

Arizona State Capitol Complex  
1700 W Washington St  
Phoenix, AZ 85007

February 19, 2021

Dear Members of the Arizona 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 HB 2005, 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 their customer.

HB 2005 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. Additionally, it would incentive developers to locate to Arizona, a huge boom for companies already looking to relocate to another state.

As David Heinemeier Hansson, CTO and co-founder of 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."

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.

HB 2005 would address one critical aspect of this problem. We hope you support it, allowing Arizona to become a national leader on a vital area of economic policy.

Sincerely,

American Economic Liberties Project  
American Family Voices  
Arizona Working Families Party  
Fight for the Future  
Progress Arizona  
Public Citizen  
Progressive Change Campaign Committee (PCCC)