



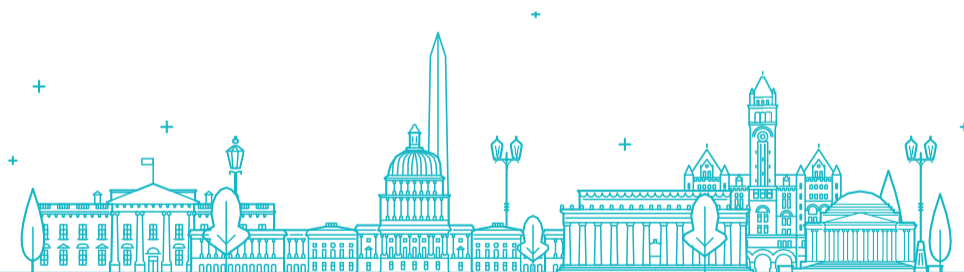
Europe's Threat to American Speech and Innovation

Testimony of

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Before the

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Committee on the Judiciary
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Introduction

If the Committee learns one thing from digital regulation in the European Union (EU), it is that taking an EU approach will yield EU results. The record is clear that those results are not the ones this Committee seeks. While ACT | The App Association's European members face a stagnating economy where productivity grew by just 5 percent between 2010 and 2023, their American counterparts benefited from productivity gains of 22 percent, a difference experts attribute largely to tech investment and adoption.¹ However, Europe's regulatory woes negatively affect American small business innovators as well. On this point, the Committee² is aligned with the United States Trade Representative (USTR) across administrations³ in identifying the Digital Markets Act (DMA) as having the characteristics of a non-tariff trade barrier (NTB). The App Association's members in the EU, United States, and United Kingdom (UK) can attest to the DMA's harmful effects.

The DMA is a particularly problematic framework that severely disadvantages small business innovators, even as its scope is technically limited to large online marketplaces and platforms. It is one policy amid a growing miasma of EU regulatory interventions that includes the EU's Digital Services Act (DSA), which adds a layer of unnecessary compliance and privacy challenges, and the Artificial Intelligence (AI) Act, which has precipitated debilitating levels of confusion for startups and small businesses in the app economy. As the European Commission's (EC's) then-competition chief summarized, the EU's regulatory ethos is to cultivate a "culture of compliance,"⁴ whereas the United States has historically fostered a culture of innovation. Our message today is simple: the App Association's members need American policymakers to avoid *ex ante* DMA-, DSA-, and AI Act-style frameworks. More fundamentally, we urge Congress to reject the regulatory philosophy that continually meets morale shortages with further beatings. Without a firm and clear refusal of the temptation to mirror the EU's approach, the United States remains

¹ Patrick Artus, *Economics: Why Europe is falling behind the USA*, POLYTECHNIQUE INSIGHTS (June 11, 2024), available at <https://www.polytechnique-insights.com/en/columns/economy/economy-why-europe-is-falling-behind-the-usa/>.

² Letter from Hon. Jim Jordan, Chairman, U.S. House Committee on the Judiciary, and Hon. Scott Fitzgerald, U.S. House Committee on the Judiciary, Subcommittee on the Administrative State, Regulatory Reform, and Antitrust, to Ms. Teresa Ribera, Exec. Vice-President for a Clean, Just, and Competitive Transition, European Comm'n (Feb. 23, 2025), available at <https://judiciary.house.gov/sites/evo-subsites/republicans-judiciary.house.gov/files/evo-media-document/2025-02-23%20JDJ%20SF%20to%20Ribera%20re%20DMA.pdf>.

³ U.S. TRADE REP., 2025 NAT'L TRADE ESTIMATE REPORT ON FOREIGN TRADE BARRIERS (2025), available at <https://ustr.gov/sites/default/files/files/Press/Reports/2025NTE.pdf>; U.S. TRADE REP., 2023 NAT'L TRADE ESTIMATE REPORT ON FOREIGN TRADE BARRIERS (2023), available at <https://ustr.gov/sites/default/files/2023-03/2023%20NTE%20Report.pdf> (however, the Biden Administration removed DMA from the list of digital NTBs in 2024 before the Trump Administration re-listed it in 2025).

⁴ Foo Yun Chee, *Mondelez Fined \$366 Million by EU for Cross-Border Trade Curbs*, REUTERS (May 23, 2024), available at <https://www.reuters.com/business/retail-consumer/mondelez-fined-3657-mln-euros-by-eu-cross-border-trade-curbs-2024-05-23/>.

susceptible to a European recursive regulation spiral necessitating more and more government intervention to address the unintended consequences of regulations at earlier levels of the stack.

The App Association is a global trade group for small and medium-sized technology companies working across every sector of the economy from agriculture to manufacturing to healthcare. They are the entrepreneurs, innovators, and independent developers powering the \$6.3 trillion global app economy, supporting 1.6 million jobs across the United States. We work with and for our members to promote a policy environment that rewards and inspires innovation while providing resources that help them raise capital, create jobs, and continue to build incredible technology. By nature, our members are international businesses and need the legal and policy environment in the countries where they do business to support their growth.

Background and Regulatory Context

The DMA, which the EC developed to regulate competition in the digital sector by imposing numerous obligations and prohibitions on designated “gatekeepers,” is particularly problematic for small businesses in the app economy because it either prohibits or threatens key platform management functionalities that small businesses rely on more so than their larger rivals to reach consumers around the world. App Association members widely benefit from three things that leading curated online marketplaces (COMs) offer, all of which DMA threatens:

1. **Built-in consumer trust.** For software developers, trust is paramount. Take smartphones for example. Today, many of us take for granted the myriad measures operating systems and app stores take to keep malware and other harmful content off our devices. DMA threatens this paradigm by forcing app stores and operating systems to roll out the red carpet for all comers, including bad actors. As a result, consumers will rationally steer away from startup and small developers they’ve never heard of (our members) and toward larger, more established rivals that spend millions in marketing and advertising annually (some of which support DMA).
2. **Off-loading overhead.** App stores and other COMs currently provide bundled service offerings at lower costs than if the services were cobbled together separately. App stores and other COMs also have a progressive fee structure that charges small business developers far less for distribution than larger companies. DMA outlaws these progressive fee structures as well as the offering of complementary distribution services and the day-to-day marketplace management activities that small businesses disproportionately rely on to compete with larger rivals.

3. ***Instantaneous access to global markets.*** App stores and other COMs currently enable worldwide app distribution. Discriminatory frameworks like DMA threaten to balkanize distribution, imposing government-directed marketplace management regimes that start and stop at national or continental borders.

For our EU member companies who want to succeed through ingenuity and innovation, the DMA is a major brick in a growing wall of regulation, surmountable only with the help of compliance attorneys. Facing economic warning signs, the EC has doubled and tripled down on regulating technology markets early and often (*ex ante*), rather than taking an *ex post* approach centered on demonstrated systemic harms typical of the United States. It is no secret that this regulatory environment has led to economic stagnation, depressed capital access for startups, and produced comparatively few domestic champions in global tech markets. Over the past decade-and-a-half, the U.S. gross domestic product (GDP) surged from roughly equal to the Eurozone's in 2011 to about 1.5 times its size in 2024.⁵ While experts quibble over the details, many point to faster productivity gains in the United States due to its far larger technology investment and adoption rates during this period.⁶

Similarly, from 2013 to 2023, private investment in artificial intelligence (AI) in the United States totaled about \$468.1 billion, dwarfing the \$75.7 billion in AI investment in the EU and the UK combined over the same period.⁷ Small business startups and entrepreneurs in the app economy know that entering digital markets requires the acceptance of significant levels of risk. As outlined in former Italian Prime Minister and President of the European Central Bank Mario Draghi's *The Future of European Competitiveness*, Europe's heavy-handed approach to regulation fails to encourage—and even punishes—risk-taking.⁸ Notable among the EU's tech-focused regulations, the AI Act stands out for its as-yet undefined contours. Our members are concerned primarily with this lack of clarity, with some of them moving their businesses elsewhere, like the United States and Dubai, in order to avoid the uncertainty. Buse Bircan, data scientist at Scotland-based App Association member INSINTO, reflected many of our members' views when she said, "as an AI-based SME [small and medium-sized enterprise], one of the biggest challenges we face is that most AI regulations are still undefined or unclear. And that uncertainty has a direct impact on how we develop our products and services."

⁵ STATISTICS TIMES, COMPARING UNITED STATES AND EUROPEAN UNION BY ECONOMY, <https://statisticstimes.com/economy/united-states-vs-eu-economy.php> (2025).

⁶ Patrick Artus, *Economics: Why Europe is falling behind the USA*, POLYTECHNIQUE INSIGHTS (June 11, 2024), available at <https://www.polytechnique-insights.com/en/columns/economy/economy-why-europe-is-falling-behind-the-usa/>.

⁷ Kedhar Sankararaman, "To Win the AI Race, Congress Must Learn from Europe's Missteps," ACT | THE APP ASSOCIATION BLOG (June 2, 2025), available at <https://actonline.org/2025/06/02/to-win-the-ai-race-congress-must-learn-from-europes-missteps/>.

⁸ MARIO DRAGHI, *THE FUTURE OF EUROPEAN COMPETITIVENESS: A COMPETITIVENESS STRATEGY FOR EUROPE* (2024), available at https://commission.europa.eu/document/download/97e481fd-2dc3-412d-be4c-f152a8232961_en?filename=The%20future%20of%20European%20competitiveness%20_%20A%20competitiveness%20strategy%20for%20Europe.pdf.

The DSA is also a fixture in the regulatory backdrop that has caused problems for small business app developers. For example, we sent a sign-on letter of several EU member companies highlighting concerns with—and seeking clarity regarding—DSA Article 30’s scope and applicability for certain developers. Specifically, the provision requires “traders” to publish personal information, and we pointed to the privacy issues that creates for one-person development companies and not-for-profit developers.⁹ Thus, the App Association’s concerns with DSA are most immediately associated with the compliance and related costs it imposes on small business innovators.

We have gone into more detail about how the European approach to digital platforms has already harmed small businesses across the app economy after only a year of implementation,¹⁰ and similarly has harmed nascent markets for AI services, in our *Antitrust at a Crossroads: Protecting Innovation in the AI Era* report earlier this year.¹¹ Europe’s regulatory approach to tech markets creates an unnecessarily difficult environment for the investment cycles necessary to produce against-the-odds tech success stories which are proliferating here in the United States. We cannot replicate it here.

What is DMA?

The DMA is a law developed by the European Commission (EC) that empowers the EU to impose sweeping restrictions on the core platform services (CPS) of “designated gatekeepers” meeting certain criteria. Embedded in the DMA framework is a drawn-out process whereby the EC first designates gatekeepers subject to DMA; then identifies any CPS owned by designated gatekeepers; and finally, translates the various high-level prohibitions and mandates in DMA to each one of the specific CPS controlled by designated gatekeepers.¹² To date, the EC has identified seven gatekeepers and 24 CPS controlled by one of the seven designated gatekeepers.¹³ As we pointed out in a 2023 white

⁹ Letter from several App Association members to Mr. Roberto Viola, Director-Gen., DG Connect, European Comm’n (April 29, 2024), *available at* <https://actonline.org/2024/04/29/european-small-and-medium-sized-enterprise-developers-request-clarifications-on-trader-registrations-under-the-digital-services-act-dsa/>.

¹⁰ ACT | The App Association, *The EU’s DMA at One Year: Are SMEs Better Off?* (Mar. 9, 2025), <https://actonline.org/2025/03/10/the-eus-dma-at-one-year-are-smes-better-off/>,

¹¹ ACT | THE APP ASSOCIATION, *ANTITRUST AT A CROSSROADS: PROTECTING INNOVATION IN THE AI ERA* (2025), *available at* <https://actonline.org/antitrust-at-a-crossroads-protecting-innovation-in-the-ai-era/>.

¹² EUROPEAN COMM’N, *THE DIGITAL MARKETS ACT: ENSURING FAIR AND OPEN DIGITAL MARKETS*, *available at* https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/europe-fit-digital-age/digital-markets-act-ensuring-fair-and-open-digital-markets_en.

¹³ EUROPEAN PARLIAMENT, *DIGITAL MARKETS ACT ENFORCEMENT: STATE OF PLAY* (2025), *available at* [https://www.europarl.europa.eu/RegData/etudes/ATAG/2025/772826/EPRS_ATAG\(2025\)772826_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/ATAG/2025/772826/EPRS_ATAG(2025)772826_EN.pdf).

paper,¹⁴ the gatekeeper criteria is apparently designed from the start to sweep in and disadvantage American competitors.¹⁵ Since then, the gatekeeper designation process has unfolded as expected, with all but one of the designated gatekeepers, ByteDance, based in the United States.¹⁶

Notably, DMA is unlike other regulatory frameworks in that it is not designed to address specific harms from defined business models or conduct. In this sense, it is a true *ex ante* regulation insofar as it lists prohibited and compelled conduct without regard to whether such conduct is procompetitive or net harmful. Unmoored from addressing specific harms, the law's contours are arbitrary. For example, the DMA is purposely designed to apply equally to both Google search and to the Amazon retail marketplace. Whereas Google search's revenue comes from selling search ads, Amazon's marketplace generates the bulk of its revenue from retail sales. The differences between these two businesses are vast—and conveniently overlooked. The same set of mandates and prohibitions would not naturally fit these two significantly different kinds of enterprises—and yet, once a CPS is designated, the EC must ostensibly begin trying to apply DMA. Compounding matters, the DMA's sweeping grant of authority to the EC does little to constrain its implementation, allowing EC to alter its own interpretations of the mandates and condemning regulated services to constant potential adjustments to compliance programs. Thus, implementation becomes an exercise in designing ever-evolving company- and even CPS-specific requirements in a quasi-adjudicative process under which it issues “preliminary findings”¹⁷ with “proposed measures,” followed by binding “decisions.”¹⁸

Accordingly, it cannot be overstated how much flexibility and deference DMA gives to the EC at the implementation stage—and therefore, how much uncertainty pervades digital marketplaces in Europe. In the software distribution context, as described further below,

¹⁴ ACT | THE APP ASS'N, EUROPEAN-STYLE ONLINE MARKETPLACE REGULATION: GOOD OR BAD FOR AMERICAN GROWTH? (June 2023), available at <https://actonline.org/wp-content/uploads/European-Style-Online-Marketplace-Regulation-v1-1-2.pdf>.

¹⁵ See also Javier Espinosa, “EU should focus on top 5 tech companies, says leading MEP,” FINANCIAL TIMES (May 31, 2021), available at <https://www.ft.com/content/49f3d7f2-30d5-4336-87ad-eea0ee0ecc7b> (“The EU lawmaker who will steer the EU’s flagship tech regulation through the European parliament has said it should focus on the largest five US tech companies “But let’s not start with number 7 to include a European gatekeeper just to please [US president Joe] Biden,” he added.”).

¹⁶ Some have argued that because Booking.com is based in Amsterdam, it is an example of a European gatekeeper. However, the EC designated its U.S.-based parent company, Booking Holdings Inc., as the gatekeeper and Booking.com is the CPS. BOOKING HOLDINGS INC., BOOKING HOLDINGS, INC., DIGITAL MARKETS ACT COMPLIANCE REPORT (November 2024), available at <https://www.bookingholdings.com/wp-content/uploads/2024/11/DMA-Compliance-Report.pdf>.

¹⁷ See, e.g., Apple iOS SP Features for Connected Physical Devices, Case DMA.100203, Art. 6(7), (18 December 2024), available at https://digital-markets-act.ec.europa.eu/document/download/8f28e456-5bd4-4b33-af95-b9f52aeb8a03_en?filename=DMA.100203%20-%20Overview%20of%20proposed%20measures.pdf [iOS Preliminary Findings].

¹⁸ Apple iOS SP Features for Connected Physical Devices, Summary of Comm’n Decision, Case DMA.100203, Art. 6(7), (19 March 2025), available at https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:C_202504646 [iOS Summary of Comm’n Decision].

EC staff have a free hand in redesigning operating system and device features, mainly unchecked by typical due process and regulatory constraints. We have also seen the EC ratchet up enforcement seemingly in response to trade tensions even where no evidence of harm is presented, signaling that the EC views DMA more as a means of asserting the primacy of its “culture of compliance” than as a means of protecting consumers and competition.¹⁹

While the EU claims that the DMA will benefit small businesses and startups, its implementation has instead generated significant uncertainty and challenges for these smaller players.²⁰ Startups now face increasing uncertainties about whether they can rely on COMs to provide the functionalities that have empowered unprecedented growth and job creation. The DMA’s erosion of COMs’ ability to support the small business community through consumer trust mechanisms (and the reality that small business developers may need to look elsewhere, and spend more, for replacements), and delays by COMs in rolling out advanced features within the EU limit startups’ access to tools crucial for differentiation and competition. By any measure, the EU’s repeated *ex ante* regulatory approach to digital and emerging markets has harmed, and continues to harm, small business technology developers, an outcome contrary to the DMA’s intent of leveling the playing field for all players.

DMA at the Cost of Privacy, Security, and Trust

The DMA’s interoperability mandates seem to be both the most important aspect of the regulation for its proponents and the most gravely concerning for App Association members. Twin interoperability mandates work together to nullify software platform management: Article 6(4), which forces your smart device to accept third-party app stores and software; and Article 6(7), which mandates open access to your smart device and operating system by any device maker or service provider. The security and privacy problems these mandates present are serious and are manifesting widely as implementation unfolds.

Some have argued that the interoperability provisions may lead to better security because they mandate the existence of additional options on top of current mobile app stores and operating systems. Some others have pointed to threats presented by apps currently on the

¹⁹ See, e.g., European Comm’n, “Commission sends preliminary findings to Alphabet under the Digital Markets Act,” (March 18, 2025), *available at* https://ec.europa.eu/commission/presscorner/detail/en/ip_25_811 (alleging violations of DMA’s requirements but identifying no independent harm to consumers or competition) [Google Play and Google Search Preliminary Findings Summary].

²⁰ Caitlin Irr, “The EU’s DMA at One Year: Are SMEs Better Off?” ACT | THE APP ASSOCIATION BLOG (March 9, 2025), <https://actonline.org/2025/03/10/the-eus-dma-at-one-year-are-smes-better-off/>,

stores, having slipped through the vetting process, as evidence that DMA interoperability is necessary. However, small business innovators do not see mandatory access to individuals' devices and software as helping improve security. As Mitchel Volkering, founder of Netherlands-based App Association member Vaic.at, puts it, "there is no such thing as perfect security, but I can guarantee that individual smartphone users' privacy and security will get worse if you mandate the existence of additional threat vectors. You do not deal with a hole in a boat by shooting another hole in it."

On this point, Clément Sauvage, founder of Lille, France-based Bits 'n Coffee, another EU App Association member, agrees: "Smart devices have very sensitive data. They're now repositories of healthcare information, precise location, personal photos, and confidential messages that people do not expect to be shared. DMA's interoperability mandates are being applied to require support for notifications to third-party wearable devices in ways that subvert consumers' expectations. Meta's business model is to make money on my data. I know that and that's why I don't share information with them. These mandates would take that choice out of my hands."

Article 6(4) requires designated gatekeepers to "allow and technically enable the installation and effective use of third-party software applications or software application stores using, or interoperating with, its operating system and allow those software application stores to be accessed by means other than the relevant core platform services of that gatekeeper."²¹ Many basic, proactive security and privacy measures are prohibited, since *only* "measures to ensure" that third-party software "does not endanger the integrity of the software or operating system" are allowed "to the extent that they are strictly necessary and proportionate," and "duly justified by the gatekeeper."²² For example, by default, neither iOS nor Android allow unvetted external links to apps, stores, or software downloads—but it is unclear whether or to what extent these basic measures comport with Article 6(4). Similarly unhelpful allowances are made for operating system-level controls for end users.

Article 6(7) requires designated gatekeepers to provide "effective interoperability with, and access for the purposes of interoperability to, the same hardware and software features accessed or controlled via the operating system or virtual assistant . . . as are available to services or hardware provided by the gatekeeper."²³ The Article further requires the same level of access for "business users" and "alternative providers of services." The allowance for privacy and security measures is the same throwaway line from Article 6(4), limiting the universe of legal security measures to those that are "strictly necessary and proportionate" and "duly justified by the gatekeeper."

²¹ Digital Markets Act, Art. 6(4), available at https://www.eu-digital-markets-act.com/Digital_Markets_Act_Article_6.html.

²² *Id.*

²³ Digital Markets Act, Art. 6(7), available at https://www.eu-digital-markets-act.com/Digital_Markets_Act_Article_6.html.

Taken together, both Articles 6(4) and 6(7) undermine key COM privacy and security foundations, hampering their ability to vet and enforce privacy commitments in terms of service and heightening risks for unauthorized data access or breaches. As a result, consumer trust, an absolutely vital feature in the app economy that enables small developers to compete with larger ones, continues to erode, along with opportunities for small businesses and startups and consumer choices.

The EC Implements DMA: Interoperability

The EC recently cast its regulatory gaze on Article 6(7)'s applicability to iOS's treatment of third-party hardware makers, issuing a set of "preliminary findings" and "proposed measures"²⁴ in December 2024. Subsequently, the EC issued a final decision—substantially unchanged from its initial determinations—in March 2025, a summary of which was just made available in August 2025.²⁵ Emblematic of how unwieldy DMA's mandates are in practice, Article 6(7)'s implementation has been punctuated by decisions that ignore technical realities and consumers' actual needs.

Automatic Wi-Fi Connections. iPhone owners know that they can share the Wi-Fi network to which they are connected and the password to that network with one tap to another nearby iOS device. This provides a major convenience and as currently designed, it protects privacy by only making the information available to the devices themselves. In order to facilitate the function, iOS enables iPhone owners to save networks to which they have connected in the past and the associated passwords—this allows them to connect automatically and to share the saved information with nearby iOS devices.

The device-only storage structure allows for the information to be saved and shared among iOS devices without Apple having access to it. A device maker having a record of every Wi-Fi network to which you have been connected is obviously a risky proposition, since that data can illustrate a picture of all of your past whereabouts, from job interview locations to doctors' offices.

Paragraph 29 of the final Commission decision requires Apple to first gain access to the saved information so that it can then share it with third-party device makers. Forcing Apple to collect sensitive information creates a new privacy risk that runs against best practices, especially in Europe where the General Data Protection Regulation (GDPR) is the law of the land. But even worse, the mandate to make the information available to any device maker—from Huawei to the KGB—is plainly reckless.

²⁴ iOS Preliminary Findings, available at https://digital-markets-act.ec.europa.eu/document/download/8f28e456-5bd4-4b33-af95-b9f52aeb8a03_en?filename=DMA.100203%20-%20Overview%20of%20proposed%20measures.pdf.

²⁵ iOS Summary of Comm'n Decision, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:C_202504646.

Mitchel Volkering is especially critical of this Wi-Fi mandate from both a privacy and competition perspective: “I provide services for job search candidates, who trust me and their smart devices with their personal information. If they go to an interview and their device connects to the Wi-Fi, DMA mandates that a third-party device has access to that information. After the interview, if the candidate is connected to that same Wi-Fi regularly, a third-party device now has that information too and can ascertain they must have gotten the job. The fact that this information is now potentially for sale undermines my competitive position by giving all my competitors potential access to my client’s information and also exposes my client to privacy risks associated with their Wi-Fi connection history. Their movements can be tracked. It is not appropriate for government to create these problems. It certainly doesn’t help my EU-based company, and it should serve as a warning for U.S. policymakers.”

Background Execution Management. Paragraph 22 of the final decision summary mandates that Apple must provide full access to background execution—processing functions taking place in the background, including when the phone is locked—to any developer of a companion app that goes with a third-party connected device. The fundamental problem here is simple: computing resources are finite. Developers know that the inability for iOS to manage access to computing resources would lead to a classic tragedy of the commons: if the operating system cannot say no to unlimited requests to access computing capacity, it is easy to see how poorly the phone could operate overall. Background execution functions allow for connected devices like watches and headsets to upload data to or perform processing on the iOS companion app even while the phone is locked.

If smartphones are required to provide computing resources to all comers, things can quickly get unfair. For example, one of the most intractable issues with virtual reality / augmented reality (VR/AR) headsets is providing for adequate compute capacity inside of—or in equipment connected to—the headset itself while avoiding adding too much weight to the device or making the assembly cumbersome to wear. A third-party wearable device maker would love to offload major computing functions necessary to support the next model to consumers’ smart devices via the iOS companion app. In fact, it would be nice if all of it could happen via background processes while the consumer’s phone is locked. Conveniently, this is exactly what Paragraph 22 would require. It would essentially force Apple to supply the third-party AR/VR computing needs.

This would solve third-party manufacturers’ device weight problem by pushing the compute capacity cost onto iOS. Unfortunately for the rest of the ecosystem (non-device related apps), third-party manufacturers would have every incentive to maximize the amount of computing done on consumers’ iPhones, in order to lessen the weight and cumbersome aspects of their own devices. This would result in a few major problems, including eliminating compute capacity for other apps to run, overheating of the device, excessive battery drain, and other issues that may arise when an iPhone must

accommodate more demands than it was designed to handle. Small app companies, in particular, would lose in this scenario because the well-resourced device companies would be allowed to monopolize iOS resources, leaving no capacity and a diminished iOS experience for the rest of the ecosystem.

As Mark Thomas—founder of UK-based App Association member Appanalysis—points out, “mobile operating systems are designed for a user-friendly experience. If you prohibit the operating system from managing the device’s resources, you bring computing several steps backward to the pre-personal computer age. The user experience will plummet, and I can’t imagine that’s what regulators have in mind.”

Encumbering or Eliminating a Broad Range of New Features and Updates. One of the great benefits of the iOS ecosystem for small business developers is that Apple rolls out new features at a vigorous pace and fixes bugs across millions of devices via regular updates. It also has a robust beta program for developers.

Unfortunately, the EC’s preliminary findings proposed that, across all 11 of the iOS features to which the document applies, Apple must “inform third parties of the addition of new feature functionalities or updates of the relevant feature as soon as Apple has taken the decision to add these feature functionalities or updates.”²⁶ But as alluded to in Paragraph 30 of the iOS final decision summary, these provisions would operate more broadly than those 11 iOS features, effectively applying to any features that may be the subject of future requests. This extraordinary scope would require that third-party developers be in the room even during the development phase of either a new feature or even a simple update to any of the features, which could dramatically slow down the update process.

Compounding this issue, paragraph 131(d) of the preliminary findings would prohibit Apple from restricting “business users, directly or indirectly, to make use of any interoperability solution in their existing apps via an automatic update.” The provisions would work together to effectively give each and every developer the ability to preview the rollout of any potential update to an undefined range of iOS features and give some developers veto power over those updates. As a result, the few multi-billion-dollar developers with the significant resources needed to dedicate staff and time to participating in this iOS update review process would dictate the course of iOS updates in the proposed measures’ scope.

They would rationally elect to control the issuance of iOS updates to serve their own interests at the expense of the much more numerous small business iOS developers that have long depended on efficient updates designed to serve the broader ecosystem. More insidiously, this would put in place a durable framework that is neither grounded in DMA’s legal requirements nor limited to the EC’s contestability objectives. Apple would be

²⁶ iOS Preliminary Findings, https://digital-markets-act.ec.europa.eu/document/download/8f28e456-5bd4-4b33-af95-b9f52aeb8a03_en?filename=DMA.100203%20-%20Overview%20of%20proposed%20measures.pdf.

required to maintain this broad and complete access in perpetuity, diverting resources to catering to unforeseen use-cases from specific developers and away from rolling out new features, technologies, and updates that small developers and startups actually want. The EC-operated framework would overshadow the existing ecosystem, which involves beta testing of new operating system features and continuous developer feedback.²⁷ Small business developers will experience overall slower and less responsive rollouts in Europe, disadvantaging them as they seek to differentiate themselves and to compete for new customers.

The EC Implements DMA: Fee Structures

Apple's App Store was also first through the DMA implementation woodchipper with respect to Article 5(4), along with the Google Play store shortly thereafter.²⁸ This provision requires that the designated gatekeeper "shall allow business users, free of charge, to communicate and promote offers, including under different conditions, to end users acquired via its core platform service."²⁹ In practice, DMA's implementation of this provision has outlawed the *progressive* fee structures that exist outside DMA's purview, allowing only more *regressive* fee structures to stand.

The vast majority of apps and app developers pay no commission on revenue in exchange for developer services,³⁰ including distribution of apps, in non-DMA jurisdictions. For apps whose revenue stream depends on digital-only goods and services—such as skins for characters in videogames and unlocking messaging on dating apps—those charges are assessed a 15 percent commission on either Google Play or the Apple App Store. Both stores also charge app developers making more than \$1 million in digital-only goods and services 30 percent on those digital-only sales, but these developers only account for a tiny fraction of all developers. Some of them are proponents of DMA because they want to push the distribution costs they bear now in non-DMA jurisdictions away from themselves,³¹ even if it means those costs shift downward to smaller developers like App Association members.

²⁷ See, e.g., press release, "Apple elevates the iPhone experience with iOS 26, (June 9, 2025), available at <https://www.apple.com/newsroom/2025/06/apple-elevates-the-iphone-experience-with-ios-26/>.

²⁸ Google Play and Google Search Preliminary Findings Summary, available at https://ec.europa.eu/commission/presscorner/detail/en/ip_25_811.

²⁹ Digital Markets Act, Art. 5, available at https://www.eu-digital-markets-act.com/Digital_Markets_Act_Article_5.html.

³⁰ JESSICA BURLEY, PH.D., AND PROF. ANDREY FRADKIN, PH.D, THE GLOBAL APP STORE AND ITS GROWTH, (Jun. 2025), available at <https://www.apple.com/newsroom/pdfs/2024-Apple-Global-Ecosystem-Report-June2025.pdf>.

³¹ See Spotify, "The DMA Means a Better Spotify for Artists, Creators, and You," FOR THE RECORD (January 24, 2024), available at <https://newsroom.spotify.com/2024-01-24/the-dma-means-a-better-spotify-for-artists-creators-and-you/> ("All of this can now come without the burden of a mandatory ~30% tax imposed by Apple, which is prohibited under the DMA.").

As Romania-based Sveatoslav Vizitiu, founder of App Association member Rhuna, puts it, “Let’s get something straight. Most of us don’t pay any commission. My business is centered on improving the events and entertainment industry by tokenizing products, services, and experiences. That’s not a digital-only service, so I don’t pay a commission on sales. These companies complaining and agitating for DMA sell digital-only services and that’s just not the majority of developers. Even most developers who pay a commission recognize they get value for the money. Distribution isn’t free, so I don’t appreciate that the bigger companies are trying to shift more of those costs to my business through regulation.”

Notably, in view of the EC’s vast flexibility under DMA, there is no legal requirement for the EC to ever tell regulated entities if proposed compliance plans actually comply with the law. This has led to a rather absurd guessing game where designated gatekeepers propose compliance plans pursuant to preliminary findings while the EC process vacillates between genuine legal analysis and threats of fines.

The EC Implements DMA: Self-Preferencing

In the United States, self-preferencing is typically seen as an example of competition on the merits.³² DMA’s Article 6(5), however, strictly prohibits designated gatekeepers from treating “more favourably, in ranking and related indexing and crawling, services and products offered by the gatekeeper itself than similar services or products of a third party.”³³ Google Search provides illustrative examples of several pro-competitive and pro-consumer features that preference Google’s own offerings. For example, in non-DMA jurisdictions, Google Search includes a Google Maps link providing a convenient shortcut to the map location of the object of a search. Google removed this link in the EU and consumers are complaining about it.³⁴

Similarly, Google also removed features allowing users to easily find and book hotels and flights, since Google itself provides those tools and featuring them may run afoul of Article 6(5). As a result, instances where users book directly with hotels via search results on

³² See Jonathan Jacobson and Ada Wang, “Competition or Competitors? The Case of Self-Preferencing,” *ANTITRUST MAGAZINE*, American Bar Assoc., Vol. 38, No. 1 (Fall 2023), *available at* <https://www.wsgr.com/a/web/bW8aKf3yEkMqwKUwDCRi6D/jacobson-fall23.pdf> (“because much self-preferencing is supported by common-sense procompetitive justifications, including competition “on the merits,” self-preferencing alone cannot sensibly be viewed as a standalone monopolization offense.”).

³³ Digital Markets Act, Art. 6(5).

³⁴ See Jérémy Torres, “Mais t’es où? Pourquoi Google Maps ne fonctionne plus directement dans la recherche Google” *LIBÉRATION* (March 4, 2024), *available at* https://www.liberation.fr/economie/pourquoi-google-maps-ne-fonctionne-plus-directement-dans-la-recherche-google-et-comment-y-remedier-20240304_2WCOEUZ5IJADFMSTFPQXY2KBTA/.

Google are down 30 percent,³⁵ users having been shuffled instead to third-party booking services that charge fees.

Even though Google took all of these measures to comply with Article 6(5), the EC is nonetheless threatening a fine and is pointing to additional features that may run afoul of the provision. In a summary of its Preliminary Findings against Google, the EC alleges that “certain features and functionalities of Google Search treat Alphabet’s own services more favourably compared to rival ones . . .”³⁶ Although the EC has not published the full Preliminary Findings on how Google Search allegedly violates Article 6(5), it appears likely Google will need to remove additional consumer-friendly options. Compliance with the provision appears to have raised prices for consumers while reducing their options and adding friction where they want convenience. App developers do not rely solely on the app stores to be found—they rely significantly on open search platforms like Google Search. They need search owners to have the flexibility to make their offerings attractive, convenient, and as low-friction as possible to ensure consumers want to use the service and reliably use them. Article 6(5)’s disintegration of Google Search only reduces the value of it for our members and makes it harder for them to be found.

DMA’s Progeny and Expansion

Despite the mounting evidence that DMA has been harmful to European and U.S. developers and consumers, jurisdictions around the world are considering measures patterned from DMA. For example, the United Kingdom enacted the Digital Markets, Competition, and Consumers Act (DMCCA), with an implementation schedule through Spring 2026.³⁷ The UK’s Competition and Markets Authority (CMA) is struggling to balance privacy and security with the law’s sweeping restrictions on both potentially harmful and procompetitive conduct. Likewise, Japan recently enacted and began to implement the Promotion of Competition for Specified Smartphone Software Act (“Smartphone Act”),³⁸ a “mini”-DMA specifically for smartphones and mobile operating systems. The Smartphone Act’s strict prohibitions on basic app store management functions and restrictions on app

³⁵ Adam Cohen, Director, Economic Policy, Google, “New competition rules come with trade-offs,” THE KEYWORD, (April 5, 2024), *available at* <https://blog.google/around-the-globe/google-europe/new-competition-rules-come-with-trade-offs/>.

³⁶ Google Play and Google Search Preliminary Findings Summary, *available at* https://ec.europa.eu/commission/presscorner/detail/en/ip_25_811.

³⁷ Suman Khurana, “UK Government sets out implementation plan for the Digital Markets, Competition and Consumers Act 2024,” DLA PIPER INSIGHTS (September 25, 2024), *available at* <https://www.dlapiper.com/en/insights/publications/2024/09/uk-government-implementation-plan-for-digital-markets-competition-and-consumers-act-2024>.

³⁸ Press release, Japan Fair Trade Comm’n, Designation of Specified Software Operators under the Act on Promotion of Competition for Specified Smartphone Software, (March 31, 2025), *available at* <https://www.jftc.go.jp/en/pressreleases/yearly-2025/March/250331.html>.

stores' efforts to compete with one another threaten the benefits of software distribution for small business app developers.³⁹ South Africa's Competition Commission is actively enforcing digital antitrust regulations heavily influenced by the DMA.⁴⁰

Similarly, the Republic of Korea's (RoK's) legislature is considering several iterations of legislation that would effect DMA-like *ex ante* digital platform regulation, most recently the Fairness in Online Platform Intermediated Transactions Act ("Fairness Act").⁴¹ Although the Fairness Act's proponents suggest that it is a more palatable version of a prior proposal that more closely resembled DMA, it presents the same problems.⁴² Specifically, the proposal would target COMs based on an unfounded presumption that they abuse business users, empowering the Korean Fair Trade Commission (KFTC) to intervene into competitive digital markets under vague authority and criteria that invite selective enforcement. Meanwhile, Brazil has been developing its own *ex ante* competition regulation framework for nascent digital markets⁴³ for over a year, and rumors now swirl of its imminent introduction and passage in the legislature, which the App Association has discouraged.⁴⁴ Other important markets, including Australia, Malaysia, Indonesia, Thailand, Kenya, and Turkey, are at various stages of developing DMA-like regulations.

While this may seem like an insurmountable wave of regulation, other important regulators are appropriately walking back DMA-like proposals because they are observing (1) the longstanding harm to the EU's competitiveness such an approach has had over time and (2) the immediate negative impacts of the DMA's implementation. Most notably, the Indian

³⁹ See Letter from Morgan Reed, President, ACT | The App Association, to H.E. AKAZAWA Ryosei, Minister of State for Economic and Fiscal Policy, (May 19, 2025), *available at* <https://actonline.org/2025/05/19/act-the-app-association-letter-to-the-japanese-government-on-trade-negotiations-with-the-united-states/>.

⁴⁰ Competition Commission South Africa, *Media and Digital Platforms Market Inquiry (MDPMI): Provisional Report*, February 2025, https://www.compcom.co.za/wp-content/uploads/2025/02/CC_MDPMI-Provisional-Report_Non-Confidential-Final.pdf.

⁴¹ See Lilla Nóra Kiss and Hilal Aka, "Korea's New Fairness Act Risks Chilling Innovation and Derailing Trade Talks," INFO. TECH. & INNOVATION FOUND., (July 24, 2025), *available at* <https://itif.org/publications/2025/07/24/koreas-new-fairness-act-risks-chilling-innovation-and-derailing-trade-talks/>.

⁴² See Letter from Morgan Reed, President, ACT | The App Association, to Minister Yeo Han-koo, Minister of Trade, Industry and Energy, (July 25, 2025), *available at* <https://actonline.org/2025/07/25/letter-from-act-the-app-association-to-the-minister-of-trade-industry-and-energy-in-the-republic-of-korea-re-ongoing-trade-negotiations-with-u-s/>.

⁴³ Anna Moskal, and Marcella Brandão Flores da Cunha, "Brazil's Path towards Digital Ex Ante Competition Regulation – Remarks on the Brazilian Ministry of Finance 2024 Proposal," KLUWER COMPETITION BLOG, (April 4, 2025), *available at* <https://legalblogs.wolterskluwer.com/competition-blog/brazils-path-towards-digital-ex-ante-competition-regulation-remarks-on-the-brazilian-ministry-of-finance-2024-proposal/>.

⁴⁴ See Letter from Morgan Reed, President, ACT | The App Association, to Fernando Haddad, Minister of Finance (July 29, 2025), *available at* <https://actonline.org/2025/07/30/act-the-app-association-letter-to-minister-of-finance-fernando-haddad-re-digital-platform-legislation-in-brazil-english-and-portuguese-versions/>.

government has withdrawn a legislative proposal for *ex ante* digital platform regulation,⁴⁵ instead electing to address demonstrated harms through the enforcement of technology-neutral competition law. And for those countries still considering emulating the DMA, it is not too late for these jurisdictions to learn from Europe's *ex ante* DMA misadventure and go back to the drawing board. It is critically important to ensure the negative effects of the framework are highlighted and repeated, including by Congress.

Built into the DMA are periodic reviews, which could offer opportunities for the EC to pull back on DMA's own goals. Some Members of the European Parliament (MEPs) have questioned the DMA's overregulatory approach, expressing concerns that its broad, pre-emptive obligations stifle innovation and create legal uncertainty.⁴⁶ However, as the current review unfolds toward its March 2026 deadline, the EC most recently took the opportunity to implausibly propose an expansion of DMA's scope to include the "AI sector."⁴⁷ Ironically, DMA, along with the EU's complementary tech regulations, has already delayed introduction of the latest AI models, forcing small business innovators in the EU to rely on older models and U.S. app companies to build the delays into their products in order to continue reaching EU customers. Clément, the Lille, France-based founder of Coffee 'n' Bits, put it succinctly, pointing out that "EU developers shouldn't be blocked from using tools like Llama 4 and Apple Intelligence. The delay puts us at a distinct disadvantage against our U.S. and other global rivals, who get to use the latest technology has to offer. DMA shoots us in the foot in this regard." Mitchel Volkerink, the Netherlands-based founder of Vaic.at, added his perspective, noting that, "we're restricted from accessing innovative new tools and features that Apple and other companies release in the U.S. and other regions. These include Apple Intelligence and iPhone Mirroring. In the EU, when these tools do arrive, they're often late and degraded versions. Competing with rivals based outside the EU has never been more challenging than it is today." Expanding DMA officially to the "AI sector" is yet another example of the EU taking the same approach and expecting different results and will only wrap markets for AI services and tools up in additional red tape, further disadvantaging developers based in the EU and anywhere DMA-style frameworks take shape.

⁴⁵ Manu Kaushik, *Govt to Withdraw Draft Digital Competition Bill*, FIN. EXPRESS (August 10, 2025), <https://www.financialexpress.com/business/industry-govt-to-withdraw-draft-digital-competition-bill-3942328/>.

⁴⁶ European Centre for International Political Economy (ECIPE), *EU Export of Regulatory Overreach: The Case of the Digital Markets Act* (Oct. 9, 2024), <https://ecipe.org/publications/eu-export-of-regulatory-overreach-dma/>.

⁴⁷ European Comm'n, press release, "Commission gathers views on how the DMA can support fair and contestable markets and AI sector," (August 27, 2025), available at https://digital-markets-act.ec.europa.eu/commission-gathers-views-how-dma-can-support-fair-and-contestable-digital-markets-and-ai-sector-2025-08-27_en.

Threats to Encryption

From time to time, governments seek legal authorities or technical capabilities enabling law enforcement or national security agency access to otherwise end-to-end encrypted services. These are concerning developments because they threaten the integrity of encryption protections, especially when applied to end-to-end encryption (E2EE) of data at rest or in transit. With E2EE of data at rest, the device manufacturer does not retain access to device owners' decryption keys and with E2EE of data in transit, the developer of a messaging service does not retain access to the key to decrypt the content of users' communications.

In one recent example, press reports indicated that the UK's Home Office had issued a secret technical capability notice (TCN) requesting that Apple build a feature to enable UK investigators to access iCloud data unreadable to Apple itself.⁴⁸ In response, Apple turned off access to its fully encrypted offering, Advanced Data Protection (ADP), in the UK.⁴⁹ Although Director of National Intelligence Tulsi Gabbard announced that the UK had dropped its TCN on August 18,⁵⁰ more recent reports suggest that it may still be pressing the order and that the order was broader than originally believed.⁵¹

The App Association sought to intervene in Privacy International's and Liberty's legal challenge to the TCN, including evidence detailing how a TCN would affect small businesses in the app economy.⁵² For example, one of our UK members, Nuke From Orbit, provides a mobile-friendly security platform enabling users to retain control of their digital identity even when their smartphone is lost or stolen. The service enables users to remotely and instantly revoke access to any digital accounts or sensitive data held on their smartphone, thereby preventing misuse following loss or theft.

If Nuke From Orbit were compelled under a TCN to decrypt some or all of their users' data, the protection of the tokens they use would be seriously weakened, exposing data to a real risk of interception and undermining how well they can protect their users.⁵³ Ultimately, a fundamental concern with orders like this is that they create new vulnerabilities that, even

⁴⁸ Joseph Menn, *U.K. orders Apple to let it spy on users' encrypted accounts*, WASH. POST (Feb. 7, 2025), available at

<https://www.washingtonpost.com/technology/2025/02/07/apple-encryption-backdoor-uk/>.

⁴⁹ Zoe Kleinman, *Apple pulls data protection tool after UK government security row*, BBC (February 22, 2025), available at <https://www.bbc.com/news/articles/cgj54eq4vejo>.

⁵⁰ Hon. Tulsi Gabbard (@DNIGabbard), X.com (August 18, 2025), available at

<https://x.com/DNIGabbard/status/1957623737232007638>.

⁵¹ Graham Fraser, *Court documents shed new light on UK-Apple row over user data*, BBC (August 29, 2025), available at <https://www.bbc.com/news/articles/cx293qg7z39o>.

⁵² Witness Statement of Brian Scarpelli, Sr. Global Policy Counsel, ACT | The App Ass'n, *Apple Inc. v. Sec'y of State for the Home Dept*, Investigatory Powers Tribunal, IPT/26/68/CH, IPT/25/83-86 (July 22, 2025).

⁵³ *Id.*

if intended only for government investigators, open a new reason for bad actors to attack E2EE and obtain the keys intended only for certain entities.

Members of this Committee and counterparts on the Senate side weighed in with letters to the UK's Home Office and the Trump Administration. For example, Chairman Jordan and Rep. Andy Biggs penned a letter to Attorney General Pam Bondi suggesting the TCN runs afoul of the bilateral cross-border investigation agreement the United States signed with the UK under the Clarifying Lawful Overseas Use of Data (CLOUD) Act.⁵⁴ Similarly, Rep. Biggs joined Sen. Wyden in a letter to Director of National Intelligence Tulsi Gabbard highlighting concerns with the TCN's impact on Americans' privacy and security.⁵⁵ We echo the concerns raised in these letters and urge that U.S. policymakers reject efforts to weaken E2EE, wherever they are proposed.

Conclusion

This Committee's review of DMA is timely. The momentum is heading in the wrong direction, with jurisdictions around the world considering or having already adopted DMA-style frameworks. For our EU members, they understand DMA's promise and its vision but have come to accept its reality: delays, degraded tools, and compliance costs that only entrench bigger competitors. However, DMA need not eat the world. Congress must lead by example, overseeing and maintaining a legal and policy mix that encourages and enables small businesses in the app economy to solve problems, succeed, and grow.

Similarly, Congress can help by taking measures through trade negotiations and with domestic policy changes that clearly reject DMA. For example, the App Association supports Subcommittee on the Administrative State, Regulatory Reform, and Antitrust Chairman Scott Fitzgerald's Protecting U.S. Companies from Foreign Regulatory Taxation Act (H.R. 4278).⁵⁶ The legislation is an important measure to address the negative effects the DMA has on small business innovators. We hope the Committee will move this through the process expeditiously. Likewise, Congress and the Administration should work together to ensure that appropriate trade levers are used to discourage DMA's continuation and spread to other jurisdictions. In any case, we believe U.S. policymakers are on the right

⁵⁴ Letter from Hon. Jim Jordan, Chairman, U.S. House of Representatives Committee on the Judiciary and Hon. Andy Biggs, U.S. Congressman, to Hon. Pamela J. Bondi, U.S. Att'y Gen., (Apr. 8, 2025), *available at* <https://judiciary.house.gov/sites/evo-subsites/republicans-judiciary.house.gov/files/evo-media-document/2025-04-08-jdj-ab-to-bondi-re-cloud-act-us-uk-agreement.pdf>.

⁵⁵ Letter from Hon. Andy Biggs, U.S. Congressman, and Hon. Ron Wyden, Chairman, U.S. Senator, to Hon. Tulsi Gabbard, U.S. Dir. of Nat'l Intelligence, (February 13, 2025), *available at* <https://www.wyden.senate.gov/imo/media/doc/wyden-biggs-letter-to-dni-re-uk-backdoors.pdf>.

⁵⁶ Press release, "Rep. Fitzgerald Introduces Legislation Declaring U.S. Businesses Independent from EU Regulations," (July 2, 2025), *available at* <https://fitzgerald.house.gov/media/press-releases/rep-fitzgerald-introduces-legislation-declaring-us-businesses-independent-eu>.

path by rejecting and opposing DMA-style frameworks both at home and in trade settings as jurisdictions overseas consider adopting it.

Appendix

Small Business App Companies in Your Districts

Chairman Jim Jordan, OH-04

Based in Delaware, Cloud9 Home Technology builds custom solutions and integrations to help their customers get the most out of smart home technology. From installation to integration, Cloud9 ensures that the entire home ecosystem functions in harmony and is easy to manage.

Majority:

Rep. Darrell Issa, CA-48

Located steps away from the beach in El Segundo, Thinklogic is a technology consulting firm that has been in operation since 1998. Thinklogic spans various industries, including education, healthcare, law, government, and retail, to provide services in custom mobile and web development, cloud hosting, and e-commerce solutions.

Rep. Andy Biggs, AZ-05

Founded in 2020, Zoodealio focuses on providing real estate agents with their own custom websites, offering lead generation, a client-facing platform for monitoring offers, and a monthly market report. Their software also connects with existing client relationship management (CRM) software, blending into existing workflows.

Rep. Tom McClintock, CA-05

From their base on the north side of Fresno, Famous Software has been providing technology solutions to the agricultural produce industry for 50 years. They provide a platform that helps producers manage and automate warehouse management, sales, sourcing, and financial processes. They have more than 20,000 users across 1,500 installation sites.

Rep. Thomas Tiffany, WI-07

Located in Superior, Sinex Solutions is a software company specifically serving the regulated transportation industries across rail, aviation, trucking, and marine shipping. They provide software around regulatory compliance, inventory tracking, operations assistance & fleet management across the entire shipping cycle.

Rep. Thomas Massie, KY-04

Operating just south of the Ohio River in Wilder, Red Hawk Technologies has been building custom software solutions for their clients since 2008. They've grown to 36 employees and provide software-as-a-service (SaaS) solutions, including product development and support, integration, code evaluation, and tech innovation workshops.

Rep. Chip Roy, TX-21

Located just outside Austin, WeStrive is a one-stop shop for personal trainers to grow their businesses, offering a range of features across coaching and client management. Their platform provides tools for building fitness programs, nutrition software, personal websites with group messaging and billing support, as well as an on-demand library and reports across multiple locations.

Rep. Scott Fitzgerald, WI-05

Symmetrix Software, Inc., has been developing custom software solutions for the manufacturing industry since 1991, providing a range of tools to simplify complex processes. Located in Pewaukee, they build mobile apps, desktop apps, and websites, as well as integrated business systems, improved system architecture, and even prototype.

Rep. Ben Cline, VA-06

Located in Swoope, Giant Software is a one-person operation building custom software tools since 1998. While often serving as a fractional, contract-based technology leader for various startups in the area, in 2003, Walgreens approached Giant Software for a product that would enable store managers across 9,200 locations to order products directly from vendors. They continue the upkeep of this product to this day.

Rep. Lance Gooden, TX-05

Sutton Technologies is a family-owned business that develops software solutions and integrations for vehicle repair shops across the automotive, recreational vehicle, and marine industries. Based in Mesquite, Sutton Technologies is a management platform that integrates with all standard dealership and repair shop software typically used within the industry.

Rep. Jefferson Van Drew, NJ-02

Based in Medford, Micro Integration Services has been building custom software for their clients since 1985. They create custom web and mobile applications as well as cross-platform software that integrates with existing database software for a variety of clients, including AT&T, the Philadelphia Eagles, Nabisco, and more.

Rep. Troy Nehls, TX-22

Established in 2013 with their headquarters in Sugar Land, App Maisters is a development agency specializing in providing technology solutions to startups, small businesses, and government agencies. Their solutions cover mobile app development, blockchain and big data, IoT devices, and artificial intelligence integration.

Rep. Barry Moore, AL-02

Founded in 2008, Kindred Technology Group is an information technology company specializing in web development, branding, search engine optimization, and digital marketing. The team at Kindred Tech collaborates with a diverse range of clients, including academic groups, religious organizations, and businesses of all sizes.

Rep. Kevin Kiley, CA-03

Based in Folsom, Ignitelogix has been building custom software solutions for over 15 years. They provide a wide range of services including web and mobile development, internet of things (IoT) integration, cloud implementation, digital marketing, and even consulting in big data science and artificial intelligence.

Rep. Harriet Hageman, WY At Large

BlackFog is a cyberthreat prevention company that utilizes a unique combination of behavioral analysis and data exfiltration technology to identify, stop, and prevent future data hacks, unauthorized data collection, and other threats across mobile and web endpoints. Their services protect their clients and their clients' most sensitive data and privacy while also strengthening their regulatory compliance.

Rep. Laurel Lee, FL-15

Founded in 2005 by Alberto Rafael Moyano, Insight Risk Technologies is a business-to-business (B2B) solution that focuses on helping risk management professionals manage risk from anywhere, at any time. Insight offers a comprehensive list of products, ranging from risk identification and cloud storage processes to business continuity plans, and more across various fields.

Rep. Wesley Hunt, TX-38

Houston Web Design and Hosting is a custom web design company that has built over 600 websites and mobile applications in their 10-year history as a business. They work with a diverse range of clients across various industries from their Tomball headquarters.

Rep. Russell Fry, SC-07

Based in Myrtle Beach with two employees, Biz Buzz Media is a digital marketing agency specializing in helping local businesses enhance their online presence. They started as a traditional marketing firm, but the founder fell in love with social media and digital marketing and now uses those techniques and related technologies daily with clients.

Rep. Glenn Grothman, WI-06

Located in Green Bay since 2011, Appdroplet is a team of two running a custom software development agency specializing in projects within the transportation and retail industries. They work to develop new tools that integrate seamlessly into existing business systems. They also developed Appdroplet TV, a digital display product for retail businesses, featuring elements including weather, reviews, and news.

Rep. Brad Knott, NC 13

Founded in 2007, CB Web Innovations is a one-person website design and digital marketing firm located in Burlington. CB Web Innovations' goal is to help businesses reach more consumers through visitor-friendly sites and improved search engine optimization (SEO) strategies and techniques.

Rep. Mark Harris, NC 08

Based in Charlotte with an additional office in Waxhaw, Idea Forge Studios is a web and graphic design firm that has been in operation since 2011. They specialize in website development and search engine optimization (SEO), serving large and small clients across the United States.

Rep. Robert Onder, MO 03

After working as a developer for nearly a decade at companies like Mastercard and IBM, Jason Oesterly founded WASHMO Media in 2006, offering a range of services, including web development and system integrations, to local businesses in the area.

Rep. Derek Schmidt, KS 02

Founded in 2014, Foster Care Technologies is an evidence-based support tool that helps inform placement decisions in the foster care system. Through their work with the University of Kansas School of Social Welfare, it was determined that their product leads to better long-term placement outcomes for children in foster care, as well as reduced costs for agencies working on placement.

Rep. Brandon Gill, TX 26

Based in Flower Mound, Axis Software Dynamics is a custom software development company that's been serving the area since 2016. With 11 current team members, they provide traditional web and mobile application development services as well as business intelligence, enterprise software solutions, and API integrations.

Rep. Michael Baumgartner, WA 05

Established in 2017, Gestalt is a 15-person team dedicated to bringing healthcare into the 21st century by replacing traditional microscopes and glass slides with automated, electronic, and digital workflows. They provide services related to pathology in the medical field to professionals as well as those in education or academic research.

Minority:**Minority Leader Jamie Raskin, MD-08**

Launched in 2009, Boost Labs is a digital product agency specializing in data visualization and interactive solutions. With a team of designers, developers, and data experts, they help organizations transform complex information into actionable insights that drive business outcomes.

Rep. Jerrold Nadler, NY-12

Since 2018, Particle Health is a health-tech platform that provides a single, secure application programming interface (API) for accessing and analyzing medical records from

a wide array of sources including electronic health records (EHRs), health information exchanges, and prescription networks, covering 320+ million patients.

Rep. Zoe Lofgren, CA-18

Fresco Capital is a San Francisco–based, early-stage venture firm with a five-person team of investors. The firm supports exceptional entrepreneurs at the intersection of technology and social change, focusing on scalable innovations that drive both impact and growth.

Rep. Steve Cohen, TN-09

What began in Memphis, Tennessee, as the Facebook group Pandemic Product Sightings has since grown into Youdle, a platform that connects community members to the products they need, bridging the gap between big-tech chains and local grocery stores.

Rep. Hank Johnson, GA-04

Founded in 2015, just outside Atlanta, Turbojet Technologies is a one-person web development company that works with other small businesses and non-profits. Turbojet provides website buildout, as well as support programs and integration across Drupal, WordPress, and other PHP-based websites. While Turbojet is a small operation, they occasionally hire contract designers from across the country if they need to scale up for a larger project.

Rep. Eric Swalwell, CA-14

Located in San Mateo, Lumity is a 30-person software company that provides an end-to-end benefits administration solution for both employers and employees. Lumity works with high-growth companies like Lyft, GoFundMe, Robinhood, and Bird, which have less-established HR departments.

Rep. Ted Lieu, CA-36

Founded in 2016, Dataplor helps companies determine where to expand globally. It maps and verifies businesses and locations in hard-to-reach markets, blending innovative technology with on-the-ground checks to ensure data accuracy. By transforming messy international data into clear market insights, Dataplor enables global expansion helping their clients' make decisions faster, safer, and more confidently.

Rep. Pramila Jayapal, WA-07

Oleria is a cybersecurity startup developing identity security software that gives organizations clear visibility into who has access to their systems, why, and what they're doing. Backed by over \$40 million in venture funding from Evolution Equity Partners, Salesforce Ventures, and others, Oleria helps teams respond quickly, reduce risk, and keep sensitive information secure.

Rep. Luis Correa, CA-46

Founded in 2020, Goshsha is an artificial intelligence (AI) and augmented reality platform that transforms retail products into interactive experiences. By scanning items, shoppers

can access reviews, tutorials, and virtual try-ons, while brands gain new ways to connect with customers directly at the shelf.

Rep. Mary Gay Scanlon, PA-05

Founded in 2015, MacGuyver Media is a five-person custom web and application development company based in Glenolden that creates web-based software solutions for businesses. Through website, app, and e-commerce development, website maintenance, and assessments, as well as the ability to integrate with any database or application programming interface (API) source, MacGuyver provides clients with solutions and services to help their businesses succeed. Their clients range from companies in the financial sector to those in the alcohol distribution industry, and dozens more.

Rep. Joe Neguse, CO-02

Founded in 2018, Earable is a deep-tech wearable startup that applies neuroscience and artificial intelligence (AI) to improve sleep and focus. Their flagship product, the FRENZ Brainband, is the world's first AI-powered headband capable of tracking and stimulating brain activity in real time through bone-conduction audio.

Rep. Lucy McBath, GA-06

Based in Atlanta, Zyrobotics is transforming the way kids learn by developing educational tools that foster a high-quality STEM foundation for the next generation. Their lineup features a diverse range of products including an artificial intelligence (AI)-powered learning tool that makes learning enjoyable through educational games, connected e-books, learning analytics tools, and coding apps. Zyrobotics was founded in 2013 and has more than 10 employees.

Rep. Deborah Ross, NC-02

Founded in 2014 and based in Apex, Oak City Labs is a custom software development company that partners with entrepreneurs to help them leverage technology to grow their businesses. They provide their clients with general consulting, software, custom mobile apps, DevOps, database management, and data visualization programs.

Rep. Becca Balint, VT

Apraxis Health Solutions is a cloud-based software that provides personalized services for Medication Therapy Management, with over 1,000 participating pharmacies and serving more than 1 million patients. Founded in 2009, Apraxis works with health plans, pharmacy networks, corporate employers, and providers, to deliver improved patient-centric health outcomes.

Rep. Jesús García, IL-04

RyTech is a family-owned, award-winning digital marketing agency that has grown from a one-person operation into a small team serving businesses nationwide. With deep expertise in SEO, web design, social media, email marketing, paid advertising, and

outsourced CMO services, RyTech focuses on measurable strategies tailored to each client's goals.

Rep. Sydney Kamlager-Dove, CA-37

Founded in 2014, Boon is a startup that utilizes an artificial intelligence (AI)-driven referral platform to simplify and enhance the hiring process. By applying innovative matching technology, organizations can share job openings, connect with qualified candidates through existing networks, and build teams more quickly, affordably, and inclusively.

Rep. Jared Moskowitz, FL-23

SOAP Health is a health technology startup that utilizes conversational artificial intelligence (AI) to capture patient histories, identify risks, and generate clinical notes. Their animated virtual assistant integrates with electronic health records (EHRs) to ease physician workload and improve care quality.

Rep. Daniel Goldman, NY-10

World Owned is a creative content company that develops for the entertainment industry. Based out of Brooklyn, World Owned focuses on producing intellectual property that adds value to major brands including the NBA and DC Comics by inspiring the human experience.

Rep. Jasmine Crockett, TX-30

Dallas-based EdgeSight Technology offers IT solutions and custom software development to businesses seeking to enhance their value and protect their information. They provide their clients with a wide range of services, including web design, e-learning, web and mobile software development, IT equipment, cloud storage, and desktop security.