

**Statement of Kyle Andeer  
Apple**

**U.S. House of Representatives Judiciary Committee  
Subcommittee on Antitrust, Commercial, and Administrative Law  
Hearing on “Online Platforms and Market Power, Part 2:  
Innovation and Entrepreneurship”**

**July 16, 2018**

Mr. Chairman and Members of the Committee, thank you for inviting me to speak with you today. My name is Kyle Andeer, and I am Apple’s Chief Compliance Officer, focusing on business ethics and competition.

Apple is a proud American company with a forty-year history of innovation in very competitive marketplaces. Our mission is to make the best products and services in the world in each of the markets where we compete — for us it’s never been about making the most, it’s always about making the best. We design our technology to be easy to use, and safe and secure for all our customers. We see our customers’ privacy as a fundamental human right, and we embed that value in everything we create. We go above and beyond to incorporate leading accessibility features to make sure everyone can get the most from their devices, and our products are made with our responsibility to the environment in mind. And we are deeply proud of the role we play in democratizing coding and other high-tech skills all around the world.

In discussing Apple’s online platforms, we consider five distinct categories: iOS, MacOS, watchOS, tvOS and our soon-to-be-released iPadOS. Our products run and compete on these platforms. We are very proud of each of these and feel they are the best in each of their categories. We only create great products, not commodity products, and as a result we do not have a majority share in any one of these categories.

For Apple, the competition is fierce. Our customers have an ever-growing number of choices when it comes to products and services. We compete against some of the largest companies in the world, both foreign and domestic. We work hard everyday to retain and grow customer trust and to compete for their business — to create products that empower individuals to change the world and to build services that enhance their lives. Each of our platforms depends on a thriving ecosystem — from the App Store, to peripherals and accessories, to partners such as service providers and automobile manufacturers. Our expertise in software enables experiences like moving seamlessly between Apple devices — finding your same Messages and Safari bookmarks no matter which device you use, and taking advantage of features like CarPlay that seamlessly integrates your iPhone into your daily commute.

The benefits of this ecosystem — and the innovation it makes possible — are clear to our customers. It means world class security, unparalleled ease of use and seamless integration across devices.

We are also proud to offer services where millions of artists and entrepreneurs can share their work and ideas — like Apple Music hosting more than 50 million songs from artists around the world, Podcasts, where hundreds of thousands of topics are discussed and shared, and the App Store, which has spawned new opportunities for everyone from the individual entrepreneur to the biggest companies.

Since its launch in 2008, the App Store has been vibrant, competitive and ever-growing. It has transformed the experience and reduced the costs of software distribution — so anyone with a great idea can invent a new app and distribute it worldwide from home. We're proud that App Store entrepreneurs across the country have generated over 1.5 million U.S. jobs in all fifty states.

We designed the App Store to be both a safe and trusted place for customers to discover and download apps that interest them, and a great opportunity for developers to start businesses. In entering the App Store, every developer abides by the same guidelines — from the student in their living room to some of the largest companies in the world. We want every creator to have an equal opportunity to succeed.

We work hard everyday to compete for developers who want to join and stay in our ecosystem. We're proud that a good number of apps — apps like Pinterest, Spotify, Lyft and Uber — have built incredibly successful businesses through the App Store with support from our team and the developer tools we offer. The App Store provides an enormous opportunity for developers to reach millions of users overnight, and the vast majority of apps, over 84% — many of which rely on advertising to make money — share none of the revenue they make from our store with Apple.

Only a very small number of the nearly 2 million apps in the App Store are made by Apple, and in every category where our software competes, we face strong competition. Apple believes users expect that their devices should provide a great experience out of the box, so our products include certain functionality like email, phone and a music player as a baseline. But users have various needs and they are free to discover and use any alternatives they might prefer. For instance, if a customer doesn't want to use iCloud they can use Box, DropBox or any number of other options. There are dozens of camera and calendar apps available. We're proud to host these apps and services on our store, and we work with these companies almost every day — because that is what's best for our customers.

At the end of the day, our only objective is to provide our customers the best products and ecosystem in the world. It means a phone they love, the choice of accessories that enhance their experience and millions of applications and services at their fingertips — all of which are

seamlessly integrated into the world around them. And when it all comes together, it means a tremendous market opportunity for everyone — entrepreneurs, artists, carriers, car makers, accessory makers and developers.

We are committed to carrying this legacy forward, believing at our core that a single great idea can unlock opportunities once unimaginable. That's what defines Apple, and it always will.

Apple welcomes this Subcommittee's efforts to promote American innovation and entrepreneurship, and we look forward to working with you. Our nation's entrepreneurial spirit and competitive environment have led to innovations during each generation — and that must continue.