

The *Open App Markets Act* has significant legislative issues. Congress needs a hearing to discuss and amend.

The *Open App Markets Act* would lead to higher prices, less innovation for consumers, and greater security risks for all app store users. It also deprives distributors of the revenue they rely on to provide free content and high quality services. Combined with a narrow definition of the app market that forgets many of its biggest competitors, the *Open App Markets Act* could devastate the digital economy for decades to come.

Mandating Markets

The federal government is inserting itself to mandate particular business practices and mediate contract disputes between private businesses. That's why this bill runs counter to fundamental conservative economic principles.

- Google's app ecosystem allows for a particular version of sideloading. Apple's app ecosystem does not. This provides options for consumers to decide between flexibility and security.
- Federal mandates strip consumer choice and increase the security risks associated with sideloading.

Security Risks

The bill risks the data and privacy of millions of Americans. Sideloading comes with increased security risks and mandating that any third-party developer can use their own payment service system exposes consumers to that risk.

- Bad actors can take advantage of sideloading to infect devices with malware and steal consumer data.
- Mandating third-party payment systems makes it harder to keep user data safe and exposes app stores to lawsuits that won't benefit consumers.
- The bill has a carveout for security and privacy concerns, but the legal requirements are too high. That forces app stores to cater to lawsuits from competitors instead of the safety of their users.

Moderating Obscene Materials

Forcing interoperability and side loading through an app store requires those platforms to host content that may be obscene or violate their terms of service.

- Currently, Apple's App Store bans pornographic apps. Obscene apps, including those with violent material, would be much more ubiquitous on devices.

Picking Winners and Losers

The bill sponsors oversimplify the app market. The reality is that consumers interact with many app stores, and use different ones for different needs or interests.

- Many of these app stores are not covered by the bill. Microsoft's app store on its Xbox devices is a closed system. With their recent \$69 billion acquisition of Activision, even more game titles will become exclusive to that ecosystem.
- It allows multi-billion dollar corporations like Spotify, Epic Games, and Match Group enjoy the benefits of the creation, moderation, and advertising of app stores without having to pay for the services provided.