

Blumenthal, Blackburn & Klobuchar Introduce Bipartisan Antitrust Legislation to Promote App Store Competition

Apple & Google have gatekeeper control of the multi-billion dollar app economy, stifling competition & disadvantaging consumers

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[WASHINGTON, D.C.] – U.S. Senators Richard Blumenthal (D-CT), Marsha Blackburn (R-TN), and Amy Klobuchar (D-MN) introduce Open App Markets Act, which would set fair, clear, and enforceable rules to protect competition and strengthen consumer protections with app market. Two companies, Google and Apple, have gatekeeper control of the two dominant mobile operating systems and their app store allow them to exclusively dictate the terms of the app market, inhibiting competition and restricting consumer choice.

“This legislation will tear down coercive anticompetitive walls in the app economy, giving consumers more choices smaller startup tech companies a fighting chance,” said Blumenthal. **“For years, Apple and Google have squashed competition and kept consumers in the dark—pocketing hefty windfalls while acting as supposedly benevolent gatekeepers of this \$100 billion dollar market. I’m proud to partner with Senators Blackburn and Klobuchar in this breakthrough blow against Tech bullying. This bipartisan bill will help break these tech giants’ ironclad grip, open the app economy to new competition and give mobile users more control over their own devices.”**

“Big Tech giants are forcing their own app stores on users at the expense of innovative start-ups,” said Blackburn. **“Apple and Google want to prevent developers and consumers from using third-party app stores that would threaten their bottom line. Their anticompetitive conduct is a direct affront to a free and fair marketplace. Senator Blumenthal, Klobuchar, and I are committed to ensuring U.S. consumers and small businesses are not punished by Big Tech dominance.”**

“Competition is critical to protecting small businesses and consumers, spurring innovation, and promoting economic equity. But as mobile technologies have become essential to our daily lives, it has become clear that a few gatekeepers control the app marketplace, wielding incredible power over which apps consumers can access. This raises serious competition concerns,” said Klobuchar. **“By establishing new rules for app stores, this legislation levels the playing field and is an important step forward in ensuring an innovative and competitive app marketplace.”**

Mobile devices are central to consumers’ economic, social, and civic lives, and the mobile app market is a significant part of the digital economy. In 2020 alone, U.S. consumers spent nearly \$33 billion in mobile app stores, downloading 13.4 billion apps.

According to numerous reports, including testimony provided in a Senate Judiciary Antitrust Subcommittee hearing (<https://www.judiciary.senate.gov/meetings/antitrust-applied-examining-competition-in-app-stores>) held in April and chaired by Klobuchar, both Apple and Google have appeared to use their powerful gatekeeper control to stifle competition in the app store market. For example, Apple has prevented the creation of third-party app stores on iPhones, required that apps exclusively use their own expensive payment system, and penalized app developers for telling users about discounted offers. These strict terms close off avenues of competition and drive up prices for consumers. Startups also face serious challenges when Big Tech gatekeepers are able to prioritize their own apps to the disadvantage of others, make use of competitors’ confidential business information, and block developers from using features on a consumers’ phone.

The Open App Markets Act would protect developers’ rights to tell consumers about lower prices and offer competitive pricing; prohibit sideloading of apps; open up competitive avenues for startup apps, third party app stores, and payment services; make it possible for developers to offer new experiences that take advantage of consumer device features; give consumers more control over their devices; prevent app stores from disadvantaging developers; and set safeguards to continue to protect privacy, security, and safety of consumers.

The Open App Markets Act has been endorsed by a number of technology and consumer groups, including Consumer Reports, Internet Accountability Project, Public Citizen, Coalition for App Fairness, Color Of Change, News Media Alliance, Public Knowledge, Lincoln Net Center, Consumer Action for a Strong Economy (CASE), Digital Progress Institute, Electronic Frontier Foundation, American Principles Project, and American Economic Liberties Project.

“The targeted market rules proposed in this legislation will help create an app ecosystem that is fairer and more competitive, and will enable unfettered innovation by all companies – big and small – to the benefit of consumers,” said Sumit Sharma, Senior Researcher, Technology Competition at Consumer Reports. **“The legislation is crucial as smartphones have become central to our digital ecosystem, and apps are increasingly the primary mode for consumers to access online services.”**

“There’s no doubt the fight against Big Tech is a battle of David versus Goliath,” said Mike Davis, Founder and President, Internet Accountability Project. **“The Internet Accountability Project applauds Sens. Blackburn, Blumenthal, and Klobuchar for bipartisan leadership. The Open App Markets Act takes a serious crack at breaking up Big Tech monopolies and increasing competition and innovation, all while protecting user privacy. Startups should have a fighting chance against monopolies and this legislation takes an important step toward ending the crushing dominance of Big Tech.”**

“The power of large app stores to extract enormous profits is a direct result of the anticompetitive and unfair way in which the stores are operated and controlled,” said Alex Harman, Competition Policy Advocate at Public Citizen. **“This bipartisan legislation will open up the app stores to more competition, protect small app developers, and lower prices for consumers.”**

“Since launching CAF, we have worked toward creating a fairer and more competitive app marketplace for both developers and consumers,” Meghan DiMuzio, Executive Director, Coalition for App Fairness. **“The bipartisan Open App Markets Act is a step towards holding big tech companies accountable for practices that stifle competition for developers in the U.S. and around the world. CAF is proud to stand with Senators Blumenthal, Blackburn, and Klobuchar and we thank them for their courageous and visionary leadership on this important issue.”**

“It is past due for Big Tech companies like Apple and Google to loosen their stranglehold on small businesses,” Arisha Hatch, vice president of Color Of Change. **“Monopolized digital industries drain any opportunity for small business owners and only centralize power to the already massive tech corporations – and congressional legislation is our greatest tool to combat them. The Open App Markets Act is the kind of legislation necessary to ensure greater protections for small and medium sized developers, especially those who are Black and people of color. Color Of Change commends Senators Blumenthal, Blackburn, and Klobuchar for challenging Big Tech’s widespread power and implementing the effective legislation that will guarantee greater opportunity for Black developers and their communities.”**

“The News Media Alliance supports competition in the distribution of content,” said David Chavern, President and CEO, News Media Alliance. **“We applaud Senators Blackburn, Blumenthal, and Klobuchar for their leadership in removing roadblocks and unnecessary fees associated with apps that allow news publishers to disseminate and monetize quality journalism.”**

“Users expect their mobile devices to keep them protected and their personal data safe, but the same practices intended to protect users can also be used to restrict fair competition,” said John Bergmayer, Legal Director at Public Knowledge. **“The Open App Markets Act will ensure fairness for both users and developers without forcing security or privacy compromises resulting in greater consumer choices and lower prices in the app ecosystem.”**

“The proliferation of digital walled gardens has led to a range of new challenges to free speech, competition, and human rights. Yet, many recent proposals for tech regulations have been punitive and heavy-handed. Such an approach threatens to weaken the American innovation ecosystem, ultimately increasing costs and reducing options for consumers,” said Graves, Head of Policy, Lincoln Network. **“The Open App Markets Act offers a better way forward, taking a light-touch regulatory approach to increase market competition and empower consumers with more options (and to vote with their feet). While such regulations have tradeoffs, I believe this legislation strikes the right balance, allocating appropriate exemptions for privacy and security, and avoiding overly-cumbersome design mandates. Under this law, consumers will be more free to choose their digital world.”**

“Mobile apps are a driving force in bringing new technologies into our digital economy while generating billions of dollars in GDP,” said Gerard Scimeca, Chairman, CASE. **“Through this important piece of legislation, Senators Blackburn, Blumenthal, and Klobuchar have taken an enormous step forward in working to ensure that the mobile app market is open, fair, and beholden to anti-competitive actions or incentives. If passed into law, the Open App Markets Act will play a major role in securing America’s continued leadership in digital innovation that benefits all consumers and every sector of our economy.”**

“The Open App Markets Act represents a thoughtful and pragmatic approach to facilitate equity in the app economy,” Joel Thayer, President, Digital Progress Institute. **“This Act would provide small-business developers with the appropriate level of protection to challenge large app store platforms’ often mercurial standards and forced taxes on their innovative products. The Digital Progress Institute welcomes this much needed and bipartisan reform to the tech ecosystem.”**

“Senators Blumenthal, Blackburn, and Klobuchar recognize that independent 3rd party developers are being restricted in anti-competitive ways that impact what users pay for video games and other software,” said Ernesto Falcon, Senior Legislative Counsel at the Electronic Frontier Foundation. **“The Open App Markets Act will put a stop to these practices, which will lower costs for both developers and their customers by setting forth common sense competition policy for the industry.”**

“A healthy free market requires open and fair competition,” said Jon Schweppe, director of policy and government affairs, American Principles Project. **“Unfortunately, Big Tech companies have rigged the game by engaging in anti-competitive practices that restrict the ability for innovators and entrepreneurs to challenge their market dominance. This not only distorts the market at large, but it harms consumers directly. The Open App Markets Act gets to the heart of the problem with the app store market: Google and Apple have leveraged their market power to prevent any of their competitors from achieving a foothold, resulting in higher prices and a lack of choices for consumers. Sen. Blackburn deserves a great deal of credit for taking on this challenging issue and doing so in a bipartisan manner. American Principles Project is proud to support this bill.”**

“I applaud Senator Blackburn, Senator Blumenthal, and Senator Klobuchar for their leadership in working to rein in Big Tech,” said Federal Communications Commission (FCC) Commissioner Brendan Carr. **“The gatekeeper power that corporate behemoths now exercise over the app economy is harming consumers and competition. This legislation is a thoughtful step to eliminate those harms while promoting innovation.”**

“We applaud Sen. Blumenthal and his co-sponsors for introducing this important measure to break the power of app stores.”

Blumenthal, Blackburn & Klobuchar Introduce Bipartisan Antitrust Legis... <https://www.blumenthal.senate.gov/newsroom/press/release/blumenthal-...>
gatekeepers,” said Economic Liberties’ Director of State and Local Policy Pat Garofalo. **“It’s an important step in the effort to re-
the power of Big Tech corporations and ensure access to markets for American entrepreneurs and innovators. Domi-
gatekeepers like Apple and Google are able to use their outsized power to extract enormous fees from small- and mid-
businesses, with the ever-present threat of severing those businesses from their own customers. The set of rights laid o-
this bill – including payment systems freedom, protections from retaliation, and giving consumers the ability to a-
alternative app stores – are vital to creating fairer commerce online.”**

The full text of the Senate bill can be found here (https://www.blumenthal.senate.gov/download/81121_-open-app-markets-act---bill-text)