which does not bear on whether they can abuse a dominant position—they will be exempted from the DMA. Indeed, as others have noted, there are several European firms with larger market shares than U.S. gatekeepers have in several EU markets, but, due to lower aggregate revenues, they are exempt from the DMA.[72]

The Cost of the DMA on American Firms

In addition to being discriminatory, Section 301 requires that the policy "burdens and restricts" U.S. commerce before USTR can take action. While the DMA still remains in its relative infancy,

there is already substantial evidence that it is imposing heavy costs on U.S. firms that not only stem from but in fact go well beyond the in-some-cases-draconian conduct restrictions and obligations that have demonstrably resulted in delayed innovation, reduced privacy and security, and a worse user interface due to DMA-mandated changes that have had the effect of funneling traffic away to the competitors of gatekeeper platforms.[73]

Indeed, through a number of specification proceedings, the Commission has sought to enforce the DMA in a way that reflects public-utility-style regulation, such as requiring Apple to provide interoperability to third-party connected-device providers "free of charge, irrespective of their beneficiary, application, product and use case"—measures that prevent Apple from recovering any of the costs associated with complying with this provision of the DMA.[74] In addition, the Commission is not only applying a similar interoperability regime to Google that reflects "harmful *de facto* public utility regulation on Google under the statutory slogan of 'effective interoperability'"—including with respect to the still nascent AI space that falls well outside the scope of core platform service designated by the Commission—but also considering requiring Google to implement proposed data sharing measures in search that involve "the daily sharing of hundreds of millions of Europeans sensitive data with third parties—an overwhelming amount of data to ensure has adequate privacy protection."[75]

In addition to these heavy-handed interventions into American gatekeeper's business models, a simple but major cost that U.S. firms are facing from the DMA involves compliance. For context, by the time of its first compliance report in March 2024, Meta had already spent over 590,000 working hours to comply with the DMA.[76] Similarly, Google is said to have assigned 3,000 people to work full-time for two years on complying with just one of the DMA's provisions.[77] Overall, industry estimates suggest that the annual DMA compliance cost for an American gatekeeper is approximately $200 million.[78] Importantly, these huge compliance costs also entail devastating opportunity costs in the form of diverting American tech firms' resources away from more productive activity.[79]

Google is said to have assigned 3,000 people to work full-time for two years on complying with just one of the DMA's provisions.

Studies have quantified how, distinct from compliance costs, the DMA is causing real revenue losses for U.S. tech firms. According to one study, as a result of the DMA's conduct requirements, the five American gatekeepers face not only an annual loss of platform, subscription, and cloud revenue of between $8.2 billion and $18.1 billion, but an overall loss of revenue growth across all areas that could translate to a loss of approximately $500 billion to $800 billion in the year 2030 alone.[80] These figures are consistent with other findings that similarly estimate staggering harm from the DMA: according to one extensive study, the DMA could result in revenue losses of up to €114 billion in the EU's service economy when the full spectrum of services on digital platforms is considered.[81]

Finally, the DMA, which gives the Commission the power to fine gatekeepers up to 10 percent of their global revenues, has already imposed significant costs on U.S. firms based on alleged noncompliance. Last year, the Commission fined both Apple €500 million for purportedly violating its antisteering rule as well as Meta €200 million for supposedly not providing users

with sufficient choice through its "consent or pay" model.[82] Indeed, rather than reflect a one-off occurrence, the EU has a long history of imposing heavy fines on U.S. tech companies on antitrust grounds, most notably over €11 billion in fines against Google across four enforcement actions.[83] Indeed, ITIF has explained that "in 2024 alone, the European Union imposed $6.7 billion in fines on American technology companies, an amount equivalent to nearly 20 percent of what the EU collected in tariff revenue."[84]

MAPPING THE ACTIVITIES OF EUROPEAN TECHNOLOGY COMPANIES IN THE UNITED STATES

European Companies Enjoy Economic Freedom in America That U.S. Technology Companies Do Not Enjoy in the EU

The freedom European companies enjoy to compete in the U.S. market, partner with U.S. companies, and acquire cutting-edge technology and talent through the acquisition of U.S. firms contrasts starkly with the lack of reciprocity, growing discrimination, and heavy-handed regulation that define the market situation faced by U.S. tech platforms operating in Europe.

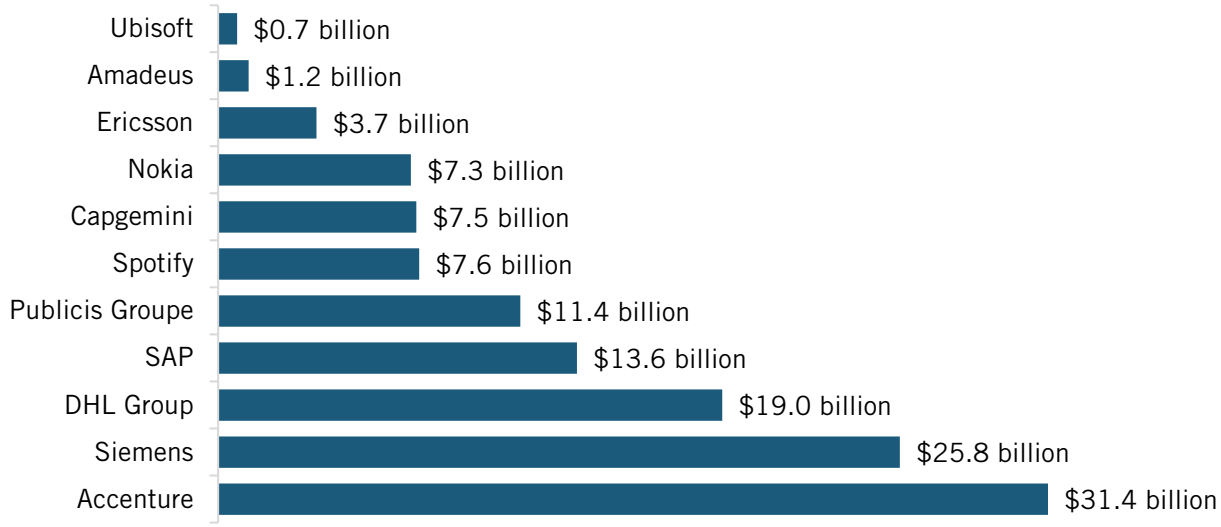
While Congress and others should recognize that U.S. government negotiations with Europe on regulation and European tech sovereignty will eventually have to be broader than the DMA to address the myriad of entrenched issues, including restrictions on data flows, forced transfer of source code or algorithms, and standards for services and cybersecurity, there is a strong argument for focusing U.S.-EU tech negotiations on a manageable issue now. Crafting an investigation under Section 301 of the Trade Act of 1974, focused on resolving discrimination under the DMA—the flagship statute that Europe uses to cripple large U.S. tech platforms—is a good place to start.

Main EU Technology Companies With Unfettered Activities in the United States

As mentioned, in December 2025, USTR's official social media account posted that "EU service providers have been able to operate freely in the United States for decades, benefitting from access to our market and consumers on a level playing field."[85] Further, it listed nine European companies that have "enjoyed" access to the U.S. market, including Accenture, Amadeus, Capgemini, DHL, Mistral AI, Publicis, SAP, Siemens, and Spotify.[86] This section describes the activities of these nine companies and includes other relevant European technology companies with a significant presence in the United States—Nokia, Ericsson, and Ubisoft—totaling 12 companies.

These European technology companies have reported over $129 billion in annual revenues in the U.S. market. Accenture alone reported sales of $31 billion, while Siemens reported revenues in the Americas of $26 billion and the DHL Group announced earnings of $19 billion for the Americas. Figure 1 shows the revenues of 11 of the 12 companies detailed. Mistral AI was excluded because it is not a publicly listed company and is not required to disclose its revenues.

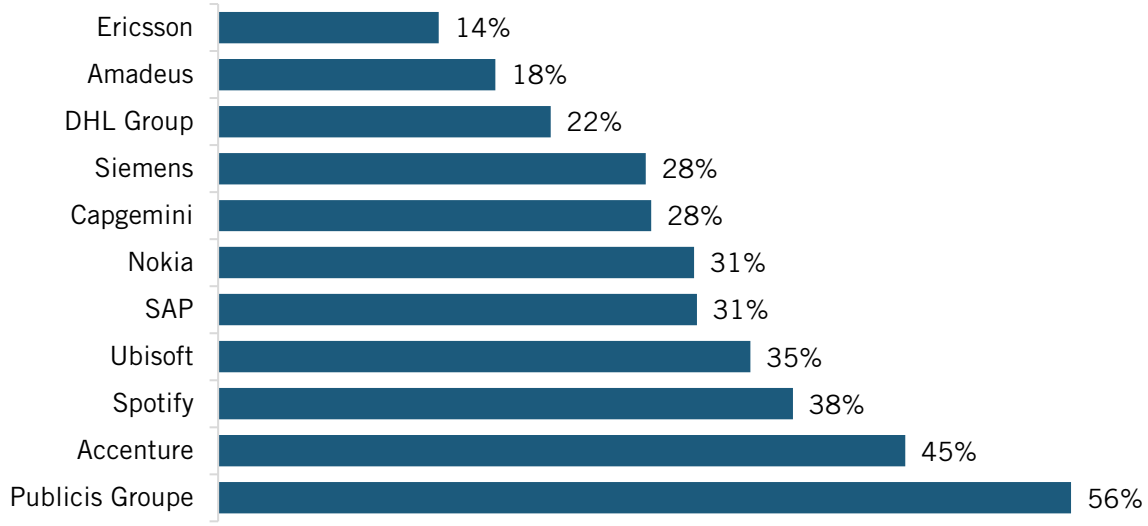
Figure 1: Annual revenues in the United States for some of the largest European companies (in 2025 dollars, or last year available)[87]



** Data for Capgemini and Nokia includes all of North America.*
*** Data for DHL Group includes all of North, Central, and South America.*

The American market accounts for a significant share of the total annual revenue of European companies. For instance, Publicis Groupe has stated that 56 percent of its 2025 sales came from the United States. Among the companies analyzed in this section, Ericsson and Amadeus had the smallest shares of the U.S. market relative to their overall revenues, at 14 percent and 18 percent, respectively, for the most recently reported year.

Figure 2: Share of sales in the United States relative to total revenues for some of the largest European companies (2025 or last year available)[88]



** Data for Capgemini and Nokia includes all of North America.*
*** Data for DHL Group includes all of North, Central, and South America.*

The rest of this section presents a nonexhaustive list of activities and partnerships undertaken by each of these 12 European companies in the U.S. market.

Accenture

Accenture is an Ireland-based technology consulting firm that provides services across many areas and industries, such as cloud computing, digital engineering and manufacturing, and strategy.[89] Accenture Federal Services (AFS) is a division of the company that serves as a U.S. government contractor. It provides IT, cybersecurity, digital solutions, and consulting services to U.S. federal agencies and represents 8 percent of Accenture's total revenues.[90] In March 2025, the U.S. Department of Defense announced a $336 million Air Force contract for maintenance, repair, and overhaul services and supplies.[91] Another notable milestone of AFS is the June 2025 partnership announcement with Palantir to "deploy commercial-grade, AI-powered solutions" for federal agencies.[92]

Amadeus

Amadeus is a multinational Spanish technology company focused on travel logistics and hospitality solutions. Some of Amadeus's partners have included major U.S. airlines—such as American Airlines, Delta Air Lines, Southwest Airlines, and United Airlines—that offer back-end services, including dynamic pricing.[93] Similarly, Amadeus's hospitality partners have included major U.S. hotel brands such as Hilton, Hyatt, and Marriott International.[94] Amadeus also has served other U.S. companies in the hospitality industry such as American Express Global Business Travel (Amex GBT) and the Expedia Group.[95]

Capgemini

Capgemini is a French consulting, technology services, and digital transformation company. Its services are often built around third-party enterprise software and platform ecosystems. Of its 56 main partners, 39 are U.S. technology companies.[96] Additionally, in October 2025, the company announced a merger with WNS, a digital management company headquartered in London, Mumbai, and New York, with the explicit objective of reinforcing Capgemini's AI solutions offering.[97]

In February 2026, the company announced the beginning of the divestiture of Capgemini Government Solutions, a subsidiary federal contractor that represents less than 2 percent of U.S. revenues.[98] Capgemini stated that "classified activities in the United States did not allow the Group to exercise appropriate control over certain aspects of the operations of this subsidiary to ensure alignment with the Group's objectives."[99] This divestiture is directly related to pressure from French policymakers over the company's contracting with the Department of Homeland Security's Immigration and Customs Enforcement (ICE).[100]

DHL Group

DHL Group is a German logistics company. It manages over 500 warehouses in the United States and recently announced investments in infrastructure for data center logistics services.[101] The United States is the main market for DHL Group, and the company also benefits from U.S. technology clusters for improving its services, for example, by partnering with U.S. robotic companies such as Boston Dynamics, Locus Robotics, and SVT Robotics to automate warehouse management.[102]

Ericsson

Ericsson is a Swedish telecommunications company specializing in 5G infrastructure, telecommunications equipment, and digital services. It has maintained a presence in the United States for over 120 years, and 60 percent of U.S. mobile traffic runs on Ericsson equipment.[103] Ericsson also has advanced factory facilities in the United States, for example, producing 5G and Advanced Antenna Systems radios in Texas.[104] In 2023, the company signed a $14 billion five-year contract with AT&T to "deploy a wide range of Ericsson 5G Open Radio Access Networks (O-RAN) products and solutions."[105] Additionally, in 2024, the company established Ericsson Federal Technologies Group, an entity dedicated to serving U.S. federal agencies.[106]

Nokia

Nokia Corporation is a Finnish telecommunications, IT, and consumer electronics company. It is the second-largest provider of Radio Access Network and supplies critical infrastructure to four of the five largest mobile operators in the United States.[107] Notably, the company is the owner of the former Bell Labs in New Jersey (today Nokia Bell Labs)—one of the world's most prominent and consequential telecommunications R&D centers—following its 2016 acquisition of Alcatel-Lucent.[108] Another notable milestone was the February 2025 acquisition of Infinera Corporation, a California-based company specializing in optical technologies, a foundational discipline for semiconductor manufacturing.[109]

Mistral AI

Mistral AI is a private French artificial intelligence (AI) company that provides customizable models, Application Programming Interfaces (APIs), and chatbots for both businesses and consumers. The company's models run on all major U.S. cloud providers, including Google Cloud, AWS, Azure, IBM, Snowflake, and NVIDIA.[110] In addition, Mistral AI has an office in Palo Alto, California, to attract top American AI talent.[111] Notably, Mistral Compute is a European-hosted AI cloud that promotes itself emphasizing "data sovereignty" and targeting customers in Europe and in the Global South who "have been waiting for an alternative to US or China-based cloud and AI providers."[112]

Publicis Groupe

Publicis Groupe is a French company focused on advertising and public relations services. Its main source of revenue is activities related to "creative and production services, direct and digital marketing, CRM (customer relationship management), sales promotion and point-of-sale marketing, public relations, event management, institutional and financial communication, strategic media planning, and media buying."[113] The United States accounts for over half of Publicis Groupe's revenue, and some of its main clients in North America include AbbVie, Bank of America, General Motors, Pfizer, Procter & Gamble, Stellantis, Verizon, and Walmart.[114] The company is the owner of Publicis Sapient, a U.S.-based digital consulting subsidiary that offers services including product development, user experience (UX), and engineering.

SAP

SAP is a German software company that shares the same name with its main product, an enterprise resource planning (ERP) system. SAP does extensive business with the U.S. federal government. For example, in December 2025, the U.S. General Services Administration announced an 18-month agreement allowing federal agencies to access SAP's database, integration, analytics, and cloud solutions at a discount.[115] During that year, SAP was also

awarded a $1 billion contract with the U.S. Army and announced its inclusion in the U.S. Treasury's marketplace, enabling federal agencies to access SAP's services more seamlessly.[116]

Siemens

Siemens is a German technology company focused on industrial automation, rail transportation, and health technologies. The company has highlighted €1.7 billion in 2025 for contract orders for high-speed trains and related services in the United States.[117] Siemens also reported in 2025 the acquisitions of Altair Engineering Inc., a U.S. software provider in industrial simulation and analysis, for over €9 billion, and Insightful Science Holdings, a U.S. life sciences R&D software provider.[118]

Spotify

Spotify is a Swedish digital audio streaming company. The company promotes itself as the "world's most popular audio streaming subscription service with 751 million users, including 290 million subscribers, in 184 markets."[119] Spotify's main source of revenue is subscriptions, which represented 89 percent of total revenue in 2025, with the remaining 11 percent coming from advertising.[120] It has commercial relationships with U.S. companies in many aspects of its supply chain—such as licensing intellectual property for its catalog, using app stores and cloud services to deliver its content, and partnering with U.S. payment-processing companies. The company also has studios in Los Angeles's Arts District, Hollywood, and New York.[121]

Ubisoft

Ubisoft is a French software company focused on the gaming industry. Its main business model is to design and monetize video games. Thus, Ubisoft's relationships with U.S. providers and customers are numerous and extend across the company's entire supply chain. For example, Ubisoft's video games are distributed on U.S. platforms such as Epic Games Store, Microsoft's Xbox Store, and Valve Corporation's Steam, among other platforms. The company also partners with Netflix to distribute exclusive content and games.[122] In addition, Ubisoft licenses U.S. intellectual property to design video games based on them, for example, *Star Wars Outlaws*.[123]

European Companies Acquiring U.S. Firms

The U.S. market serves as a platform for strategic acquisitions for EU-based companies. Acquisitions typically serve two main, nonexcludable purposes. A company might acquire another to gain a strategic market position, prevent a competitor from gaining market share, or acquire proprietary technologies or knowledge complementary to its core business. Indeed, EU-based companies are pursuing these goals with U.S.-headquartered companies.

Europe's inbound foreign direct investment (FDI) into the United States is largely driven by acquisitions of U.S. companies. The Bureau of Economic Analysis (BEA) has reported that, in 2024, the total FDI from Belgium, France, Germany, Ireland, and Italy—the only EU countries with individually reported data—destined for the acquisition of U.S. businesses totaled $44.5 billion, representing more than 98 percent of the total FDI from those jurisdictions.[124] These five EU countries accounted for nearly one-third of the total inbound FDI to acquire U.S. businesses. The high share of acquisitions in U.S. FDI data is not unique to EU countries' inbound investments; ITIF has previously reported that acquisitions represent roughly 95 percent of all inbound FDI to the United States.[125]

European companies have a strong presence in Silicon Valley, California—signaling their interest in acquiring proprietary technologies or knowledge. The presence in this hub serves multiple purposes: EU technology companies can use their Silicon Valley presence as a platform to gain market access, attract talent, benefit from an established supplier base, or acquire knowledge both by being part of the ecosystem and by acquiring U.S. technology companies. A 2023 Bay Area Economic Council report reveals that European entities invested more than $1.35 billion in the Silicon Valley Bay Area between 2018 and 2022, with investments heavily focused on semiconductors, software, and IT services.[126] Conversely, the same report explains that Silicon Valley-based companies invested over $70.8 billion in Europe over the same period. (See table 1.)

Table 1: Notable announcements of acquisitions of U.S. firms by EU-based companies between 2023 and 2025

EU Company	U.S. Company Acquired	Transaction Value	Other Relevant Information
Siemens[127]	Altair Engineering	$10 billion	Altair Engineering Inc. is "a global leader in computational science and artificial intelligence software." Out of its more than 3,500 employees, approximately 1,400 work in R&D.
Thales[128]	Imperva	$3.6 billion	Imperva is a cybersecurity company with expertise in application security and data security.
Siemens[129]	Dotmatics	$5.1 billion	"Dotmatics is a leader in R&D scientific software connecting science, data, and decision-making. Its enterprise R&D platform and applications, including GraphPad Prism, SnapGene and Geneious, drive efficiency and accelerate innovation."
Nokia[130]	Infinera	$2.3 billion	The acquisition was explained as to gain scale in the North American optical market.
SAP[131]	SmartRecruiters	Not disclosed	SmartRecruiters is a Software-as-a-Service solutions company focused on providing talent acquisition software.
Ingka Group (IKEA)[132]	Made4net	Not disclosed	Made4net is a U.S.-based supply chain software solution provider, acquired to improve IKEA's end-to-end customer experience.

POSSIBLE WAYS TO THREATEN RETALIATION IF THE DMA'S DISCRIMINATION PERSISTS

Retaliation under Section 301, of course, should be pursued only after exhausting all other alternatives. But if European Commission officials persist in pushing back against U.S. requests to reform the DMA and its implementation regarding U.S. companies, a Section 301 investigation should serve as a last resort. To be effective, an investigation into the DMA must be ironclad in demonstrating its discriminatory impact on U.S. companies. If Europe refuses to engage, USTR, as chair of the Section 301 Committee, will need to run an interagency process to craft the most effective response to Europe's discriminatory behavior. The options for possible retaliatory actions developed by the Section 301 Committee should be targeted, thoughtfully chosen, and guided by clear diplomatic objectives. Under the statute, USTR must consult with Europe on the day any Section 301 case is initiated; negotiation for a mutually acceptable resolution is the priority and the best result.

If Congress and the administration conclude, as outlined in this report, that 1) having a strategy to safeguard U.S. technology companies from discriminatory treatment in Europe is now a matter of U.S. national power in the context of U.S. techno-economic competition with China and 2) Europe, for its part, persists in pursuing, in the administration's words, "discriminatory and harassing lawsuits under the DMA, in addition to other taxes, fines, and directives against U.S. service providers," the U.S. government may have little choice but to intensify pressure.[133] Because the bilateral trade and investment relationship is large and the discrimination in Europe is lopsidedly asymmetrically—targeting U.S. firms while European firms operate under an open-market regime in the United States—many potential areas of retaliation should be considered.

If European Commission officials persist in pushing back against U.S. requests to reform the DMA and its implementation regarding U.S. companies, a Section 301 investigation should serve as a last resort.

Options should be studied carefully for self-defeating and unintended effects. Identifying a productive course of action that does not incite more protectionism in Europe, while avoiding damage to U.S. interests, will be challenging. New restrictions on U.S. government procurements for European firms, for example, while potentially popular in the United States, would seem provocative and likely incite further "Buy European" actions against U.S. firms selling to governments in Europe. Enacting a mirror DMA statute in the United States aimed at forcing European businesses to alter their business models and practices seems equally self-defeating. The threat of raising tariffs, while possibly the "cleanest" and most transparent sanction (discussed ahead), has been used in past U.S.-European trade disputes, so USTR and the Section 301 Committee might conclude that tariffs would be less effective in a digital trade conflict based on discrimination against U.S. services

As USTR consults with Congress on a strategy for achieving a negotiated solution, it will be important for members of Congress to reach out to members of Parliament, Commission officials, and industry leaders in Europe to express the shared goal of negotiations leading to a mutually acceptable agreement—one that promotes tech innovation and competitiveness on both sides of the Atlantic. Having Congress closely involved in the development of possible retaliatory

measures will be key to ultimately achieving the success of less-discriminatory tax and regulatory policy in Europe. It is clear that, given the embedded nature of Europe's resistance, developing new methods to get the attention of European officials will be essential.

Specifically targeted measures to counter EU digital protectionism and tech sovereignty could include the measures discussed ahead, which wee offer as suggested areas to explore with the expectation that negotiation, perhaps in the context of the aforementioned digital dialogue, should be the preferred route.

Targeted Tax Policy

The coordinated efforts by Congress and federal authorities to use a proposed legislative provision as leverage in international tax negotiations at the Organization for Economic Co-operation and Development (OECD) illustrate how to orchestrate a synchronized response between Congress and the administration. For many years, OECD members and others have been experimenting with adopting taxes that would disproportionately affect U.S. companies, such as digital service taxes. OECD also organized Pillar 2, a worldwide global minimum 15 percent book tax on large corporations, requiring every country to enact Pillar 2 at the penalty of other countries seizing such revenues under an undertaxed profits rule (UTPR).[134]

The legislative response to these foreign taxes, deemed by the United States to violate existing tax treaties, was under consideration by Congress during the drafting and markup of the One Big Beautiful Bill Act (OBBBA), which became law in July 2025. Two versions of a new Tax Code Section 899, a so-called "revenge tax," were included in the House-passed bill and a draft of the Senate bill released by the Senate Finance Committee.[135] Section 899 would have established a retaliatory, punitive tax that increased over time on nationals of countries judged to have imposed "unfair foreign taxes" on American companies. Specifically, Section 899 would have authorized the Treasury to impose a 5–20 percent federal tax surcharge on dividends, interest, royalties, and business profits owned by nationals from foreign countries with "extraterritorial taxes" or "discriminatory taxes."[136] House Ways and Means Committee Chairman Jason Smith described the Section 899 provision as "an effective tool for retaliating against those who try to crack down on U.S. businesses … so that they understand if they do that to US businesses, there will be consequences for their actions."[137]

A somewhat similar provision appears in Section 891 of the Tax Code but has never been used. Observers say the Section 899 provision was clearly endorsed by the administration and designed to give the Trump administration a negotiating tool for pressuring countries to drop digital services taxes and global minimum corporate income taxes.[138]

If Europe continues to resist engaging on the DMA, it may make sense for Congress to explore introducing legislation proposing a Section 899-like provision.

The "revenge tax" proposal served as an effective deterrent with regard to the UTPR. On June 26, 2025, after securing an agreement with G7 nations (Canada, France, Germany, Italy, Japan, and the United Kingdom) to exclude U.S. companies from the most offensive portions of OECD's Pillar 2 taxes, U.S. Treasury Secretary Scott Bessent requested that Smith and Senate Finance Committee Chair Mike Crapo remove Section 899 from OBBBA.[139] Under this deal, the United States agreed to drop Section 899 from the OBBBA, and in exchange, G7 countries agreed to

amend Pillar 2 rules to exempt U.S.-parented groups from the UTPR and Income Inclusion Rule, so long as the United States does not generally lower taxes. Following the announcement of the understanding on June 26, 2025, Section 899 was removed from the legislative package, at Treasury Secretary Bessant's request, and the OECD so-called "side-by-side" agreement was later finalized.[140] While not perfect from the U.S. standpoint, the agreement staved off threatened damage to the United States in the form of a severe tax on U.S. corporations unless Congress agreed to increase taxes in a manner that met Pillar 2's requirements.

Chances are that levers wielded by USTR as threats of retaliation under Section 301 will be unsettling to many interests, both domestic and foreign. But with full coordination between Congress and the administration—and a clear understanding of the trade-offs involved—using the threat of retaliation proved effective in the OECD case.

It goes without saying that the effectiveness of invoking Section 899 as a potential consequence for failure to reach a mutually acceptable improvement in tax policy, deemed to discriminate against U.S. companies, lies in the exceptional coordination between Congress and the administration.

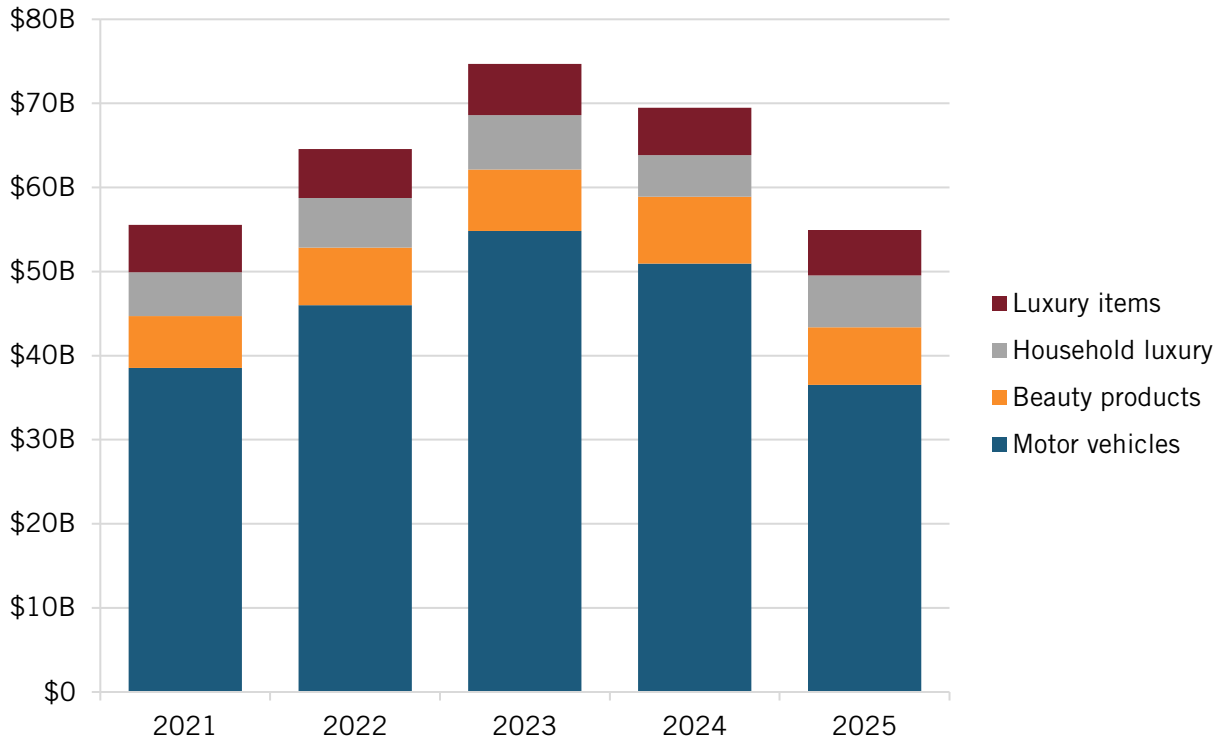
As a proven route to securing the attention of trading partners, Section 899 should be considered if the Section 301 Committee determines that it needs to move forward with a potential retaliation review. The opening exists here for collaboration and teamwork between the Ways and Means and Senate Finance Committees, USTR, and the Department of the Treasury in using the credible possibility of imposing Section 899 on European companies operating freely in the United States. As discussions open with Europe—and if Europe continues to resist engaging on the DMA—it may make sense for Congress to explore introducing legislation proposing a Section 899-like provision.

Retaliate With Tariffs on Non-Tech-Related Items

A tit-for-tat way of retaliating using Section 301 powers would be to impose tariffs on items in which EU countries have a comparative advantage over the United States, and in which the cost increase of this new tax (i.e., the tariff) would not harm U.S. national power or strategic industries.

For example, the U.S. government could retaliate against EU luxury items, as U.S. imports of luxury items from the EU, including apparel and household goods such as paintings, have fluctuated between $11 billion and $12 billion per year over the last five years. Likewise, U.S. imports of EU beauty products, such as perfumes and skin care products (excluding medicaments), averaged $7 billion between 2021 and 2025. Appendix 1 contains the full list of items covered in this analysis, which is summarized in figure 3. Another, perhaps more potentially escalatory retaliation would be to charge additional tariffs against motor vehicles imported from the EU.

Figure 3: U.S. imports of selected items from the EU in 2025[141]



Foreign Investment Review as a Tool for Reciprocity

The Committee on Foreign Investment in the United States (CFIUS) is an interagency committee chaired by the secretary of the Treasury that oversees national security considerations related to FDI in the United States. Its mission has evolved since its establishment in 1975, expanding from a focus solely on defense-related acquisitions to addressing broader, technology-driven threats to U.S. national economic security.[142]

CFIUS has broad authority to review any transaction involving a foreign person that could result in control of a U.S. business that may threaten national security. The Committee is also tasked with scrutinizing investments related to critical technology, critical infrastructure, and sensitive personal data (collectively known as "TID" businesses). Under the Foreign Investment Risk Review Modernization Act (FIRRMA), passed in 2018, and Executive Order 14083, signed on September 15, 2022, CFIUS now closely examines both controlling and noncontrolling investments in these categories, with heightened focus on sectors such as AI and quantum computing.[143] CFIUS is authorized to negotiate and then impose terms of an agreement or condition on any party to mitigate national security risk arising from an investment in the United States. Thus, CFIUS is a broad tool that has been stretched to cover many aspects of national security, including economic security and, in particular, any foreign investments that would undermine U.S. leadership in strategic technology sectors.

As noted, open access to U.S. acquisitions allows European companies to benefit from U.S. talent and knowledge, an established domestic supplier base, and the broader dynamism of the American technology ecosystem. However, if a Section 301 investigation determines that heavy-handed European regulation is hampering the ability of U.S. technology platforms to scale and

innovate globally, acquisitions of U.S. companies and other financial arrangements that benefit European firms operating freely in the United States should be subject to greater scrutiny than in the past.

If USTR completes its section 301 investigation by finding that the DMA constitutes a set of unreasonable, unjustifiable, or discriminatory trade practices targeting U.S. companies, the administration should inform countries enforcing the DMA that, given the importance of the relevant U.S. companies to U.S. national security, CFIUS agencies will conduct a review concerning whether U.S. investments originating in those countries or ultimately controlled by entities in those countries present heightened risk to U.S. national security. Such a communication from the U.S. government should inform those countries that this review could result in both CFIUS launching investigations with respect to prior U.S. investments linked to those countries that were not notified to CFIUS and heightened CFIUS scrutiny of future U.S. investments linked to these countries.

Given the broad authority CFIUS confers on the president and the Committee, U.S. negotiators would have discretion to establish a new category of foreign investment review applicable to European companies. New criteria—consistent with the emerging consensus that discriminatory digital regulation targeting U.S. technology firms operating in Europe poses a threat to U.S. national economic security—could be brought to bear. Protecting U.S. technology companies from such discriminatory regulation in Europe could be framed, as discussed, as a matter of national power in the context of U.S. techno-economic competition with China.

Alerting Europe to the possibility of increased scrutiny of foreign investments by the EU could serve as a valuable negotiating tool.

It should be recognized that there may be opposition in the Committee to expanding the definition of "threat to national security" to cover the impact of discriminatory regulatory policies in Europe. An executive order or legislation might lay out the new concept and a clear process for demonstrating the linkage between the countries' discriminatory policies and the national security harm.

Alerting Europe to the possibility of increased scrutiny of foreign investments by the EU could serve as a valuable negotiating tool. At USTR's request, CFIUS—informed by a Section 301 finding of discrimination—could review whether U.S. technology companies selling digital services in Europe enjoy the same competitive opportunities as European digital firms operating in the United States. Based on a negative determination regarding market access or discriminatory regulation, Treasury and USTR would be in a position to advise the president to restrict or prohibit certain investments in the U.S. technology sector from Europe if market access for U.S. firms and discriminatory regulatory practices are not improved.

The EU Space Act and Other "Tech Sovereignty" Proposals

Finally, the broad political push for "tech sovereignty" and the desire to reduce reliance on U.S. technology companies, driven by several new European regulatory initiatives, potentially offer more dynamic opportunities for U.S. engagement. Europe, in fact, may be more receptive to U.S. input when legislation is in the drafting stage, before becoming law. Moving to completion in 2026, the "Tech Sovereignty Package" includes, for example, the Cloud and AI Development

Act, directed at supporting the growth of European alternatives to U.S. cloud providers, and the Quantum Act, aimed at boosting European capabilities in this technology.[144]

An area particularly ripe for engagement and input is the draft EU Space Act (EUSA), which would create a new regulatory regime for space operators, including a framework for controlling space-based data. Under the act, U.S. and other non-European satellite providers would be subject to a registration process more burdensome than that required of European operators. The EUSA may also restrict certain communications services to EU-headquartered satellite operators. In a welcome development (arguably a positive harbinger), the previous draft of the EUSA would have imposed additional discriminatory requirements on "giga-constellations," defined as constellations with more than 1,000 satellites. This definition would have disproportionately captured U.S. suppliers while excluding competing EU suppliers. According to USTR, these provisions directed at giga-constellations were removed from the draft proposal in December 2025.[145]

Due to the growth of highly efficient U.S. private sector firms with aggressive business models, European tech and Internet companies operating in the United States enjoy access to more frequent, cost-effective U.S. commercial launches than do those in Europe. SpaceX has been a key contributor to the United States leading in the frequency and quantity of space launch services currently available to European firms.[146] In March 2026, the U.S. Federal Communications Commission opened a consultation to review the conditions of access that apply to foreign companies seeking launch services in the United States, making it timely for a dynamic exchange between Europe and the United States on how to keep both satellite launch services markets open.[147]

A MODEL TO MAKE THE DMA A NONDISCRIMINATORY REGULATION

There are constructive ways Europe can scale back the DMA to avoid a Section 301 problem.[148] Indeed, as ITIF has explained, should Europe remain committed to some form of ex ante digital antitrust regulations, other countries have put forward different models that differ significantly from the DMA in key areas such as scope, remedies, the ability for firms to present pro-competitive justifications, and more.[149]

Consider Japan's recently enacted MSCA.[150] Unlike the DMA, which is focused on targeting the widely used products of large American gatekeepers, the MSCA is designed to address a single industry in which there is an alleged market failure (i.e., not merely the existence of products with large amounts of users offered by high revenue firms)—specifically, a perceived lack of competition in the mobile platform space. Accordingly, it technically requires that designated firms have some measure of market power by virtue of being "capable of excluding or controlling the business activities of other business operators," rather than simply mechanically applying revenue and user thresholds.[151]

Similarly, the JFTC has more flexible conduct rules—in particular, it allows privacy and security exceptions for firms' conduct, which is critical in the mobile space. And with respect to remedies, the MSCA's fines are a percentage of the offending firm's Japanese revenue, which evinces a tailored focus on Japan's markets instead of attempting to extort American multinationals' global revenue. As such, while the MSCA's requirements apply only to Apple and

Google, it is not de jure discriminatory like the DMA is, given its discrete industry—rather than company and user size—focus.

CONCLUSION

There is more than sufficient reason for Europe to abandon discriminatory implementation of the DMA. Heavy-handed ex ante competition policy has already harmed European consumers, innovation, and businesses. The DMA has also failed to deliver meaningful competitive gains for European firms or consumers. As Cristina Caffarra, a leading European competition economist and Big Tech critic, has admitted, the DMA is "not a real challenge to the platforms' core status" and promotes "mostly competition on the platform, not competition to the platform."[152]

The evidence presented in this report makes clear that the DMA, as designed and enforced, fails to function as a neutral competition policy and instead acts as a targeted instrument of regulatory burden on U.S. technology companies. Its thresholds are being deliberately applied to capture American firms while shielding European competitors—a choice that, as reflected in the DMA's own legislative history, evinces discriminatory intent.

The stakes extend well beyond the treatment of U.S. companies in Europe. Versions of the DMA are proliferating. Brazil, Japan, South Korea, Australia, and others are enacting or considering comparable frameworks, many of which are calibrated—explicitly or in effect—to constrain American technological leadership. Now is the time to establish that discriminatory digital regulation carries real costs.

As discussed, because of the palpable concerns in Europe regarding European tech sovereignty, combined with Europe's long-standing aversion to unilateral action under Section 301, strong bipartisan coordination between the House, Senate, and administration will be important to achieving engagement and movement on the part of Europe. Congress, particularly the House Ways and Means and the Senate Finance committees, should continue to hold public hearings and private consultations with USTR.

Pressure must be credible in order to be effective—and that credibility depends on a unified front between the administration and Congress. The House Ways and Means and Senate Finance committees should continue their oversight role through public hearings, formal consultations with USTR, and a bipartisan congressional resolution that defines specific U.S. negotiating objectives regarding the DMA. Congressional engagement not only strengthens the hand of U.S. negotiators; it also signals to European counterparts that U.S. concerns transcend any single administration and reflect a settled national interest.

Congress needs to step up to strengthen the hand of USTR negotiators by, at a minimum, passing a Sense of Congress resolution on U.S. negotiating objectives regarding the changes the United States seeks in the DMA. To reiterate, it will be important for members of Congress to reach out to members of Parliament, Commission officials, and industry leaders in Europe to express the shared goal of negotiations that lead to a mutually acceptable agreement—one that promotes tech innovation and competitiveness in both Europe and the United States. Above all, Europe needs to take on board the United States' concerns to develop an improved competition policy framework that fosters both an EU-wide market open to the latest innovations in digital business and consumer services and even stronger transatlantic relations to counter China's quest for global techno-economic dominance. In the words of ITIF's founder, Rob Atkinson:

> The United States cannot prevent Chinese global technological dominance without full and unstinting transatlantic cooperation, because if China wins in Europe, its firms will become too powerful for American companies to compete with.... We need to join forces, Europe. But if you refuse to step up to defend the West, at least face reality: The inevitable outcome will be continued EU decline and, ultimately, Chinese techno-economic hegemony.[153]

APPENDIX: LIST OF LUXURY GOODS AND VEHICLES

Table 2: Product categories from the Harmonized Tariff Schedule (HTS) that are included in this analysis[154]

Product Category	HTS Code	Product Description
Beauty products	33030010	Floral or flower waters, not containing alcohol
Beauty products	33030020	Perfumes and toilet waters, other than floral or flower waters, not containing alcohol
Beauty products	33030030	Perfumes and toilet waters, containing alcohol
Beauty products	33041000	Lip make-up preparations
Beauty products	33042000	Eye make-up preparations
Beauty products	33043000	Manicure or pedicure preparations
Beauty products	33049100	Beauty or make-up powders, whether or not compressed
Beauty products	33049950	Beauty or make-up preparations and preparations for the care of the skin, excl. medicaments but incl. sunscreen or sun tan preparations, nesoi (not elsewhere specified or included)
Beauty products	33059000	Preparations for use on the hair, nesoi
Beauty products	34011150	Soap, nesoi; organic surface-active products used as soap in bars, cakes, pieces, soap-impregnated paper, wadding, and felt, for toilet use
Beauty products	34011900	Soap; organic surface-active products used as soap in bars, cakes, pieces, soap-impregnated paper, wadding, felt, not for toilet use
Beauty products	34012000	Soap, not in the form of bars, cakes, molded pieces, or shapes
Luxury items	42021100	Trunks, suitcases, vanity, and all other cases, occupational luggage and like containers, surface of leather, composition or patent leather
Luxury items	42022130	Handbags, with or without shoulder strap or without handle, with outer surface of reptile leather
Luxury items	42022190	Handbags, with or without shoulder strap or without handle, with outer surface of leather, composition or patent leather, nesoi, over $20 ea.

Product Category	HTS Code	Product Description
Luxury items	42022270	Handbags with or w/o shoulder strap or w/o handle, with outer surface containing 85% or more of silk, not braided
Luxury items	43031000	Articles of apparel and clothing accessories, furskins
Luxury items	43039000	Articles of furskin, nesoi
Luxury items	44209045	Wooden jewelry boxes, silverware chests, microscope, tool or utensil cases, similar boxes, cases, and chests, not lined with textile fabrics
Luxury items	44209065	Wooden jewelry boxes, silverware chests, microscope, tool or utensil cases, similar boxes, cases, and chests, lined with textile fabrics
Luxury items	61019005	Men's or boys' overcoats, car coats, capes, cloaks, windbreakers, and similar articles, knitted or crocheted, of wool or fine animal hair
Luxury items	61019010	Men's or boys' overcoats, car coats, etc., of tex mats (other than wool, cotton, or mmf), cont 70% or more wt of silk, knitted, or crocheted
Luxury items	61021000	Women's or girls' overcoats, car coats, capes, windbreakers, and similar articles, knitted or crocheted, of wool or fine animal hair
Luxury items	61029010	Women's or girls' overcoats, car coats, etc. of tex mats (other than wool, cotton or mmf), cont 70% or more wt of silk, knitted, or crochet
Luxury items	61031010	Men's or boys' suits, knitted or crocheted, of wool or fine animal hair
Household luxury	69111025	Bone china household table & kitchenware valued at over $31.50/doz. pcs.
Household luxury	69111037	Porcelain or china (other than bone china) househld tabl. & kitch. ware in sets in which aggregate val. of arts./US note 6(b) over $56 n/o $200
Household luxury	69111038	Porcelain or china (other than bone china) househld tabl. & kitch. ware in sets in which aggregate val. of arts./US note 6(b) over $200
Household luxury	70139950	Glassware for toilet/office/indoor decor. or similar purposes, nesoi, valued over $0.30 but not over $3 each

Product Category	HTS Code	Product Description
Household luxury	70139970	Glassware for toilet/office/indoor decor. or similar purposes, nesoi, cut or engraved, valued over $5 each
Household luxury	70139990	Glassware for toilet/office/indoor decor. or similar purposes, nesoi, not cut or engraved, valued over $5 each
Luxury items	71011030	Natural pearls, graded and temporarily strung for convenence of transport
Luxury items	71012260	Cultured pearls, worked, not strung, mounted or set
Luxury items	71031020	Precious stones (other than diamonds) and semiprecious stones, unworked
Luxury items	71039910	Precious or semiprecious stones, nesoi, cut but not set and suitable for use in the manufacture of jewelry
Luxury items	71131120	Silver articles of jewelry and parts thereof, nesoi, valued not over $18 per dozen pieces or parts
Luxury items	71131150	Silver articles of jewelry and parts thereof, nesoi, valued over $18 per dozen pieces or parts
Luxury items	71131910	Precious metal (other than silver) rope, curb, etc. in continuous lengths, whether or not plated/clad precious metal, for jewelry manufacture
Luxury items	71131921	Gold rope necklaces and neck chains
Luxury items	71131925	Gold mixed link necklaces and neck chains
Luxury items	71131929	Gold necklaces and neck chains (other than of rope or mixed links)
Luxury items	71131930	Precious metal (other than silver) clasps and parts thereof
Luxury items	71131950	Precious metal (other than silver) articles of jewelry and parts thereof, whether or not plated or clad with precious metal, nesoi
Luxury items	71132010	Base metal clad wtih precious metal, rope, curb, and like articles in continuous lengths, suitable for use in jewelry manufacture
Luxury items	71132021	Base metal clad with gold rope necklaces and neck chains

Product Category	HTS Code	Product Description
Luxury items	71132025	Base metal clad wtih gold mixed link necklaces and neck chains
Luxury items	71132029	Base metal clad with gold necklaces and neck chains, nesoi
Luxury items	71132030	Base metal clad with precious metal clasps and parts thereof
Luxury items	71132050	Base metal clad with precious metal articles of jewelry and parts thereof, nesoi
Household luxury	71141110	Knives with handles of silver, whether or not plated or clad with other precious metal
Household luxury	71141120	Forks with handles of silver, whether or not plated or clad with other precious metal
Household luxury	71141130	Spoons and ladles with handles of sterling silver
Household luxury	71141140	Spoons and ladles (other than with sterling silver handles) of silver, whether or not plated or clad with other precious metal
Household luxury	71141145	Sets of two or more knives or forks with silver handles or spoons and ladles of silver, whether or not clad or plated with prec.metal
Household luxury	71141150	Tableware, nesoi, of sterling silver
Household luxury	71141160	Articles of silver nesoi, for household, table or kitchen use, toilet and sanitary wares, including parts thereof
Household luxury	71141170	Silversmiths' wares (other than for household/table/kitchen use and toilet and sanitary wares) of silver, nesoi
Household luxury	71162005	Jewelry articles of precious or semiprecious stones, valued not over $40 per piece
Household luxury	71162015	Jewelry articles of precious or semiprecious stones, valued over $40 per piece
Motor vehicles	87032301	Motor vehicles to transport persons, with spark-ign. IC recip. piston engine, with cyl capacity >1,500 cc but </=3,000 cc
Motor vehicles	87032401	Motor vehicles to transport persons, with spark-ign. IC recip. piston engine, with cyl capacity >3,000cc

Product Category	HTS Code	Product Description
Motor vehicles	87034000	Motor vehicles to transport persons, with spark-ign. IC recip. piston engine and elec motor incapable of charge by plug to external source
Motor vehicles	87036000	Motor vehicles to transport persons, with spark-ign. IC recip. piston engine and elec motor capable of charge by plug to external source
Motor vehicles	87038000	Motor vehicles to transport persons, with electric motor for propulsion
Luxury items	9101 series	Wristwatches with cases of precious metal or of metal clad with precious metal
Household luxury	97011000	Paintings, drawings (other than of 4906), and pastels, executed entirely by hand, whether or not framed
Household luxury	97012100	Paintings, drawings (other than of 4906), and pastels, executed entirely by hand, of an age exceeding 100 years
Household luxury	97019100	Paintings, drawings (other than of 4906), and pastels, executed entirely by hand, of an age 100 years or less
Household luxury	97030000	Original sculptures and statuary, in any material
Household luxury	97031000	Original sculptures and statuary, in any material, of an age exceeding 100 years
Household luxury	97039000	Original sculptures and statuary, in any material, of an age 100 years or less

Acknowledgments

The authors would like to thank Daniel Castro and J. Philip Ludvigson for sharing insights and providing editorial feedback and support. Any errors or omissions are the authors' responsibility alone.

About the Authors

Meredith Broadbent is a former chair of the U.S. International Trade Commission. She was assistant U.S. trade representative for industry, market access, and telecommunications from 2002 to 2008. From 2008 to 2010, she was a trade adviser at the Global Business Dialogue. Earlier in her career, she served as a senior professional staff member with the Committee on Ways and Means of the U.S. House of Representatives. She holds a bachelor's of arts in history from Middlebury College and a master's of business administration from the George Washington University School of Business and Public Management.

Rodrigo Balbontin is an associate director covering trade, IP, and digital technology governance at ITIF. He has extensive experience in policy design and research on science, technology, and innovation governance in the Americas and the Asia-Pacific regions. He earned a master's degree in science and technology policy from the University of Sussex and a bachelor's degree in economics from the University of Chile.

Joseph V. Coniglio is the director of the Schumpeter Project on Competition Policy. He publishes and speaks widely on all areas of antitrust and competition policy, with a focus on digital platforms and the dynamic analysis of antitrust law and political economy.

Stephen Ezell is vice president for global innovation policy at ITIF and director of ITIF's Center for Life Sciences Innovation. He also leads the Global Trade and Innovation Policy Alliance. His areas of expertise include science and technology policy, international competitiveness, trade, and manufacturing.

About ITIF

The Information Technology and Innovation Foundation (ITIF) is an independent 501(c)(3) nonprofit, nonpartisan research and educational institute that has been recognized repeatedly as the world's leading think tank for science and technology policy. Its mission is to formulate, evaluate, and promote policy solutions that accelerate innovation and boost productivity to spur growth, opportunity, and progress. For more information, visit itif.org/about.

ENDNOTES

1. U.S. Trade Representative (@USTradeRep), X post, December 16, 2025, https://x.com/USTradeRep/status/2000990028835508258.
2. Pieter Haeck, "EU, US Eye New 'Dialogue' on Tech Rules," *Politico Pro*, April 1, 2026, https://subscriber.politicopro.com/article/2026/04/eu-us-eye-new-dialogue-on-tech-rules-00853820.
3. Hudson Institute, "US Trade Representative Jamieson Greer on the Future of Trade Policy," event transcript, April 7, 2026, https://www.hudson.org/events/us-trade-representative-jamieson-greer-future-trade-policy.
4. Joseph V. Coniglio et al., "A Policymaker's Guide to Digital Antitrust Regulation" (ITIF, March 31, 2025), https://itif.org/publications/2025/03/31/a-policymakers-guide-to-digital-antitrust-regulation/.
5. European Commission, *Proposal for a Regulation of the European Parliament and of the Council on Contestable and Fair Markets in the Digital Sector (Digital Markets Act)*, COM(2020) 842 final, December 15, 2020, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:52020PC0842.
6. Margrethe Vestager, "Keynote of EVP Vestager at the European Competition Law Tuesdays: A Principles Based Approach to Competition Policy," European Commission, October 25, 2022, https://ec.europa.eu/commission/presscorner/detail/en/SPEECH_22_6393.
7. Regulation (EU) 2022/1925 of the European Parliament and of the Council of September 14, 2022 on contestable and fair markets in the digital sector and amending Directives (EU) 2019/1937 and (EU) 2020/1828 (Digital Markets Act), Article 3.
8. European Commission, "Digital Markets Act: Commission Designates Six Gatekeepers," press release, September 6, 2023, https://ec.europa.eu/commission/presscorner/detail/en/ip_23_4328.
9. European Commission, "Commission Designates Booking as a Gatekeeper and Opens a Market Investigation into X," press release, May 13, 2024, https://digital-markets-act.ec.europa.eu/commission-designates-booking-gatekeeper-and-opens-market-investigation-x-2024-05-13_en.
10. *See* Joseph V. Coniglio, "Comments to the European Commission Regarding Its Proposed Measures for Interoperability With Google Android" (ITIF, May 13, 2026), https://itif.org/publications/2026/05/14/comments-european-commission-proposed-measures-interoperability-google-android/; Joseph V. Coniglio, "Comments to the European Commission Regarding Proposed Measures for Google Search Data Sharing" (ITIF, May 1, 2026), https://itif.org/publications/2026/05/01/comments-european-commission-proposed-measures-google-search-data-sharing/; Joseph V. Coniglio, "Comments to the European Commission Regarding Proposed Measures for Interoperability Between Apple iOS and Devices" (ITIF, January 17, 2025), https://itif.org/publications/2025/01/17/comments-european-commission-regarding-proposed-measures-interoperability-apple-ios-devices/.
11. ITIF, "EU's DMA Fines Are Crossing the Rubicon, Says ITIF," news release, April 23, 2025, https://itif.org/publications/2025/04/23/eu-dma-fines-are-crossing-the-rubicon-says-itif/.
12. Competition and Markets Authority, "CMA Confirms Apple and Google Have Strategic Market Status in Mobile Platforms," press release, October 22, 2025, https://www.gov.uk/government/news/cma-confirms-apple-and-google-have-strategic-market-status-in-mobile-platforms.
13. Sejin Kim, "Korea's 'Online Platform Fairness' Bill Risks Becoming a Digital Non-Tariff Barrier" (ITIF, December 22, 2025), https://itif.org/publications/2025/12/22/koreas-online-platform-fairness-bill-risks-becoming-digital-non-tariff-barrier/.
14. Australian Competition and Consumer Commission, *Digital Platform Services Inquiry: Final Report* (Canberra: ACCC, March 2025), https://www.accc.gov.au/system/files/digital-platform-services-inquiry-final-report-march2025.pdf.

15. Giorgio Castiglia, "Brazil Should Avoid Rushing Into DMA-Style Regulation" (ITIF, February 20, 2026), https://itif.org/publications/2026/02/20/brazil-should-avoid-rushing-into-dma-style-regulation/.
16. William E. Kovacic and Marianela Lopez-Galdos, "The Lifecycles of Competition Systems: Explaining Variation in the Implementation of New Regimes," *Law and Contemporary Problems* 79, no. 4 (2016): 85–122, https://scholarship.law.duke.edu/cgi/viewcontent.cgi?article=4804&context=lcp .
17. Anu Bradford et al., "The Global Dominance of European Competition Law over American Antitrust Law," *Journal of Empirical Legal Studies* 16, no. 4 (2019): 731–766, https://scholarship.law.columbia.edu/cgi/viewcontent.cgi?params=/context/faculty_scholarship/article/3517/&path_info=Bradford_The_Global_Dominance_of_European_Compeition_Law_Over_American_Antitrust_Law_SSRN_id3339626.pdf.
18. Spencer Weber Waller, "The Omega Man or the Isolation of U.S. Antitrust Law," *Connecticut Law Review* 52, no. 1 (2020), https://digitalcommons.lib.uconn.edu/cgi/viewcontent.cgi?article=1440&context=law_review.
19. Jonathan M. Barnett, "Antitrust Undone: How Competition Enforcers Are Undermining Competition" (ITIF, March 2026), https://itif.org/publications/2026/03/25/antitrust-undone-how-competition-enforcers-are-undermining-competition/.
20. The future of European Competitiveness, Part B | In-depth analysis and recommendations at 302 (Sept. 2024), https://commission.europa.eu/document/download/ec1409c1-d4b4-4882-8bdd-3519f86bbb92_en.
21. Trade Act of 1974, Title III, §§ 301–310, 19 U.S.C. §§ 2411–2420.
22. Trade and Tariff Act of 1984, Pub. L. No. 98-573, 98 Stat. 2948 (1984), https://www.congress.gov/98/statute/STATUTE-98/STATUTE-98-Pg2948.pdf.
23. Ibid.
24. 19 U.S.C. § 2411(d)(3), https://www.law.cornell.edu/uscode/text/19/2411#d_3.
25. White House, "Remarks by President Trump at Signing of a Presidential Memorandum Targeting China's Economic Aggression," March 22, 2018, https://trumpwhitehouse.archives.gov/briefings-statements/remarks-president-trump-signing-presidential-memorandum-targeting-chinas-economic-aggression/.
26. Katherine Tai, "Responses to Questions for the Record," Senate Committee on Finance, April 17, 2024, https://www.finance.senate.gov/imo/media/doc/responses_to_questions_for_the_record_for_ambassador_katherine_tai.pdf.
27. Andres B. Schwarzenberg, *Section 301 of the Trade Act of 1974: Origin, Evolution, and Use* (Washington, D.C.: Congressional Research Service, November 16, 2020), https://www.congress.gov/crs_external_products/R/PDF/R46604/R46604.2.pdf.
28. Tina Highfill and Brian Quistorff, "Measuring Digital Intermediation Services: Experimental Estimates of Gross Output for Rideshare, Travel Services, and Food/Grocery Delivery Service Platforms" (BEA Working Paper Series, WP2023-8, October 2023), https://www.bea.gov/sites/default/files/papers/BEA-WP2023-8.pdf; Interactive Advertising Bureau, "IAB Research: Digital Economy Surges to $4.9 Trillion, Fuels 28.4 Million U.S. Jobs Across All 435 Congressional Districts," news release, April 30, 2025, https://www.iab.com/news/measuring-digital-economy-2025/.
29. Bureau of Economic Analysis, International Transactions, International Services, and International Investment Position Tables, https://www.bea.gov/itable/international-transactions-services-and-investment-position.

30. Robert D. Atkinson and Ian Tufts, "The Hamilton Index, 2023: China Is Running Away With Strategic Industries" (ITIF, December 2023), https://itif.org/publications/2023/12/13/2023-hamilton-index/.
31. ITIF, "Non-Tariff Attack Tracker," knowledge base, https://itif.org/publications/knowledge-bases/attack-tracker/.
32. Lilla Nóra Kiss, "Six Ways the DMA Is Backfiring on Europe by Harming Users, Innovation, and Allies" (ITIF, June 30, 2025), https://itif.org/publications/2025/06/30/six-ways-the-dma-is-backfiring-on-europe/.
33. Hilal Aka, "Tip of the Iceberg: Understanding the Full Depth of Big Tech's Contribution to US Innovation and Competitiveness" (ITIF, October 2025), https://itif.org/publications/2025/10/06/tip-of-the-iceberg-understanding-big-techs-contribution-us-innovation-competitiveness/.
34. "GTIPA Perspectives: The Importance of E-commerce, Digital Trade, and Maintaining the WTO E-commerce Customs Duty Moratorium" (GTIPA, October 2020), https://itif.org/publications/2020/10/26/gtipa-perspectives-importance-e-commerce-digital-trade-and-maintaining-wto-e/.
35. Mario Draghi, "The Future of European Competitiveness: Part A—A Competitiveness Strategy for Europe" (Luxembourg: Publications Office of the European Union, September 2024), 14, https://commission.europa.eu/document/download/97e481fd-2dc3-412d-be4c-f152a8232961_en (last visited Feb. 4, 2025).
36. Ibid.
37. Matthew Kilcoyne, "The Sane Insanity of Digital Sovereignty," *World Commerce Review*, February 4, 2026, https://worldcommercereview.com/the-sane-insanity-of-digital-sovereignty.
38. Sha Sajadieh et al., "The AI Index 2026 Annual Report," AI Index Steering Committee, Institute for Human-Centered AI, Stanford University, Stanford, CA, April 2026, https://hai.stanford.edu/assets/files/ai_index_report_2026.pdf.
39. Frances G. Burwell and Kenneth Propp, *Digital Sovereignty: Europe's Declaration of Independence?* (Washington, DC: Atlantic Council, 2026), https://www.atlanticcouncil.org/in-depth-research-reports/report/digital-sovereignty-europes-declaration-of-independence/.
40. "EU Cloud and AI Development Act," https://www.eu-cloud-ai-act.com/
41. Peter-Tobias Stoll et al., *The Role of the WTO in EU Trade: State of Play Ahead of MC14* (Brussels: European Parliament, March 2026), https://www.europarl.europa.eu/RegData/etudes/STUD/2026/775287/EXAS_STU(2026)775287_EN.pdf.
42. Office of the U.S. Trade Representative, "USTR Initiates Section 301 Investigations Relating to Structural Excess Capacity and Production in Manufacturing Sectors," press release, March 11, 2026, https://ustr.gov/about/policy-offices/press-office/press-releases/2026/march/ustr-initiates-section-301-investigations-relating-structural-excess-capacity-and-production.
43. *Learning Resources, Inc. v. Trump*, No. 24-1287, slip op. (U.S. February 20, 2026), https://www.supremecourt.gov/opinions/25pdf/24-1287_4gcj.pdf; Executive Order 14257, "Regulating Imports With a Reciprocal Tariff To Rectify Trade Practices That Contribute to Large and Persistent Annual United States Goods Trade Deficits," *Federal Register* 90, no. 67 (April 7, 2025): 15041–15109, https://www.federalregister.gov/documents/2025/04/07/2025-06063/regulating-imports-with-a-reciprocal-tariff-to-rectify-trade-practices-that-contribute-to-large-and.
44. "'Nothing Changes,' Trump Reassures on Trade Deals After Supreme Court's Tariff Ruling," *Reuters*, February 20, 2026, https://www.reutersconnect.com/item/nothing-changes-trump-reassures-on-trade-deals-after-supreme-courts-tariff-ruling/dGFnOnJldXRIcnMuY29tLDIwMjY6bmV3c21sX1ZBNzI4NDIwMDIyMDI2UlAx.

45. Office of the U.S. Trade Representative, "USTR Initiates Section 301 Investigations."
46. White House, "Imposing a Temporary Import Surcharge to Address Fundamental International Payments Problems," presidential proclamation, February 20, 2026, https://www.whitehouse.gov/presidential-actions/2026/02/imposing-a-temporary-import-surcharge-to-address-fundamental-international-payments-problems/.
47. Office of the U.S. Trade Representative, *2026 Trade Policy Agenda and 2025 Annual Report of the President of the United States on the Trade Agreements Program* (Washington, DC: USTR, February 2026), https://ustr.gov/sites/default/files/files/Press/Releases/2026/2026%20Trade%20Policy%20Agenda%202025%20Annual%20Report.pdf.
48. Margaret Spiegelman, "USTR General Counsel: Goal for New Section 301 Probes Is Leverage, Not Revenue," *Inside U.S. Trade*, February 25, 2026, https://insidetrade.com/daily-news/ustr-general-counsel-goal-new-section-301-probes-leverage-not-revenue.
49. Ibid.
50. Ibid.
51. Nora Moriarty, "Scott Bessent Says Supreme Court Strengthened Trump With 'Draconian' Move Despite Ruling on Tariffs," *Fox News*, February 20, 2026, https://www.foxnews.com/media/scott-bessent-says-supreme-court-strengthened-trump-draconian-move-despite-ruling-tariffs.
52. White House, "Defending American Companies and Innovators From Overseas Extortion and Unfair Fines and Penalties," presidential memorandum, February 21, 2025, https://www.whitehouse.gov/presidential-actions/2025/02/defending-american-companies-and-innovators-from-overseas-extortion-and-unfair-fines-and-penalties/.
53. Ibid.
54. Ibid.
55. Ron Wyden et al., letter to President Joseph R. Biden Jr. on WTO digital trade negotiations, November 30, 2023, https://www.finance.senate.gov/imo/media/doc/20231130wydencrapolettertopotusonwtodigitaltradenegotiations.pdf.
56. Bipartisan Congressional Trade Priorities and Accountability Act of 2015, Pub. L. No. 114-26, title I, 129 Stat. 320 (2015), https://www.congress.gov/114/plaws/publ26/PLAW-114publ26.pdf.
57. Adrian Smith, "Trade Subcommittee Chairman Smith Opening Statement: Hearing on Maintaining American Innovation and Technology Leadership," House Committee on Ways and Means, January 13, 2026, https://waysandmeans.house.gov/2026/01/13/trade-subcommittee-chairman-smith-opening-statement-hearing-on-maintaining-american-innovation-and-technology-leadership/.
58. Ibid.
59. Office of the U.S. Trade Representative, "U.S.-EU Trade and Technology Council (TTC)," https://ustr.gov/useuttc.
60. Jorge Valero, Lisa Abramowicz, and Dani Burger, "Lutnick Says EU Must Change Digital Rules for Steel Tariff Deal," *Bloomberg*, November 24, 2025, https://www.bloomberg.com/news/articles/2025-11-24/lutnick-says-eu-must-change-digital-rules-for-steel-tariff-deal.
61. Francesca Micheletti and Jacob Perry, "Top EU Official Accuses US of 'Blackmail' in Trade Talks," *Politico*, November 27, 2025, https://www.politico.eu/article/top-eu-official-teresa-ribera-accuses-us-of-blackmail-in-trade-talks/.
62. European Commission, "Joint Statement on a United States-European Union Framework on an Agreement on Reciprocal, Fair and Balanced Trade," statement, August 21, 2025,

https://policy.trade.ec.europa.eu/news/joint-statement-united-states-european-union-framework-agreement-reciprocal-fair-and-balanced-trade-2025-08-21_en.

63. Eliza Gkritsi, "US Should Give Up Trying to Change EU Tech Rules, Lawmakers Say," *Politico*, March 24, 2026, https://www.politico.eu/article/us-should-give-up-trying-change-eu-tech-rules-lawmakers-say/.
64. Camille Gijs, Eliza Gkritsi, and Jacob Perry, "Let's Talk About Your Tech Rules, Trump Envoy Tells EU," *Politico*, March 23, 2026, https://www.politico.eu/article/lets-talk-about-your-tech-rules-us-donald-trump-envoy-andrew-puzder-tells-eu/.
65. Ibid.
66. *Keyes v. School Dist. No.1, Denver, 413 U.S. 189* (1973).
67. Digital Markets Act, Article 3.
68. European Commission, Gatekeepers Portal, https://digital-markets-act.ec.europea.eu/gatekeepers-portal_en.
69. Javier Espinoza, "EU should focus on top 5 tech companies, says leading MEP," *Financial Times*, May 31, 2021, https://www.ft.com/content/49f3d7f2-30d5-4336-87ad-eea0ee0ecc7b.
70. European Parliament, Committee on the Internal Market and Consumer Protection, Draft Report on the proposal for a regulation of the European Parliament and of the Council Contestable and fair markets in the digital sectors (Digital Markets Act) (COM(2020)0842 – C9-0419/2020 – 2020/0374(COD)) (2021), https://www.europarl.europa.eu/doceo/document/IMCO-PR-692792_EN.pdf.
71. Gov UK, "How the UK's digital markets competition regime works," last updated January 23, 2025, https://www.gov.uk/guidance/how-the-uks-digital-markets-competition-regime-works.
72. Alden Abbott and Satya Marar, "Foreign Governments' Ex Ante DMA-Style Rules Harm Competition and Innovation in Digital Markets While Discriminating Against US Firms," public interest comment, Mercatus Center at George Mason University, December 19, 2025, https://www.mercatus.org/research/public-interest-comments/foreign-governments-ex-ante-dma-style-rules-harm-competition-and.
73. Joseph V. Coniglio and Lilla Nóra Kiss, "Comments to the European Commission for Its First Review of the Digital Markets Act" (ITIF, September 24, 2025), https://itif.org/publications/2025/09/24/comments-to-the-european-commission-for-its-first-review-of-the-digital-markets-act/.
74. Joseph V. Coniglio, "Comments to the European Commission Regarding Proposed Measures for Interoperability Between Apple iOS and Devices" (ITIF, January 17, 2025), https://itif.org/publications/2025/01/17/comments-european-commission-regarding-proposed-measures-interoperability-apple-ios-devices/.
75. Joseph V. Coniglio, "Comments to the European Commission Regarding Its Proposed Measures for Interoperability With Google Android" (ITIF, May 13, 2026), https://itif.org/publications/2026/05/14/comments-european-commission-proposed-measures-interoperability-google-android/; Joseph V. Coniglio, "Comments to the European Commission Regarding Proposed Measures for Google Search Data Sharing" (ITIF, May 1, 2026), https://itif.org/publications/2026/05/01/comments-european-commission-proposed-measures-google-search-data-sharing/.
76. Meta Platforms Inc., "Non-Confidential Public Summary of Meta's Compliance with the Digital Markets Act," March 1, 2024 (noting that "[m]ore than 590,000 hours of engineering and technical work have been required to introduce the marked changes to its products and services required by the DMA")," https://dpo-india.com/Resources/Digital_Markets_Act%28DMA%29_EU/Meta-Compliance-with-Digital-Markets-Act.pdf,

77. Mikolaj Barcentwewicz, "The Digital Markets Act as an EU Digital Tax: When Compliance Costs Dwarf Regulatory Estimates, Truth on the Market" (July 8, 2025), https://truthonthemarket.com/2025/07/08/the-digital-markets-act-as-an-eu-digital-tax-when-compliance-costs-dwarf-regulatory-estimates/.
78. CCIA Research Center and LAMA Economic Research, "Costs to U.S. Companies from EU Digital Regulation" (March 2025), https://ccianet.org/wp-content/uploads/2025/03/CCIA_EU-Digital-Regulation-Factsheet_reportfinal.pdf.
79. Joseph V. Coniglio et al., "A Policymaker's Guide To Digital Antitrust Regulation" (ITIF, March 31, 2025), https://itif.org/publications/2025/03/31/a-policymakers-guide-to-digital-antitrust-regulation.
80. CCIA Research Center and LAMA Economic Research, "Costs to U.S. Companies from EU Digital Regulation" (March 2025), 46–48, https://ccianet.org/research/reports/costs-to-us-companies-from-eu-digital-services-regulation/#main-content.
81. Carmelo Cennamo et al., "Economic Impact of the Digital Markets Act on European Businesses and the European Economy" (LAMA Economic Research, June 2025), https://www.dmcforum.net/wp-content/uploads/2025/06/120625-FINAL-CCIA-DMA-Report-1.pdf.
82. Press Release, "EU's DMA Fines Are Crossing the Rubicon, Says ITIF" (ITIF. April 23, 2025), https://itif.org/publications/2025/04/23/eu-dma-fines-are-crossing-the-rubicon-says-itif/..
83. Joseph V. Coniglio, "Why the EU's Google Antitrust Case Is Misplaced in the AI Era" (National Interest, December 24, 2025), https://nationalinterest.org/blog/techland/why-the-eus-google-antitrust-case-is-misplaced-in-the-ai-era.
84. Robert D. Atkinson and Hilal Aka, "Defending American Tech in Global Markets" (ITIF, December 1, 2025), https://itif.org/publications/2025/12/01/defending-american-tech-in-global-markets/
85. U.S. Trade Representative (@USTradeRep), X post, December 16, 2025, https://x.com/ustraderep/status/2000990028835508258?s=46.
86. Ibid.
87. "SEC Filings," Accenture, accessed March 2, 2026, https://investor.accenture.com/filings-and-reports/sec-filings; "Annual accounts," Amadeus IT Group, accessed March 2, 2026, https://amadeus.com/en/financial-information/annual-accounts; "Annual reports," Capgemini, accessed March 2, 2026, https://investors.capgemini.com/en/annual-reports/?fiscal-year=2024; "Reporting Hub," DHL Group, accessed March 2, 2026, https://reporting-hub.group.dhl.com/en/; Publicis Groupe, "Publicis Groupe: Full Year 2025 Results," news release, February 3, 2026, https://www.publicisgroupe.com/en/investors/publicis-groupe-2025-full-year-results; "Financial Documents & Events," SAP, accessed March 2, 2026, https://www.sap.com/investors/en/financial-documents-and-events.html; "Annual reports," Siemens, accessed March 2, 2026, https://www.siemens.com/en-us/company/investor-relations/annual-reports/; "Financials," Spotify, accessed March 2, 2026, https://investors.spotify.com/financials/default.aspx; "Reports and filings," Nokia, accessed March 2, 2026, https://www.nokia.com/about-us/investors/results-reports/; "Financial reports and presentations," Ericsson, accessed March 2, 2026, https://www.ericsson.com/en/investors/financial-reports-and-presentations; "Investor Center," Ubisoft, accessed March 2, 2026, https://www.ubisoft.com/en-us/company/about-us/investors#keyFiguresAnnualReports.
88. Ibid.
89. Accenture, "U.S. | Let There Be Change," accessed March 2, 2026, https://www.accenture.com/us-en.
90. Accenture plc, *2025 Annual Report (2025)*, https://www.accenture.com/content/dam/accenture/final/accenture-com/document-4/Annual-Report-2025.pdf.

91. "Contracts for Mar. 25, 2025," U.S. Department of War, March 25, 2025, https://www.war.gov/News/Contracts/Contract/Article/4134550/contracts-for-mar-25-2025/.
92. Accenture, "Palantir and Accenture Federal Services Join Forces to Help Federal Government Agencies Reinvent Operations with AI," news release, June 30, 2025, https://newsroom.accenture.com/news/2025/palantir-and-accenture-federal-services-join-forces-to-help-federal-government-agencies-reinvent-operations-with-ai.
93. Amadeus, "American Airlines Upgrades Their Digital Experience: Customers Love It and Bookings Increase by 17%," case study, https://amadeus.com/en/resources/case-study/american-airlines-upgrades-their-digital-experience; Kim Axtell, "Amadeus and Delta Air Lines Sign New Distribution Agreement Paving Way for Enhanced Content," Amadeus press release, October 22, 2024, https://amadeus.com/en/newsroom/press-releases/amadeus-and-delta-air-lines-sign-new-distribution-agreement; Chantal Boeckman, "Southwest Airlines® and Amadeus Expand Partnership to Service Business Travelers," Amadeus press release, October 5, 2020, https://amadeus.com/en/newsroom/press-releases/southwest-airlines-amadeus-expand-partnership-service-business-travelers; Amadeus, "Amadeus Further Supports NDC Adoption with Enhanced United Airlines Partnership," press release, October 18, 2024, https://amadeus.com/en/newsroom/press-releases/amadeus-further-supports-ndc-adoption-with-united-airlines-partnership.
94. Laura Cobbold, "Amadeus Extends Partnership Agreement with Hilton for Business Intelligence Solutions," Amadeus press release, November 2, 2023, https://amadeus.com/en/newsroom/press-releases/business-intelligence-partnership-extended-with-hilton; Alba Redondo, "Amadeus' Performance Improves Slightly in the Third Quarter Thanks to Domestic Travel," Amadeus press release, November 6, 2020, https://amadeus.com/en/newsroom/press-releases/amadeus-performance-improves-slightly-in-the-third-quarter-thanks-to-domestic-travel; Laura Cobbold, "Amadeus Announces Agreement with Marriott International to Deploy Transformative, Cloud-based CRS Solution," Amadeus press release, November 18, 2021, https://amadeus.com/en/newsroom/press-releases/marriott-international-to-deploy-transformative-crs-solution.
95. Eve-Marie Morgo, "American Express Global Business Travel and Amadeus Renew Strategic Agreement," Amadeus press release, February 15, 2023, https://amadeus.com/en/newsroom/press-releases/american-express-global-business-travel-and-amadeus-renew-strategic-agreement; Joanna Seymour-Taylor, "Expedia Group's Adoption of Amadeus NDC Technology Marks Another Step in Driving NDC Industry-wide," Amadeus press release, April 2, 2024, https://amadeus.com/en/newsroom/press-releases/expedia-groups-adoption-of-amadeus-ndc-technology-marks-another-step-in-driving-ndc-industry-wide.
96. Capgemini, "Technology Partners," https://www.capgemini.com/about-us/technology-partners/.
97. Capgemini, "Capgemini Completes the Acquisition of WNS and Creates a Global Leader in Agentic AI-powered Intelligent Operations," press release, 2026, https://www.capgemini.com/news/press-releases/capgemini-completes-the-acquisition-of-wns-and-creates-a-global-leader-in-agentic-ai-powered-intelligent-operations/.
98. Capgemini, "Capgemini to Launch the Divestiture of Its Subsidiary Capgemini Government Solutions," press release, 2026, www.capgemini.com/no-no/news/press-releases/capgemini-to-launch-the-divestiture-of-its-subsidiary-capgemini-government-solutions/.
99. Ibid.
100. "French Tech Giant Capgemini to Sell US Subsidiary Working for ICE," *BBC News*, February 1, 2026, https://www.bbc.com/news/articles/cd9e4xw8vqqo.
101. DHL, "Welcome to Our DHL Fulfillment Network in the United States of America," https://www.dhl.com/in-en/microsites/supply-chain/fulfillment-network/our-network/fulfillment-in-the-united-states-of-america.html; DHL Group, "DHL Expands Its North America Logistics Infrastructure Amid Growing Global Demand for Data Center Logistics Services," press release, March 19, 2026,

https://group.dhl.com/en/media-relations/press-releases/2026/dhl-expands-north-america-logistics-infrastructure.html.

102. DHL Group, "DHL Group Signs MOU With Boston Dynamics for Additional 1,000-Robot Deployment and Accelerates Cross-Business Automation Strategy," press release, May 13, 2025, https://group.dhl.com/en/media-relations/press-releases/2025/dhl-group-signs-mou-with-boston-dynamics-and-accelerates-cross-business-automation-strategy.html; DHL Group, "DHL Supply Chain Signs Expanded Agreement With Locus Robotics to Extend Its Accelerated Digitalization Strategy," press release, June 2, 2021, https://group.dhl.com/en/media-relations/press-releases/2021/dhl-supply-chain-signs-agreement-with-locus-robotics.html; DHL Group, "DHL Supply Chain Accelerates Automation Deployments With SVT Robotics SOFTBOT® Platform," press release, March 17, 2026, https://group.dhl.com/en/media-relations/press-releases/2026/dhl-supply-chain-accelerates-automation-deployments-with-stv-robotics-softbot-platform.html; DHL, "DHL Supply Chain Partners With Robust.AI to Drive the Future of Warehouse Automation," press release, February 1, 2024, https://www.dhl.com/us-en/home/press/press-archive/2024/dhl-supply-chain-partners-with-robust-ai-to-drive-the-future-of-warehouse-automation.html.
103. Ericsson, "Ericsson USA 5G Smart Factory," accessed March 10, 2026, https://www.ericsson.com/en/about-us/company-facts/ericsson-worldwide/united-states/5g-smart-factory.
104. Ibid.
105. Ericsson, "Ericsson and AT&T Strategic Agreement to Pioneer Networks of the Future," news, December 4, 2023, https://www.ericsson.com/en/news/2023/12/ericsson-and-att-in-major-future-network-of-the-future-deal.
106. Ericsson, "Ericsson Deepens U.S. Engagement by Establishing Ericsson Federal Technologies Group," press release, March 19, 2024, https://www.ericsson.com/en/press-releases/2024/3/ericsson-deepens-u-s--engagement-by-establishing-ericsson-federal-technologies-group.
107. Nokia, "Commitment to America," accessed March 2, 2026, https://www.nokia.com/contact-us/worldwide-offices/north-america/united-states/.
108. Nokia Bell Labs, "History," accessed March 2, 2026, https://www.nokia.com/bell-labs/about/history/.
109. Nokia, "Nokia Completes Acquisition of Infinera to Create Innovation Powerhouse in Optical Networks, With the Scale to Power the Data Center Revolution," press release, February 28, 2025, https://www.nokia.com/newsroom/nokia-completes-acquisition-of-infinera-to-create-innovation-powerhouse-in-optical-networks-with-the-scale-to-power-the-data-center-revolution/.
110. Mistral AI, "Models - from Cloud to Edge," accessed March 10, 2026, https://mistral.ai/models.
111. "Europe's Mistral Expands in Silicon Valley in Hunt for AI Staff," *Financial Times*, November 23, 2024, https://www.ft.com/content/71e8248d-b473-47fa-979d-172bfa75df3e.
112. Mistral AI, "Mistral Compute," June 11, 2025, https://mistral.ai/news/mistral-compute.
113. Publicis Groupe S.A., *Consolidated Financial Statements: Financial Year 2025 (2025)*, https://documents.publicisgroupe.com/resultats2025/comptes-consolides-2025-12-ENvdef.pdf.
114. Publicis Groupe, "Universal Registration Document 2024," accessed March 2, 2026, https://publicis-groupe.publispeak.com/2024-universal-registration-document/.
115. U.S. General Services Administration, "GSA Announces OneGov Agreement With SAP to Accelerate Federal IT Modernization," news release, December 2, 2025, https://www.gsa.gov/about-us/newsroom/news-releases/gsa-announces-onegov-agreement-with-sap-12022025.
116. SAP NS2, "SAP NS2 Announces $1B Contract With United States Army," *PR Newswire*, October 23, 2025, https://www.prnewswire.com/news-releases/sap-ns2-announces-1b-contract-with-united-states-army-302582039.html; David Robinson, "SAP S/4HANA Cloud Joins U.S. Treasury's FM QSMO

Marketplace," *SAP News Center*, October 24, 2025, https://news.sap.com/2025/10/sap-joins-us-treasury-fm-qsmo-marketplace/.

117. "Annual reports," Siemens, accessed March 2, 2026, https://www.siemens.com/en-us/company/investor-relations/annual-reports/.
118. Ibid.
119. Spotify, "About," accessed March 10, 2026, https://investors.spotify.com/about/.
120. Spotify Technology S.A., *Annual Report on Form 20-F* (2025), https://s29.q4cdn.com/175625835/files/doc_financials/2025/ar/Spotify-20-F-Filing.pdf.
121. "Go Inside Spotify Sycamore Studios, Our New State-of-the-Art Podcast Studio in Hollywood," Spotify, January 7, 2026, https://newsroom.spotify.com/2026-01-07/spotify-sycamore-studios-la/.
122. Mikel Reparaz, "Netflix and Ubisoft Announce Three Exclusive Mobile Games for Netflix Members," Ubisoft, September 10, 2022, https://news.ubisoft.com/en-us/article/3YgZG8tgalQHcW6eD5O7zP/netflix-and-ubisoft-announce-three-exclusive-mobile-games-for-netflix-members.
123. Ubisoft, "Star Wars Outlaws," accessed March 17, 2026, https://www.ubisoft.com/en-us/game/star-wars/outlaws.
124. U.S. Bureau of Economic Analysis, New Foreign Direct Investment in the United States, https://www.bea.gov/data/intl-trade-investment/new-foreign-direct-investment-united-states.
125. Meghan Ostertag, "Big Announcements, Small Results: FDI Falls Yet Again" (ITIF, August 19, 2025), https://itif.org/publications/2025/08/19/big-announcements-small-results-fdi-falls-yet-again/.
126. EIT Digital and Bay Area Council Economic Institute, "The EU-US Tech Relationship in a Changing Global Economic Order" (EIT Digital, March 2023), https://www.bayareaeconomy.org/files/pdf/EIT-Digital-Technology-Converge-ReportDEF-Upd231.pdf.
127. Siemens AG, "Siemens Strengthens Leadership in Industrial Software and AI With Acquisition of Altair Engineering," press release, October 30, 2024, https://press.siemens.com/global/en/pressrelease/siemens-strengthens-leadership-industrial-software-and-ai-acquisition-altair.
128. Thales Group, "Thales to Create a World-Class Global Cybersecurity Leader, Acquiring US-Based Cyber Champion Imperva From Thoma Bravo," press release, July 25, 2023, https://www.thalesgroup.com/en/news-centre/press-releases/thales-create-world-class-global-cybersecurity-leader-acquiring-us-based.
129. Siemens AG, "Siemens Acquires Dotmatics to Extend AI-Powered Software Portfolio to Life Sciences," press release, April 2, 2025, https://press.siemens.com/global/en/pressrelease/siemens-acquires-dotmatics-extend-ai-powered-software-portfolio-life-sciences.
130. Nokia, "Nokia to Acquire Infinera to Increase Scale in Optical Networks and Accelerate Product Roadmap," press release, June 27, 2024, https://www.nokia.com/newsroom/inside-information-nokia-to-acquire-infinera-to-increase-scale-in-optical-networks-and-accelerate-product-roadmap/.
131. SAP News, "SAP to Acquire SmartRecruiters: Integrating Innovative Talent Acquisition Portfolio Will Help Customers Attract and Retain Top Talent," press release, August 1, 2025, https://news.sap.com/2025/08/sap-to-acquire-smartrecruiters/.
132. IKEA, "Ingka Group Acquires Made4net, the Next Generation Leader in Retail Fulfilment," corporate news, May 31, 2023, https://www.ikea.com/us/en/newsroom/corporate-news/ingka-group-acquires-made4net-the-next-generation-leader-in-retail-fulfilment-pub527d10e0/.
133. U.S. Trade Representative (@USTradeRep), X post, December 16, 2025, https://x.com/USTradeRep/status/2000990028835508258.

134. Tax Foundation, "Undertaxed Profits Rule (UTPR)," *TaxEDU Glossary*, https://taxfoundation.org/taxedu/glossary/undertaxed-profits-rule-utpr/.

135. An Act To provide for reconciliation pursuant to title II of H. Con. Res. 14, Pub. L. No. 119-21, 139 Stat. 72 (2025), https://www.congress.gov/bill/119th-congress/house-bill/1/text.

136. House Committee on Ways and Means, "The One, Big, Beautiful Bill," section-by-section summary, May 2025, https://waysandmeans.house.gov/wp-content/uploads/2025/05/The-One-Big-Beautiful-Bill-Section-by-Section.pdf; Jane G. Gravelle, "Enforcement of Remedies Against Unfair Foreign Taxes" (Congressional Research Service, IF13023, January 7, 2026), https://www.congress.gov/crs-product/IF13023.

137. Michael Rapoport, Liz Capo McCormick, and Emily Birnbaum, "Trump 'Revenge' Tax Would Lower Foreign Investment in US, Scorekeeper Predicts," *Bloomberg*, May 30, 2025, https://www.bloomberg.com/news/articles/2025-05-30/trump-revenge-tax-would-lower-foreign-investment-in-us-scorekeeper-predicts.

138. "Bessent Says Republican Tax Bill Will Reclaim US Corporate Tax Sovereignty," *Reuters*, June 11, 2025, https://www.reuters.com/world/us/bessent-says-republican-tax-bill-will-reclaim-us-corporate-tax-sovereignty-2025-06-11/.

139. Joshua David Odintz and Alan Winston Granwell, "Treasury Secretary Asks for Removal of Section 899 Measures from One Big Beautiful Bill," Holland & Knight, June 27, 2025, https://www.hklaw.com/en/insights/publications/2025/06/treasury-secretary-asks-for-removal-of-section-899-measures.

140. Ibid.

141. U.S. International Trade Commission, DataWeb, https://dataweb.usitc.gov/; Federal Reserve Economic Data, Federal Reserve Bank of St. Louis, "Gross Domestic Product: Implicit Price Deflator, Index 2017=100, Annual, Seasonally Adjusted," https://fred.stlouisfed.org.

142. U.S. Department of the Treasury, "The Committee on Foreign Investment in the United States (CFIUS)," accessed April 14, 2026, https://home.treasury.gov/policy-issues/international/the-committee-on-foreign-investment-in-the-united-states-cfius.

143. Foreign Investment Risk Review Modernization Act of 2018, H.R. 5841, 115th Cong. (2018), https://www.congress.gov/bill/115th-congress/house-bill/5841/text; Executive Order 14083, "Ensuring Robust Consideration of Evolving National Security Risks by the Committee on Foreign Investment in the United States," September 15, 2022, https://www.presidency.ucsb.edu/documents/executive-order-14083-ensuring-robust-consideration-evolving-national-security-risks-the.

144. European Commission, "Cloud Computing," *Shaping Europe's Digital Future*, https://digital-strategy.ec.europa.eu/en/policies/cloud-computing; European Commission, "Commission Work Programme 2026: Europe's Independence Moment," October 21, 2025, https://commission.europa.eu/document/download/aa8d20ed-148f-4eaa-b8ea-92be7acdaee6_en?filename=CWP_2026_explained-version6_0.pdf; European Commission, *Commission Work Programme 2026: Europe's Independence Moment* (Luxembourg: Publications Office of the European Union, 2025), https://commission.europa.eu/document/download/05d3777d-5d73-456d-bf56-38caa77d53c8_en.

145. Office of the U.S. Trade Representative, *2026 National Trade Estimate Report on Foreign Trade Barriers*, https://ustr.gov/about/policy-offices/press-office/press-releases/2026/march/ustr-releases-2026-national-trade-estimate-report.

146. Aria Alamalhodaei, "SpaceX to Launch European Navigation Satellites as EU Launchers Stall," *TechCrunch*, October 24, 2023, https://techcrunch.com/2023/10/24/spacex-to-launch-european-navigation-satellites-as-eu-launchers-stall.

147. Federal Communications Commission, "Spectrum Abundance for Weird Space Stuff," proposed rule, *Federal Register*, SB Docket No. 26-54; FCC 26-13; FR ID 338749, https://www.federalregister.gov/documents/2026/04/09/2026-06865/spectrum-abundance-for-weird-space-stuff.
148. Cristina Caffarra, "Of Hope, Reality, and the EU Digital Markets Act," *Tech Policy Press*, May 6, 2024, https://www.techpolicy.press/of-hope-reality-and-the-eu-digital-markets-act.
149. Coniglio et al., "Policymaker's Guide to Digital Antitrust Regulation."
150. Richard Gray, "Starting Up the Competition: Japan's Mobile Software Act," CSIS Charting Geoeconomics, January 16, 2026, https://www.csis.org/blogs/charting-geoeconomics/starting-competition-japans-mobile-software-act.
151. Japanese Fair Trade Commission, "Designation of Specified Software Operators under the Act on Promotion of Competition for Specified Smartphone Software | Japan Fair Trade Commission," news release, March 31, 2025, https://www.jftc.go.jp/en/pressreleases/yearly-2025/March/250331.html.
152. Caffarra, "Of Hope, Reality, and the EU Digital Markets Act."
153. Robert D. Atkinson, "Hey EU, Did Ya See the Memo? In the Arena, Notes on the Battle of Ideas" (December 11, 2025), https://www.policyarena.org/p/hey-eu-did-ya-see-the-memo.
154. U.S. International Trade Commission, Harmonized Tariff Schedule, 2026 HTS Revision 7, https://hts.usitc.gov/.