

Illinois State Legislature
401 S 2nd St
Springfield, IL 62701

April 7, 2021

Dear Members of the Illinois legislature,

The undersigned organizations represent many Americans concerned about the concentrated power of dominant technology corporations. We write to urge you to support legislative efforts to rein in the power of those corporations, starting with SB2311, a bill that would prevent large app distributors such as Apple and Google from locking small software developers into their systems, resulting in ever-more revenue being siphoned away from innovative businesses into the hands of Big Tech companies.

Through a series of predatory and abusive tactics, Apple and Google have become dominant in app distribution. As Congress' House Antitrust Subcommittee detailed in its historic report last year, they then use their position as app store gatekeepers to force developers and small businesses to agree to unfair and extortionary terms in order to reach consumers. App store gatekeepers charge up to 30 percent for the privilege of allowing businesses to transact with their own customers by forcing those businesses to use the app store's own payment system or lose the sole source of access to those customers.

SB 2311 would prevent Big Tech from imposing terms onto developers by opening up competition in payments systems, as well as protecting smaller companies that refrain from using Big Tech's payment systems from retaliation. It would incentive developers to locate to Illinois, a huge boom for companies already looking to relocate to another state.

As David Heinemeier Hansson, CTO and co-founder of the Chicago-based company Basecamp, said in testimony on a similar bill in North Dakota, "when it comes to the app store duopoly, no single change will have a greater impact than giving small software makers like us a choice when it comes to in-app payment systems, and protection from retaliation, if we refuse the onerous deal the monopolists are offering." This state-level legislative effort has the endorsement of Sen. Elizabeth Warren and Reps. Pramila Jayapal and Jamaal Bowman.

The dominance of Big Tech firms has resulted in many tangible harms to small businesses and local communities by choking innovation, depressing business dynamism, and undermining job growth. Small businesses exist at the whims of platform monopolies that can arbitrarily crush them overnight, with no warning or recourse, if they don't agree to turn over a significant cut of their revenue.

This bill is about fairness and competition in markets, not "price fixing" or any of the other scare terms tech lobbyists have been throwing around to sow fear and confusion.

But this isn't just a spat between businesses – gatekeeping by Big Tech also affects consumers. Apple and Google no longer own the phones consumers use, and yet they control what users can

do with them and which businesses they do or don't patronize. Consumer funds meant to support smaller businesses instead get hoovered up by the gatekeepers.

SB 2311 would address one critical aspect of this problem. We hope you support it, allowing Illinois to become a national leader on a vital area of economic policy.

Sincerely,

American Economic Liberties Project
Fight Corporate Monopolies
Color of Change
Fight for the Future
Illinois PIRG
Progressive Change Campaign Committee
Public Citizen