

January 24, 2023

The Honorable Kevin McCarthy
Speaker
United States House of Representatives
Washington, District of Columbia 20515

The Honorable Hakeem Jeffries
Minority Leader
United States House of Representatives
Washington, District of Columbia 20515

The Honorable Chuck Schumer
Majority Leader
United States Senate
Washington, District of Columbia 20510

The Honorable Mitch McConnell
Minority Leader
United States Senate
Washington, District of Columbia 20510

Dear Speaker McCarthy, Leader Jeffries, Leader Schumer, and Leader McConnell:

We, the members of ACT | The App Association, write to highlight key policy priorities that will continue to inspire innovation throughout the app economy. Members of The App Association are a diverse group of small businesses that are leading the software-driven transformation of industries from healthcare and education to public safety and agriculture.

As business and technology leaders in the U.S., we have a vested interest in ensuring new legal and policy landscapes continue to support small businesses engaging in the digital economy. The App Association, a global trade association for small and medium-sized technology companies, works with and for us to promote a policy environment that rewards and inspires innovation. The organization also provides resources that help small to medium size businesses raise capital, create jobs, and do what we do best – continue to build incredible technology. Their global membership is comprised of entrepreneurs, innovators, and independent developers within the global app ecosystem that engage with verticals across every industry.

For us, and our fellow App Association members, to continue improving the lives of our customers (your constituents) and creating sought-after jobs in your districts and states, we rely on federal policies that enable us to innovate and grow. Below we have outlined our top priorities and we hope to see the 118th Congress prioritize legislation the following areas to ensure continued growth in the app economy.

- **Data privacy:** Software and connected device companies are on the front lines of ensuring data privacy, promoting the responsible use of data for their customers, and securing personal data against unauthorized access. Congress should set a single, national set of data privacy and security rules across all states and territories with stronger protections for consumers.
- **Cybersecurity and encryption:** The need for updated cybersecurity legislation is most acute for small businesses since up to 71 percent of cyber attacks target small companies. Strong encryption standards are critical for small businesses to keep their customers' personal data safe in the online marketplace. Congress should address issues and improve our cybersecurity posture by protecting encryption across the nation and enhancing information sharing between small businesses.

- **Competition and antitrust:** Competition is a cornerstone of innovation in the digital economy. Consolidation in any industry can raise questions for policymakers, but many developers rely on the scale of large platforms to deliver their products in a secure way. Congress should encourage competition through a restrained enforcement approach that respects the consumer benefits platforms enable, while continuing to monitor tech-driven marketplaces to ensure competition is producing optimal results.
- **Web3 and crypto assets:** The heart of Web3 is the decentralization of information in an open, permission-less, user-oriented network. Crypto assets are a key layer of Web3 frameworks, and our membership supports legislation that regulates and evaluates the risks associated with such assets. Congress should continue to increase policymakers' technical understanding of blockchain and crypto asset technologies as small businesses utilize such technology to create jobs.
- **Digital health:** The COVID-19 pandemic highlighted the need for digital healthcare to be affordable and accessible. It also showed that we have a long way to go to integrate digital technology into our system. Congress should support privacy, security, and interoperability for digital health tools to ensure their continued growth as part of the system.
- **Broadband:** Broadband infrastructure is critical for all Americans to work, go to school, and access healthcare services. Expansion of broadband infrastructure will create 8.5 million jobs in the United States by 2025. Congress should support fast, reliable, and affordable broadband to all.
- **Diversity, Equity, Inclusion, and Workforce Development:** The gap in representation and inequities in the app economy continues to amplify the workforce development crisis our industry faces. A stronger, safer app economy begins with a diverse and empowered workforce. We urge Congress to enhance resources at all levels of workforce development, while also carving out additional resources and programs for traditionally disenfranchised communities.
- **Standards and standard-essential patents:** Abuse of standard-essential patents (SEPs), which are patents foundational to key technologies like USB ports and wireless communications, pose a significant threat to small businesses and consumers. Federal policy that enables abusive SEP licensing puts the nation at risk by enabling foreign licensors to force reliance on fewer suppliers of critical components and weaken supply chains. Congress should stop SEP abuses and protect U.S. competitiveness and national security.
- **Intellectual property and copyright:** Strong intellectual property protections safeguard the creativity of App Association members and other small businesses, including their ability to create jobs and develop innovative software products and services. Piracy not only threatens a developer's ability to invest, expand, and hire, but also undermines user

confidence when consumers become victims of illegal distributors. Congress should support copyright protections for app developers.

- **Tax:** The federal tax code plays an important role in providing the right incentives for American small businesses to compete and grow rapidly in the app economy. Updating the tax treatment of digital health monitoring, telework, and research and development are a few of the ways Congress could improve tax policy to advantage small businesses in the digital marketplace. Congress should address these tax policy issues affecting small businesses to help them continue to thrive.

If Congress strikes the right balance on these priorities, the app economy will continue to thrive and create jobs in your caucus' districts. It is important to balance privacy, competition, intellectual property, and creativity through laws that protect consumers, further national security, encourage development, and expand access to broadband and digital health. The App Association urges Congress to consult with small businesses in the app economy like our members as you work on these key issues.

Sincerely,

Chris Adams, SouthernDNA
Dele Atanda, Metame
Bruce Backa, TruV Systems
Suzanne Borders, BadVR
Andrew Brust, Blue Badge Insights
Lili Cai, Nourisher
Matt Charpentier, Chalk, Inc.
Susy Christiansen, Busy Bee Studios
Luke Chung, FMS Inc.
Rah Crawford, World Owned
Betsy Furler, For All abilities
Laraib Khan, OnGilly
Farzad Khosravi, Cicero.ly
Jack Marshall, Independent Contractor
Geno Miller, Shtudy
Dave Noderer, Computer Ways Inc.
CJ Pasley, Topik
Benny Pekala, Birdwell Solutions
John Petersen, Independent Contractor
Tom Petersil, easylabs
Parag Shah, Vemos
Kathleen Shepherd, Health Datix
Chris Sims, Cavu
Qyana Stewart, GlobalForce Tech Consulting
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