

July 25, 2025

The Honorable Scott Bessent
Secretary
Department of the Treasury
1500 Pennsylvania Avenue Northwest
Washington, District of Columbia 20220

The Honorable Howard Lutnick
Secretary
Department of Commerce
1401 Constitution Ave Northwest
Washington, District of Columbia 20230

The Honorable Jamieson Greer
Ambassador
Office of the U.S. Trade Representative
600 17th Street Northwest
Washington, District of Columbia 20508

Dear Secretary Bessent, Secretary Lutnick, and Ambassador Greer:

ACT | The App Association appreciates the efforts of the Trump-Vance Administration to address trade barriers that limit the access of American businesses to international markets and unfairly undermine their ability to compete. A strong and fair digital trade framework is vital to the success of small American businesses innovating across consumer and enterprise markets, and they need your support for their continued investment, growth, and job creation across the United States. We recognize the importance of your ongoing negotiations with the Republic of Korea (RoK) to achieve a reciprocal trade agreement with the RoK.

The App Association represents thousands of small business innovators and startups in the software development and high-tech space around the globe.¹ As the world has embraced mobile technologies, our members create the 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. Today, the app economy is worth approximately \$1.8 trillion annually and supports more than 6.1 million American jobs.

We are encouraged by the Trump Administration's commitment to opening markets for U.S. businesses and are optimistic that the ongoing negotiations with Korea will lead to a deeper alignment on digital economy priorities. As you negotiate with the RoK and seek ways to support American small business innovators through digital trade policies and eliminating non-tariff barriers to trade, and otherwise support U.S. economic and national security through a bilateral trade agreement with Korea, we strongly encourage you to address proposed RoK legislation proposals related to digital platform markets that are misaligned with the Administration's established policy and which are poised to discriminate against U.S. firms in the digital ecosystem, including the Online Platform Monopoly Regulation Act (PMA) and Fairness in Online Platform

¹ ACT | The App Association, *About*, available at <http://actonline.org/about>.

Intermediated Transactions Act (Fairness Act), both of which disproportionately impact American companies including small and medium-sized business (SMBs).

Today's leading curated online marketplaces (COMs), which are American, enable SMBs 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 are foundational to our community of software developers, and the countless consumers that depend on them. Notably, the PMA and related initiatives – influenced by the European Union's Digital Markets Act (DMA) – would impose ex-ante regulation designed to target American firms. 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 regulatory model, Korean digital platform regulatory proposals fail to account for the pro-competitive benefits of platform-driven innovation—ultimately risk undermining consumer welfare in a fast-evolving digital marketplace.

Amid pushback from U.S. policymakers on PMA, the RoK is working to advance the Fairness Act as a supposedly acceptable alternative. However, this proposal would likewise disproportionately impact American platforms based on an unfounded presumption that they abuse business users, empowering the Korea Fair Trade Commission (KFTC) to intervene into hypercompetitive digital markets based on vague regulatory criteria prone to selective enforcement. The KFTC has a history of aggressively penalizing U.S. companies with limited Korean market share, which stands to significantly disrupt the ecosystem App Association members rely on. Specifically, the Fairness Act would effectively shift KFTC's mandate to managing market outcomes (very similar to the EU's Digital Markets Act) and would use arbitrary financial thresholds to disadvantage U.S. firms while allowing Chinese companies to avoid scrutiny, giving Chinese firms a competitive advantage in Korea (and the Indo-Pacific region) at the expense of American innovators. Much like the PMA, the Fairness Act would upend today's hyper-competitive app economy, raising costs and reducing operational flexibility for platforms. Ultimately, those costs will be passed on to the App Association'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 eliminated entirely.

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. We agree with the Administration that the RoK's digital platform legislative proposals, including the PMA and the Fairness Act, would empower the Korea Fair Trade Commission to use "subjective criteria" to prohibit U.S. companies from engaging in normal and beneficial business practices on their platforms.² In addition to these concerns, we call for your support of congressional efforts to confront the potential of new discriminatory digital economy policies in the RoK through measures such as the U.S.-Republic of Korea Digital Trade Enforcement Act.³

² <https://www.chosun.com/english/industry-en/2024/12/19/ZMLPRZXJTNBJ7NY5PXVVJBNH4A/>.

³ <https://drive.google.com/file/d/18rfZ74iKJbTa5EgtJZfKJJlpXeGTyqB-/view?pli=1>.

We respectfully request your assistance in addressing the harmful proposed regulation of COMs by the RoK, including the PMA and the Fairness Act, as a new reciprocal trade agreement is negotiated. By securing new commitments to non-discrimination, transparency, and adequate notice and consultation to support access and innovation in new and emerging technology markets such as digital platforms, you will address non-tariff barriers identified in the latest National Trade Estimate, support U.S. economic security and competitiveness, and champion American SMB innovation.

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 fluid and cursive, with the first name "Morgan" and the last name "Reed" clearly distinguishable.

Morgan Reed
President

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