



Computer & Communications
Industry Association
Tech Advocacy Since 1972

October 26, 2021

Joint Committee on Advanced Information Technology, the Internet, and Cybersecurity
Massachusetts State House
24 Beacon Street
Boston, MA 02133

RE: CCIA Comments Concerning H 140

Dear Chairs Finegold and Campbell, Vice Chairs Moran and Carey, and Members of the Committee:

On behalf of the Computer & Communications Industry Association (CCIA), I write to provide input on H 140.

CCIA is an international, not-for-profit trade association representing a broad cross-section of small, medium, and large communications and technology firms.¹ 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 and driven by rapid innovation. As part of the competitive process, companies offering 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 140 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

¹ For more information about CCIA please see: <https://www.cciagnet.org/about>.



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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. 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 140 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 Massachusetts Market

If enacted, H 140 would leave Massachusetts with a separate system than the rest of the country. Companies seeking to conduct business in Massachusetts 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 Massachusetts 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 Massachusetts app developers off from the national market.

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

Sincerely,

Alyssa Doom
State Policy Director
Computer & Communications Industry Association