

April 24, 2026

The Honorable Donald J. Trump  
President of the United States  
1600 Pennsylvania Avenue, N.W.  
Washington, D.C. 20500

RE: Coalition in support of ending European attacks on U.S. tech and telecommunications companies

Dear Mr. President:

Europe's campaign for "digital sovereignty" is nothing more than a euphemism for targeting American businesses. We write to commend your Administration's strong and principled response to the European Union's systematic effort to weaponize regulation against the most successful technology companies in the world — which happen to be American — and urge you to continue standing up to these shortsighted attacks on a critical sector of our economy.

The EU and its member states claim their digital laws are designed to promote fairness and healthy competition. The reality is far simpler and far less flattering: these rules disproportionately burden American companies while insulating European competitors from equivalent scrutiny. Europe presents itself as welcoming American innovation and leadership, right up until American firms outperform their domestic champions. At that point, the regulatory apparatus kicks into gear, not to protect consumers, but to kneecap the competition.

Europe has become increasingly candid about this approach. EU policy experts, in response to U.S. engagement, recently claimed that the fact American companies are "feeling the pain" of their enforcement actions means "the laws are actually working" and is, in fact, "evidence" for why "they should be doubling down." In other words, the pain is the point.

This antagonism extends well beyond economics. It damages the security and strategic cooperation that has anchored the transatlantic relationship for decades. Worse, it opens the door for dangerous, unreliable Chinese competitors to gain ground as American firms are pushed out of European markets by discriminatory fines, fees, and regulatory landmines. The EU's gain is Beijing's windfall.

### The EU's Targeted Tactics

The EU's so-called "digital sovereignty" measures are non-tariff barriers in regulatory clothing — political tools cloaked in complexity to obscure their protectionist intent. They impose asymmetric costs on American firms while extracting billions in revenue from them, with little to no comparable burden placed on European competitors.

While our European friends continue to come up with new and creative tactics, four laws in particular serve as the primary mechanisms for extorting American firms:





The Digital Networks Act (DNA) illustrates how Brussels operates. The European Commission is actively working to extend the law beyond telecoms to encompass cloud services and their infrastructure. A recently leaked draft reveals this expansion as a backdoor mechanism to impose sweeping new network fees targeting American providers. This would constitute a direct and brazen violation of the U.S.-EU trade framework agreed upon last summer, which explicitly affirmed that the EU "will not adopt or maintain network usage fees." The ink is barely dry on that agreement, and it is already being circumvented.



The Digital Markets Act (DMA) imposes special obligations on so-called "gatekeepers" — the largest, most successful platforms — which are almost exclusively American. Not one designated company is European. In November, the Commission opened investigations into Microsoft and Amazon under the DMA while acknowledging, in its own documents, that neither clearly meets the law's stated thresholds.



The General Data Protection Regulation (GDPR), while framed as consumer protection, operates as a mechanism for extracting private company data and imposing massive penalties. Eighty-three percent of GDPR fines — totaling more than \$5 billion — have been levied against American-owned companies. Eight of the ten largest fines targeted U.S. firms or their subsidiaries. While the rules technically apply to any company operating in the EU, enforcement tells a different story. These penalties function less as consumer protection and more as de facto tariffs on U.S. firms.



Digital Services Taxes (DSTs) complete the picture. Levied by individual EU member states and copycat governments around the world, these taxes are based not on where a company produces value, but on where users happen to click. They fall almost exclusively on large American technology companies, asserting taxing rights with no basis in traditional principles of production or presence.



As economist Sinclair Davidson documents in his study "How Digital Services Taxes Violate Constitutional Principles and Threaten American Commerce," U.S. firms already pay nearly \$3 billion annually in DSTs — a figure that could double by 2030 and reach \$9.6 billion under broader adoption, with cumulative costs over the next decade potentially hitting \$117 billion. These policies strip revenue from American firms, pass costs on to consumers through higher prices, and divert revenue away from the U.S. Treasury.



### Standing Up for American Workers and Consumers

The EU's digital regulatory regime imposes compliance costs and lost revenue estimated at up to \$100 billion annually on U.S. companies. The consequences ripple far beyond corporate balance sheets. Fewer American jobs are created as companies absorb punishing compliance burdens, while investment in research and development shrinks, slowing the pace of innovation. Those costs do not remain overseas — they are ultimately borne by American workers and consumers. Europe's regulatory aggression is, in effect, a tax on the American middle class.





We applaud your clear-eyed response to this challenge. You have rightly pointed out that the “EU makes more from fines on US tech, than tax from ALL of public European tech.”

That message has been reinforced across your Administration. During a recent trip to Brussels, Secretary Lutnick called on the EU to reconsider its digital rules and find "a balanced approach that works with us." Secretary Bessent has been equally direct, describing the EU's digital taxes and fines as a centerpiece of trade negotiations and making clear your Administration is pushing back on "tariffs, non-tariff measures, currency manipulation, government subsidies and unfair taxation and fines." Kevin Hassett has similarly warned that countries maintaining these policies will face "the wrath of U.S. Trade Representative Jamieson Greer."

### **Stopping the Export of the European Model**

But the most recent U.S. efforts to revisit these policies have been met with a blunt response from European officials: the time for discussion has passed, and the U.S. should simply “let go” of trying to change them. That posture violates the most basic principles of fairness and reciprocity that our allies claim to respect. It cannot go unanswered.

More concerning still is the reach of Europe's approach. European leaders, regulators and industry groups are actively promoting and even directly lobbying for the adoption of their digital rulebook across Latin America. As a result, countries in our own hemisphere have begun adopting similar policies, giving China a foothold in our own backyard.

The EU's digital framework must not be permitted to become the global standard by default. The window to prevent that outcome is now.

As your Administration has rightly argued, eliminating discriminatory digital taxes and regulatory fees must be a precondition for any future trade agreement with the European Union. Anything less risks entrenching these practices and encouraging their expansion. Without a strong response, American innovators will continue to face rising costs and increasingly distorted competition.

We stand ready to support your efforts to defend American workers, American innovation, and the principles of fair and reciprocal trade as you lead our nation into a new era of prosperity.

Sincerely,

**Grover Norquist**  
President  
Americans for Tax Reform

**James Erwin**  
Executive Director  
Digital Liberty

**Lorenzo Montanari**  
Executive Director  
Property Rights Alliance

**Ryan Ellis**  
President  
Center for a Free Economy

**David Williams**  
President  
Taxpayer Protection Alliance

**Phil Kerpen**  
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**Andrew Gins**  
Director  
Shareholder Advocacy Forum

CC: Secretary Scott Bessent, U.S. Department of the Treasury  
Secretary Howard Lutnick, U.S. Department of Commerce  
Ambassador Jamieson Greer, U.S. Trade Representative