

Dear Global Policymakers:

ACT | The App Association is a global trade association for small and medium-sized technology companies. Our membership consists of entrepreneurs, innovators, and independent developers within the global app ecosystem that engage with verticals across every industry. The App Association works to promote a policy environment that rewards and inspires innovation while providing resources that help small to medium-sized businesses raise capital, create jobs, and do what they do best - continue to build incredible technology.

Our members are leading the software-driven transformation of every industry, driving today's global economy. However, to continue improving users' lives and creating high-paying jobs to employ the brightest minds, our members rely on government policies that consistently enable them to innovate and grow.

Below, we have outlined top priorities on behalf of our global membership. We hope to see global leaders consider our members' perspectives in the following areas to ensure continued growth in the global app economy.

### **Artificial Intelligence**

Artificial intelligence (AI) is not just a hot topic; it's a range of revolutionary technologies driving serious policy discussions worldwide and impacting every industry imaginable. With the app economy rapidly developing and embracing AI, lawmakers and regulators must take the time to listen to the small business voices in this space. Each industry, from healthcare to education, has unique challenges and requirements for AI applications. The most effective rules addressing AI will create a regulatory environment that spurs investment and innovation while accounting for AI's impacts on the global economy using future-proofed requirements that enable scaling risk mitigation practices to the harms posed by intended uses.

**Member Ask: Globally, determining whether and how government should intervene to address issues related to AI [demands a risk-based approach](#) that scales requirements rather than a one-size-fits-all policy (e.g., outright bans of certain uses). Technology-neutral and outcome-based government requirements will provide room for innovation while ensuring AI's responsible and productive uses.**

### **Privacy and Security**

Privacy and security are crucial components to a safer internet and a thriving app economy. Small business innovators 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. Our members use digital tools like encryption and strategies like privacy by design to protect users' information and often rely on platform-provided features to do so.

Between the absence of a national privacy law in the United States, an overly broad and burdensome approach to privacy and cybersecurity in the European Union, and the United Kingdom's controversial Online Safety Bill (OSB), among other proposed and finalized requirements across important jurisdictions, disparate and misaligned approaches to protecting people's privacy continue to develop that are out of sync with the most effective approaches to privacy and security. Leaders across the globe

should take the opportunity to leverage risk-based requirements and foster public-private collaboration to ensure that small innovators can continue to provide data privacy and security for their users.

**Member Ask: Our members urge global leaders to consider whether the costs imposed by policy developments and proposals like the UK's OSB and evolving state and federal privacy laws in the United States outweigh their potential benefits and whether proposals being considered enable the small businesses to address, and rapidly respond to, cyber-based threats proactively. A keen awareness of this important balance is critical to ensuring that small businesses – the backbone of the global economy – can innovate and compete while protecting their customers.**

### **Connected Health**

The Connected Health Initiative (CHI) is at the forefront of the healthcare revolution, driving global advancements in connected health technology. This transformation is evident in the progress of digital medicine, especially in areas like remote patient monitoring, which significantly enhances patient outcomes while reducing costs. Improving access to and quality of healthcare cannot be done without adopting these digital health innovations, necessitating modernized approaches to healthcare incentives and regulation.

**Member Ask: Our members' call to action for global leaders is to champion policies that responsibly integrate digital and connected health solutions into healthcare systems to improve healthcare access and quality. These policies should put new incentives that reward the responsible use of quality digital health tools while ensuring patient privacy and the secure and interoperable flow of health data.**

### **Competition**

Competition is the cornerstone of innovation in the global app economy. Consolidation in any industry can threaten businesses, consumers, and the innovation cycle, but big is not always bad. In fact, in markets that demand extraordinarily high capital and operating expenditures to provide at scale—like online marketplaces and platforms—big is a natural necessity to compete effectively and a better alternative than a large number of under-resourced, disintegrated service providers. Many small-to-medium-size developers rely on the scale of large platforms to deliver their products securely.

While the European Union's Digital Markets Act (DMA) requires compliance by early 2024, lawmakers in other important jurisdictions continue exploring competition/antitrust reforms that would profoundly impact the digital economy and their small business innovator community's ability to grow and create jobs. Further unwarranted antitrust interventions into hypercompetitive digital economy markets present small companies with the potential of facing inappropriate, conflicting, and confusing rules, regulations, and enforcement actions that create hurdles to entering new markets.

**Member Ask: Policymakers worldwide should preserve and encourage competition in digital markets through a restrained enforcement approach based on well-demonstrated systemic harms, not edge use cases or hypotheticals. Such an approach should understand and respect the symbiotic relationship between small businesses and digital platforms that has produced an unprecedented means of small business empowerment as well as immense consumer benefits.**

### **Diversity, Equity, Inclusion, and Workforce Development**

The global digital economy is the single most significant means of equitable empowerment for entrepreneurial small businesses in history, yet diversity, equity, and inclusion-related challenges in the workforce remain and most acutely affect the potential for small businesses around the world to innovate and succeed. App Association members are committed to addressing disparities and inequities and recognize that, if unaddressed, these widening gaps pose a significant risk to the future competitiveness of the global app economy and the goal of achieving an equitable society.

**Member Ask: Both governments and businesses should act as a united front to create and promote diverse, equitable, and inclusive computer science education and workforce development programs.**

### **Standard-Essential Patents**

A balanced approach to Fair, Reasonable, and Non-Discriminatory (FRAND) licensing of standard-essential patents (SEPs) is critical to innovation and competition across technology-driven markets, particularly for small businesses. Where patented technologies are infused into standards and patent holders are positioned as gatekeepers to the use of standards, abusive standard-essential patents (SEPs) licensing practices have harmed, and will continue to harm, small businesses and consumers alike unless policymakers take proactive steps to prevent them.

**Member Ask: To protect small businesses seeking to compete across standards-driven markets, policymakers across the globe should advance a balanced approach to FRAND licensing of SEPs that guarantees the ability to use standardized technologies by discouraging anticompetitive SEP licensing abuses.**

Policy and innovation are intrinsically linked. Overly broad or burdensome regulations can stall innovation, but it is equally important for any proposed government intervention to apply clearly and evenly to ensure any costs of compliance yield commensurate consumer benefits. We look forward to working with global leaders and policymakers on these critical issues.

Sincerely,

Morgan Reed

President, ACT | The App Association