



Computer & Communications  
Industry Association  
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April 1, 2021

Chairwoman Ruggiero  
House Innovation, Internet, and Technology Committee  
Rhode Island State House  
82 Smith Street  
Providence, RI 02903

**RE: CCIA Comments Concerning H.B. 6055**

Dear Chairwoman Ruggiero and members of the Committee:

On behalf of the Computer & Communications Industry Association (CCIA), we write to provide input on H.B. 6055.

CCIA is an international, not-for-profit trade association representing a broad cross section of small, medium, and large communications and technology firms. For almost 50 years, CCIA has promoted open markets, open systems, and open networks. As a part of this effort, we advocate for sound competition policy and antitrust enforcement.

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 concerns regarding the impact of H.B. 6055 on digital marketplace competition and consumer protections.

**Constraining App Store Revenue Models Can Lead to Decreased Number & Quality of App Stores Available for Consumers**

App stores provide an ecosystem for app developers to reach consumers in an efficient manner. In turn, consumers have a broader choice of software to use in their daily lives. App stores invest significant resources in research and development to maintain these ecosystems. This includes investments in privacy and security



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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. In open systems, however, app developers and consumers have a number of platforms available to choose from. Additionally, in some cases users can install software from other sources, or run it directly from a browser.

Overly prescriptive regulations on how app stores may charge developers could deter investments or innovation in software distribution. By constraining the means by which app stores recover the costs of maintaining a safe and trustworthy ecosystem, H.B. 6055 threatens to impair companies' efforts to innovate and provide consumers with newer and better app stores. Free market forces, including competition between app stores in open systems, prevent stakeholders from charging excessive fees.

### **Patchwork Legislation Might Deter Companies from Participating in the Rhode Island Market**

If enacted, H.B. 6055 would leave Rhode Island with a separate system than the rest of the country. Companies seeking to conduct business in Rhode Island will need app stores that are tailored to the state's regulations. This may lead them to choose to avoid doing business in the state altogether, leaving Rhode Island app developers with fewer options to reach software consumers.

We recognize the importance of this issue, and Congress is currently discussing this and other related matters in an ongoing exploration of whether to update U.S. competition regulations. Given the consequences of piecemeal solutions in different jurisdictions, it is preferable to explore a uniform, national approach that does not risk cutting Rhode Island's app developers off from the national market.

Thank you for your consideration. CCIA stands ready to provide additional information and perspectives as the House Innovation, Internet, and Technology Committee considers this bill.

Sincerely,

Matt Schruers  
President  
Computer & Communications Industry Association