

March 11, 2026

The Honorable Jamieson Greer  
U.S. Trade Representative  
600 17<sup>th</sup> Street Northwest  
Washington, District of Columbia 20508

The Honorable Howard Lutnick  
Secretary  
U.S. Department of Commerce  
1401 Constitution Avenue Northwest  
Washington, District of Columbia 20230

Dear Ambassador Greer and Secretary Lutnick,

ACT | The App Association (ACT) commends the Trump Administration for its continued work on removing trade barriers that impede American businesses' access to global markets and distort fair competition. A strong, predictable, and rules-based digital trade framework is essential to the success of small and medium-sized American technology companies that drive innovation across both consumer and enterprise sectors. While jurisdictions around the globe contemplate global platform regulation to create fair and competitive digital ecosystems, the potential risks of foreign competition laws being contemplated may unfairly target United States companies from entering new markets. We appreciate the Administration's continued engagement with the Republic of Korea (ROK), including through the APEC Ministers Responsible for Trade meeting and [the reaffirmation of the Korea Strategic Trade and Investment Deal](#), to advance a more reciprocal and balanced trade relationship. In support of these efforts, we respectfully highlight several key issues that warrant attention in ongoing discussions with the ROK.

ACT is a global trade association representing small technology companies, including app developers, software firms, and digital service providers, located in the United States and around the world. Our members are entrepreneurs, independent developers, and scaleups who create innovative products and services that drive the global digital economy by improving workplace productivity, accelerating academic achievement, and helping people lead more efficient and healthier lives. Their ability to grow and compete depends on open, predictable, and fair digital markets, including cross-border data flows, strong intellectual property protections, and access to trusted digital platforms that connect them to customers worldwide.

We are encouraged by the Administration's commitment to opening markets for U.S. businesses and are optimistic that the ongoing negotiations with the ROK will lead to a deeper alignment on digital economy priorities. As you negotiate with the ROK and seek ways to support American businesses through digital trade policies, we ask you to oppose proposed ROK mandates for digital platform markets that are misaligned with the Administration's established priorities and which are poised to discriminate against U.S. firms in the digital ecosystem.

Today's leading curated online marketplaces (COMs), many of which are American, enable small technology businesses to fairly and securely access broader markets at lower costs and with greater efficiency. Over the last several years, however, the ROK has advanced a series of legislative proposals to reshape Korean competition law and its application to COMs that would undermine the foundations of the vibrant community of American software developers, and the countless consumers that depend on them.

In late 2023, the Korea Fair Trade Commission (KFTC) signaled a sharp policy shift by advancing a suite of sector-specific digital platform regulations, most notably the proposed Platform Competition Promotion Act (PCPA) and Platform Monopoly Regulation Act (PMRA). These proposals drew heavy inspiration from the European Union's Digital Markets Act (DMA), embracing an *ex-ante* regulatory framework that risks constraining the very dynamism that has underpinned Korea's digital economy. While these initiatives allude to fostering innovation and curbing anti-competitive behaviors such as "self-preferencing" by so-called market-dominant players, these interventionist frameworks would, in practice, produce the opposite effect. By mirroring the DMA's rigid model, Korean digital platform regulatory proposals fail to account for the pro-competitive benefits of platform-driven innovation, ultimately risking the erosion of consumer welfare in a fast-evolving marketplace. While the ROK legislature decided to forego comprehensive *ex-ante* antitrust reform in late 2024, the former ruling People Power Party (PPP) introduced partial amendments to the Monopoly Regulation and Fair Trade Act (MRFTA) that would upend today's hyper-competitive app economy, raising costs and reducing operational flexibility for platforms.

Despite a commitment in late 2025 under the Korea Strategic Trade and Investment Deal not to advance such platform-specific regulations, the National Assembly has revived efforts to enact the Online Platform Fairness Act, commonly referred to as the "Fairness Act." Unfortunately, though the ROK paused the more problematic *ex-ante* bills (PCPA/PMRA) after U.S. pushback, it has quietly worked to advance the Fairness Act, which is in several key respects an even more intrusive approach. The Administration should not treat the Fairness Act as a compromise or moderate alternative and its enactment would constitute a direct violation of the November 2025 Joint Fact Sheet, in which "the United States and Korea commit to ensure that U.S. companies are not discriminated against and do not face unnecessary barriers in terms of laws and policies concerning digital services, including network usage fees and online platform regulations." Seoul's credibility as a trade partner is at stake.

Though quoted as an *ex-post* framework akin to U.S. competition law, the bill blends strict operational mandates with severe penalties that act as *de facto* taxes, including substantial fines for non-compliance, while granting the KFTC broad enforcement discretion under vague "fairness" standards. The Fairness Act may be more burdensome than the DMA itself because it proposes to apply open-ended "unfairness" standards, enforced by the KFTC, with expansive corrective-order authority that lacks sufficient

procedural safeguards or an appeals framework. And through sector-specific scoping, the bill text ensures that leading U.S. companies that provide platforms for ACT members to utilize, bear the overwhelming share of the compliance burdens.

The downstream effect could be devastating for both American small businesses and global entrepreneurs who build on these COMs and platforms. Ultimately, those costs burdened to incumbent companies will be passed on to ACT's small business innovator members, who will also find the key utilities they rely on in COMs—vetting for data stewardship and privacy, cybersecurity risk mitigation, intellectual property dispute resolution, and disability access functionality support, among others—either greatly reduced in their effectiveness or are eliminated entirely. Given the KFTC's history of targeting U.S. technology companies with intrusive investigations and onerous fines under existing legislation, this new legislation would simply give it even more firepower to double down on these tactics. And while the Fairness Act's lower revenue thresholds may make it appear facially neutral, the KFTC's enforcement record demonstrates their practice of focusing on non-Korean firms that are disproportionately assessed financial penalties despite the bilateral commitments in the Korea Strategic Trade and Investment Deal.

Across each of the ROK's digital platform regulatory proposals, there appears to be an intent to specifically target U.S. companies by restricting their operations, violating basic principles of fairness and due process. ACT has further concerns with related enforcement actions by Korean authorities, which are shaking the confidence of small innovators. Korean officials have recently leveraged a data security incident to target Coupang, a U.S. technology company, including arbitrary enforcement, fines, and threats of criminal charges against its American executives, with the apparent intent of hampering a U.S. company's ability to compete in the Korean market. Korean authorities' approach in this instance undermines needed confidence in integrated platform services and marketplace management tools that small businesses rely on when doing business overseas.

Small business innovators succeed when domestic laws welcome competition from overseas, but they encounter difficulty when laws and their application target their preferred business partners and distribution channels, many of which happen to be based in the United States. We agree with the Administration that the ROK's digital platform legislative proposals would further embolden the KFTC to use "subjective criteria" to prohibit U.S. companies from engaging in normal and beneficial business practices on their platforms.<sup>1</sup> We strongly urge the Administration to support the bipartisan U.S.-Republic of Korea Digital Trade Enforcement Act, reintroduced in Congress in May 2025, which would authorize retaliatory measures should the ROK proceed with discriminatory digital economy policies. This legislation, alongside the Administration's existing Section 301 authority, represents the type of credible enforcement tool needed to ensure the ROK follows through on its trade commitments.<sup>2</sup>

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<sup>1</sup> <https://www.chosun.com/english/industry-en/2024/12/19/ZMLPRZXJTBNJ7NY5PXVVJBNH4A/>

<sup>2</sup> <https://drive.google.com/file/d/18rfZ74iKJbTa5EgtJZfKJJlpXeGTyqB-/view?pli=1>

The Fairness Act also raises serious national security concerns at a moment when the U.S.-ROK alliance must be marshaled to counter China's expansion. Chinese platforms are rapidly growing their presence in the Korean market but would largely fall below the Fairness Act's regulatory thresholds. The bill's restrictions on practices such as self-preferencing, data integration, and transaction terms would create competitive gaps that Chinese firms are positioned to exploit. The President has been clear that the United States will impose substantial additional tariffs against countries that improperly use regulations to discriminate against U.S. platforms, and the Fairness Act is exactly the type of measure that warning targeted.

ACT also notes that the ROK's digital platform regulation efforts are being closely watched by other key trading partners that are considering similar frameworks. If the ROK succeeds in enacting the Fairness Act despite bilateral commitments to the United States, it will provide a template for other trading partners to adopt comparable or more aggressive discriminatory measures against U.S. digital economy champions. The proliferation risk makes this not only a bilateral issue, but a systemic challenge to the global digital trade environment on which American small businesses depend.

The ROK's apparent commitment to new interventions into the digital economy that ACT members power indicates a growing delta between it and the U.S. approach to regulation and competition, potentially straining the overall U.S.-Republic of Korea alliance. Given the historically strong trade ties between the ROK and the United States, and the ROK's own interest in avoiding tariff escalation, the potential of reciprocal actions should provide a powerful incentive for Seoul to honor its bilateral commitments. The new U.S.-ROK reciprocal trade agreement can and should eliminate this delta by protecting American digital economy small businesses that rely on COMs to grow and create more American jobs, while preventing regulations that inadvertently advantage Chinese digital competitors at the expense of the U.S.-ROK technology alliance.

We therefore request your assistance in addressing the harmful proposed regulation of COMs by the ROK, as new reciprocal trade agreements are negotiated. Specifically, we urge the Administration to:

- (1) ensure that the ROK honors its November 2025 Joint Fact Sheet commitment by halting the Fairness Act;
- (2) explore Section 301 investigation authority if the ROK proceeds with discriminatory digital platform legislation;
- (3) support the bipartisan U.S.-Republic of Korea Digital Trade Enforcement Act as additional leverage; and
- (4) raise these concerns directly in the KORUS FTA Joint Committee.

By taking these steps, you will address non-tariff barriers identified in the latest National Trade Estimate, which specifically flagged the ROK's digital platform proposals as barriers to U.S. digital services. These actions will also support U.S. economic security and competitiveness while championing innovation among American small and medium-sized businesses.

Thank you for your consideration of this matter and your continued support of strong trade policies that bolster the success of American small businesses. We welcome the opportunity to meet with you to elaborate on our views and to identify further ways we can support your mission.

Sincerely,

A handwritten signature in black ink that reads "Morgan Reed". The signature is written in a cursive style and is positioned above the printed name and title.

Morgan Reed  
President

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