



Computer & Communications
Industry Association
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April 21, 2021

The Honorable Amy Klobuchar
Chairman
Senate Committee on the Judiciary
Subcommittee on Competition Policy,
Antitrust, and Consumer Rights
Washington, DC 20515

The Honorable Mike Lee
Ranking Member
Senate Committee on the Judiciary
Subcommittee on Competition Policy,
Antitrust, and Consumer Rights
Washington, DC 20515

RE: *April 21st Hearing of the Subcommittee on Competition Policy, Antitrust, and Consumer Rights:
'Antitrust Applied: Examining Competition in App Stores'*

Dear Chairman Klobuchar and Ranking Member Lee:

On behalf of the Computer & Communications Industry Association (CCIA),¹ I write to offer some information for consideration in advance of the April 21, 2021 hearing on “Antitrust Applied: Examining Competition in App Stores.”

Competition plays a critical role in the economy as a driver of innovation from which consumers benefit. This is particularly pronounced in the tech sector, an industry characterized by its dynamic competition, driven by rapid innovation. As part of the competitive process, companies that offer better products and services often benefit from increased returns. This cycle incentivizes companies to continue to invest in innovation and compete to the benefit of consumers, as evidenced through lower prices and improved quality of goods and services.

To this end, we encourage consideration of the following facts when examining competition in the Apps store industry.

Consumers & Developers Connect Freely and Efficiently Through The App Stores in Open Ecosystems

App stores that operate on open systems provide an ecosystem for app developers to reach consumers in a free and efficient manner. In turn, consumers have a broader choice of software to

¹ CCIA is an international, not-for-profit trade association representing a broad cross section of communications and technology firms. For nearly fifty years, CCIA has promoted open markets, open systems, and open networks. CCIA members employ more than 1.6 million workers, invest more than \$100 billion in research and development, and contribute trillions of dollars in productivity to the global economy. For more, visit www.ccianet.org.



use in their daily lives. In open systems, app developers and consumers have a number of platforms available to choose from including SlideME, 1Mobile Market, Mobile9, Opera Mobile Store, Mobango, F-droid, GetJar, and more. Consequently, both App developers and consumers can choose from a wide range of App Stores. Consumers and App developers can also move from one App store to another freely without being locked into any of these services as competition in open ecosystems requires. Closed ecosystems are different. While App developers and consumers might choose to use a closed ecosystem for other reasons, they will not enjoy the benefits of being able to switch to a competing App Store in that ecosystem.

App Stores Invest in Maintaining their Services to the Benefit of App Developers and Consumers Alike

App stores invest significant resources in research and development to maintain these ecosystems. This includes investments in privacy and security systems that protect consumers. The fee that some developers pay for hosting their products on an app store allows companies to continue investing in the ongoing development of protections that safeguard consumers.

Regulations on how app stores may charge developers could deter investments or innovation in software distribution. This is especially the case in open ecosystems where quality is at the center of competition between app stores. By constraining the means by which app stores recover the costs of maintaining a safe and trustworthy ecosystem, companies' efforts to innovate and provide consumers with newer and better app stores could be impaired.

Free market forces, including competition between app stores in open systems, prevent stakeholders from charging excessive fees. Therefore, any attempt to regulate App stores business models that operate in an open ecosystem will be detrimental to consumers and developers as it would eventually limit their options and likely decrease quality of services.

Thank you very much for your thoughtful consideration of these important issues. We look forward to continuing to work with you as Congress considers competition in the app store sector.

Sincerely,

Arthur D. Sidney
Vice President of Public Policy
Computer & Communications Industry Association