

April 21, 2021

**The Honorable Dick Durbin**

United States Senate  
711 Hart Senate Office Building  
Washington, D.C. 20510

**The Honorable Chuck Grassley**

United States Senate  
135 Hart Senate Office Building  
Washington, D.C. 20510

**The Honorable Amy Klobuchar**

United States Senate  
425 Dirksen Senate Office Building  
Washington, D.C. 20510

**The Honorable Mike Lee**

United States Senate  
361A Russell Senate Office Building  
Washington, D.C. 20510



Founded in January 2012, the Developers Alliance is a global industry association that supports software developers as entrepreneurs, innovators, and creators.

[DevelopersAlliance.org](https://DevelopersAlliance.org)

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**Re: Subcommittee on Competition Policy, Antitrust, and Consumer Rights Hearing on “Antitrust Applied: Examining Competition in App Stores”**

**Dear Chairman Durbin, Ranking Member Grassley, Chairwoman Klobuchar, and Ranking Member Lee,**

We write to express the views of software developers with regards to the hearing examining competition in app stores. The Developers Alliance represents over 70,000 developers from 50 states and many countries including the EU, UK, Canada and Australia, and has advocated for software developers for almost a decade. Our members seek to ensure a thriving app ecosystem that allows developers to profitably reach consumers around the world. An accurate picture of how developers are impacted by the app store ecosystem is necessary to establish policy that encourages competition and sector growth. While developers and app stores don't always agree, the existing system functions well and has been central to the success of developers and their ability to scale and reach new markets. Simply put, developers are not asking for legislative help.

Like businesses in general, developer-led companies are all unique. Policy should not be dictated by one or two large companies that have expressed grievances because they did not find the terms of service that they agreed to with an app store favorable for their company's needs. In our many conversations, and in our April 2021 survey of developers across the US, EU, and Australia, developers overwhelmingly say that large platform companies running app stores have a right to enforce the terms of service they set forth. App stores set these terms of service so that bad actor apps do not ruin their ecosystem with bad or faulty products, harming good developer's products as well as the billions of consumers who rely on app stores every day.

App stores provide developers with the critical resources needed for their success. Nearly half of developers in the United States specifically find the technical information, SDKs and tools that app stores provide extremely important to their success. Further, many developers believe that the presence of these large companies encourages stability within the larger ecosystem. This is even more prominent if the developer-led company receiving the benefits is small. App stores and the ecosystem around them allows for small businesses' products to reach billions of potential customers, while the developers and companies themselves focus their work on harnessing software to build better lives, unburdening them from secondary activities such as setting up

systems to collect and remit sales taxes, establishing fraud-proof payment systems, scanning their network for malware, protecting customer data, and managing engagement with users.

Legislators in multiple states that have been looking to regulate app store payment methods and fees are working on the false assumption that developers are seeking a free ride. When polled, over 80% of developers believe that their company should pay for services that platform companies provide. This proves that developers acknowledge that it costs platforms to run their programs and app stores and offer developers these resources. While there is agreement that developers should pay platforms something for using the app stores, there is decidedly no consensus on what the appropriate cost to developers should be based on. This can likely be explained by apps having different means of revenue and payment structures depending on the nature of their product or service. With apps, one size does not fit all.

App stores have been working with developer groups to make modifications to their current pay structure in an effort to bring equity to the grievances brought by small developer-led businesses. With new initiatives that have recently gone into place, 99% of developers saw a 50% reduction in their app store fees. Developers that face larger fees for in-app purchases and downloads do so because they are within the 1% of successful companies. There is the belief amongst the developer community that larger successful developers that can bear that burden should do so to encourage a competitive ecosystem. This shows the ability of the market to adjust and come up with an industry-based solution. Regulation of app stores on behalf of developers portrays our members as victims in a system of economic abuse. We fear that the rhetoric of “fighting for the little guy” is being used to advance the interests of a lobby that is neither small nor without its own influence. While we cheer the adversarial spirit that makes the software sector such a dynamic and innovative space, we are disappointed when our community is used to justify market-distorting regulation in place of fair competition between large, successful companies.

We appreciate the Subcommittee's interest in creating a policy that encourages competition and on the face supports developers, however, developers themselves have made it clear to us that they believe a market-based solution is the only welcome solution, and that legislative intervention would cause more harm than good. While they believe that every system has room for improvement, policing app stores will not lead to favorable market outcomes for consumers or industry. Like any sector, developers cheer on and push for lower business fees and would like their professional grievances heard and dealt with in a timely manner. This does not make them unique or require special legislation. More than two-thirds of developers have a positive outlook for financial success, with just as many seeing stability or an increase in their finances in recent years. App stores provide a trusted brand, useful developer tools and services, and a safe place for consumers to find new apps. The Developers Alliance appreciates the opportunity to engage with you on this important topic and we look forward to working with policymakers to identify market-based solutions for the developer community.

Sincerely,

**Bruce Gustafson**  
President & CEO  
Developers Alliance

**Sarah Richard**  
Policy Counsel & Head of US Policy  
Developers Alliance



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