Congress of the United States

Washington, DC 20515

October 24, 2025

President Donald J. Trump The White House 1600 Pennsylvania Avenue, NW Washington, DC 20500

Dear President Trump,

We applaud your Administration's tireless efforts to address longstanding trade barriers that negatively impact U.S. companies operating in foreign markets. Together with historic tax legislation and an ambitious agenda to cut red tape at home, the agreements you are negotiating with foreign leaders have the potential to unleash a new era of U.S. economic success, one built on fairer treatment of America's great exports. The agreement you have negotiated with Japan is especially promising in this regard, offering new opportunities for U.S. exports of defense, energy, automobiles, and agricultural products, while securing hundreds of billions of dollars of new investment in critical sectors of the U.S. economy.

As you embark on your first trip to Asia of your current term, we wish to draw your attention to an area of ongoing concern in the U.S.-Japan bilateral trade relationship – the digital economy. As in other countries, the government of Japan has adopted aggressive regulation that seeks to dictate the business models of successful U.S. technology companies. Apparently drawing direct inspiration from the European Union's highly problematic Digital Markets Act (DMA), Japan's Mobile Software Competition Act (MSCA) targets solely U.S. companies for special rules and obligations that restrict how these companies can conduct business and interact with customers in Japan, while giving Japanese regulators the authority to force these companies to allow third parties to freeride on their investments and innovations. No Japanese, Chinese, or other third-country companies are subject to the law. The European Commission has been openly coaching Japanese officials on implementation of the MSCA, an effort to export the EU's damaging approach to digital market regulation to one of America's strongest allies.¹

The MSCA requires Japan's regulator to begin enforcing the law on December 18, 2025. Absent strong intervention, there is every reason to expect that Japan will administer the law in the same extortionate fashion as the EU has with DMA, an approach that directly contradicts the clear policy position you have so firmly articulated.² We encourage you to raise this issue in your upcoming meeting with the Prime Minister of Japan, and we stand at the ready to support your efforts to keep bringing down barriers for our world-leading digital companies.

Sincerely,

Adrian Smith

Member of Congress

Ron Estes

Member of Congress

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¹ "JFTC dispatches one official to the EU to prepare for Japan's new digital competition law," MLex, September 4, 2024 (noting that a senior official of Japan's Fair Trade Commission announced that it is sending staff to Brussels for 10 months to learn about the EU's implementation of DMA and to "coordinate on digital regulations"). https://www.mlex.com/mlex/articles/2089618/jftc-dispatches-one-official-to-the-eu-to-prepare-for-japan-s-new-digital-competition-law

² 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/.

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