

March 12, 2025

The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Subject: U.S. Tech Investors, Trade Associations, and Companies Support the EU Digital Markets Act

Dear Mr. President,

We write as a coalition of American technology stakeholders—including startups, mid-sized innovators, investors, and trade associations—urging your Administration to recognize the European Union's Digital Markets Act (DMA) as potentially beneficial to U.S. innovation and economic growth. A fair, competitive market has always been the engine of American capitalism. As you recently stated when nominating Gail Slater to lead the DOJ Antitrust Division, 'Big Tech has run wild for years, stifling competition in our most innovative sector and, as we all know, using its market power to crack down on the rights of so many Americans, as well as those of Little Tech!'

Yet today, by shielding entrenched monopolies like Apple and Google from accountability, the United States risks stifling our own next generation of innovators in critical fields such as artificial intelligence (AI), digital services, and consumer technology. Both Republican and Democratic administrations have acknowledged that unchecked monopolistic power harms innovation and consumer welfare. In fact, the landmark antitrust case against Google initiated during your first term (now yielding findings of illegal monopoly behavior) underscored that **unchecked abuse of dominance in digital markets is harmful not only to competition but ultimately to consumers and entrepreneurs**. We must not inadvertently prop up gatekeeper corporations at the expense of "little tech" – the thousands of American startups and smaller firms that drive true innovation.¹

This letter is spearheaded by Y Combinator, America's leading startup accelerator with over 5,000 technology companies in its portfolio, and joined by both Y Combinator-backed startups, independent technology companies, and trade associations. Due to legitimate concerns about potential retaliation from dominant platforms, some signatories have chosen to remain publicly

¹ <https://archive.is/TjDcH>

anonymous, though a complete and confidential list of all supporters will be hand-delivered to the White House.

Laws like the EU's DMA (and the analogous Digital Markets, Competition and Consumers Act in the UK) are currently among the only effective tools globally to rein in anti-competitive behaviors such as self-preferencing and blocking interoperability.² By contrast, the U.S. still lacks robust interoperability requirements or other *ex ante* rules to prevent dominant platforms from abusing their gatekeeper power. The DMA's commonsense obligations – **banning self-preferential treatment, requiring interoperability with would-be rivals, and removing artificial barriers to competition** – simply ensure the biggest tech firms play fair so that smaller American companies can compete on merit.³ Absent strong U.S. laws in these areas, the DMA provides much-needed external pressure to curb monopolistic practices that hurt American businesses and consumers. Far from being a “Europe vs. America” issue, the DMA's pro-competition framework aligns with core American antitrust principles by decentralizing market power and opening doors for entrepreneurship. It is telling that some American firms had to turn to Brussels for relief: the DMA in part arose from advocacy by U.S. companies frustrated with past inaction at home, and its enforcement will help **unlock digital market bottlenecks** – spurring growth in both European *and* American markets. In short, when Europe acts to ensure open markets, U.S. innovators stand to benefit.

We urge you to consider concrete examples of how the status quo—protecting dominant gatekeepers—undermines U.S. innovation and consumer choice. Take messaging platforms: Apple has fiercely protected its iMessage platform from interoperable alternatives, even **shutting down a third-party app that enabled Android users to send and receive iMessages**.⁴ This move blocked a promising American startup (Beeper) and kept tens of millions of users stuck in Apple's silo. Internal documents show Apple deliberately chose *not* to offer iMessage on Android precisely because “**iMessage amounts to serious lock-in**,” an acknowledgment that its closed system deters users from switching to competing devices.⁵ Indeed, iPhone users often hesitate to leave Apple's ecosystem simply due to the dreaded “green bubble” stigma that turns their messages to Android-using friends into second-class texts. Your Justice Department's ongoing case against Apple spotlights this very tactic, noting that Apple's design of iMessage (with blue vs. green text bubbles) signals to consumers that rival smartphones are inferior—creating social pressure to stay within Apple's walled garden.⁶ At every turn, Apple is using its dominance in the mobile app ecosystem to box out competitors rather than competing on merit. Without rules requiring interoperability, alternative app stores, and competing payment options, one company's preferences end up dictating Americans' social communications choices.

Or consider online video and search services: Google has similarly leveraged its gatekeeper status to favor its own products at the expense of fair competition. An illustrative case is

² <https://bills.parliament.uk/bills/3453>

³ https://digital-markets-act.ec.europa.eu/legislation_en#digital-markets-act

⁴ <https://www.macrumors.com/2023/12/10/apple-confirms-it-shut-down-beeper-mini/>

⁵ <https://www.businessinsider.com/apple-rcs-iphone-ios-18-keeps-green-text-bubbles-android-2024-6>

⁶ *Ibid.*

Google's treatment of YouTube versus competing video platforms. Google commands about 90% of internet search traffic in the U.S., and multiple sources have shown that it **tweaks search algorithms to preference YouTube (which it owns) over rival services**.⁷ Rumble, a U.S.-based video streaming competitor, has alleged in an ongoing lawsuit that Google's self-preferencing in search results drastically reduced Rumble's traffic and advertising revenue.⁸ More recently, during a high-profile political event where Rumble was the official streaming partner, Google's search engine reportedly buried links to Rumble's stream while prominently displaying YouTube links – despite YouTube not even being the designated host. These examples demonstrate how, in the absence of enforceable neutrality or interoperability rules, gatekeepers can tilt the playing field to punish American challengers and limit consumers' choices. The DMA directly addresses such tactics by **preventing search engines from unfairly advantaging their own services** and by ensuring competitors can reach consumers on fair terms.

The pattern extends to emerging technologies like AI and voice assistants. It is widely recognized that Apple's Siri voice assistant has fallen far behind more open AI rivals, in large part because Apple's closed ecosystem insulates it from competition. Recent reports indicate that Apple will not deploy a truly modern, LLM-driven Siri to consumers until **2027**, years after companies like OpenAI and Anthropic brought generative AI to the public.⁹ This *delay* isn't due to lack of resources but rather reflects a lack of competitive pressure. Third-party developers of AI-powered search tools or voice assistants cannot integrate their services freely on Apple's platform, and iPhone users are generally locked into using Siri, no matter how inferior it may be. As a result, Apple can afford to procrastinate on innovation while startups with potentially better AI assistants are blocked from reaching users. Even Apple's own employees concede that the company is "far behind" on AI assistant technology.¹⁰ We see similar stagnation in other domains when gatekeepers refuse interoperability: an *AI-based* mobile search engine like Perplexity or an innovative app from a U.S. startup cannot gain traction if Google and Apple bar it from default distribution on their devices. By **requiring gatekeepers to open up key interfaces and allow alternatives**, the DMA creates opportunities for American innovators in AI, search, and consumer apps to compete and excel – which ultimately pushes everyone, including the monopolists, to innovate faster.

We want to commend your Administration's recent steps to promote competition — fulfilling your commitment to 'Make America Competitive Again' through antitrust enforcement that is both 'vigorous and FAIR, with clear rules that facilitate, rather than stifle, the ingenuity of our greatest companies,' which complement the spirit of the DMA.

The appointments of **strong antitrust enforcers** like FTC Chair Andrew Ferguson, FTC Commissioner Mark Meador, and Assistant Attorney General Gail Slater at the Department of Justice Antitrust Division signal a serious commitment to tackling Big Tech's dominance. We applaud the historic bipartisan confirmation of Assistant Attorney General Slater, whose

⁷ <https://www.reuters.com/legal/rumble-sues-google-over-digital-advertising-practices-2024-05-13/>

⁸ <https://corp.rumble.com/wp-content/uploads/2024/05/Rumble-v.-Google-Ad-Tech-Complaint-As-Filed.pdf>

⁹ <https://techcrunch.com/2025/03/02/apple-might-not-release-a-truly-modernized-siri-until-2027/>

¹⁰ <https://www.laptopmag.com/ai/apple-intelligence-llm-siri-rumored-release-2027>

overwhelming Senate approval signals broad recognition that fair competition benefits all Americans regardless of political affiliation. Just as important, the Justice Department's tech monopoly prosecutions launched in your first term are continuing full steam. The ongoing *U.S. v. Google* case—filed in 2020—showed bipartisan resolve to challenge Google's exclusionary contracts and other tactics used to maintain its search monopoly.¹¹ And in March 2024, the DOJ and a coalition of states filed a major suit against Apple, alleging that **Apple's broad, exclusionary conduct "undermines apps, products, and services that would otherwise promote interoperability"** and makes it unjustly hard for Americans to switch away from the iPhone. We applaud these efforts, as they echo the DMA's goals of restoring fair competition. It is also worth noting that our nation's leaders are increasingly aligned across party lines on these issues. In recent remarks in Paris regarding EU digital policies, **Vice President J.D. Vance correctly and pointedly criticized certain European regulations but notably *did not* criticize the DMA**, implicitly recognizing the DMA's pro-competitive value and distinguishing it from more problematic regulations.¹² This omission speaks volumes: even skeptics of EU overreach see that cracking down on anti-competitive gatekeeping is in America's interest.

With this in mind, we respectfully urge the White House to recalibrate its stance toward Europe's digital regulation, drawing a clear line between measures that hamper innovation and those that foster it. Too often, U.S. officials have lumped the DMA together with unrelated European policies like the Digital Services Act or GDPR when voicing concerns about "over-regulation." **Such reflexive opposition is misdirected in the case of the DMA.** Unlike broad social or privacy regulations that sometimes burden businesses indiscriminately, the DMA is a targeted pro-competition framework that actually *helps* American companies – especially startups and "Little Tech" entrepreneurs – by curbing the unfair advantages of entrenched giants. We ask that your Administration maintain a critical eye toward foreign regulations that truly threaten U.S. business interests, *while openly supporting those like the DMA that enhance competition and market access*. Embracing the DMA's principles is not about ceding sovereignty or going soft on Europe; it's about putting America's economic dynamism first. In practical terms, that means encouraging Big Tech to comply with pro-competition rules abroad and taking inspiration from those rules at home. It also means acknowledging that U.S. firms will invest and grow wherever markets are open and fair – and if American businesses find **fairer markets abroad** than at home, they may shift investment overseas. We should strive to make the U.S. the *best* place in the world to start the next great tech company, not a sheltered workshop for a few dominant firms. Supporting the DMA's vision of open markets will help ensure that the next generation of American innovators can thrive on a level playing field both domestically and globally.

Mr. President, the United States has always led the world by championing competition and opportunity. By recognizing the Digital Markets Act as a constructive force for global fair play, your Administration can reinforce America's commitment to free enterprise and technological leadership. We urge you not to let misguided fears cloud what is essentially a win-win: **when monopoly gatekeepers are reined in, American innovation wins**. We stand ready to work with your Administration — just as you promised when nominating AAG Slater — to ensure

¹¹ <https://www.justice.gov/archives/opa/pr/justice-department-sues-monopolist-google-violating-antitrust-laws>

¹² <https://thespectator.com/topic/read-j-d-vance-full-speech-ai-summit-paris/>

'competition laws are enforced' in ways that protect 'Little Tech' from anticompetitive practices while allowing American innovation to flourish and to advance policies—domestically and internationally—that unleash competition, protect consumers, and secure America's high-tech future. Thank you for your attention to this urgent matter.

Sincerely,

Y Combinator

Coalition for App Fairness

Responsible Online Commerce Coalition

Yelp

Lantern

Rize

Metalware

Boldvoice

Saldor

Empirical Health

Core Devices

Anonymous

Anonymous

Anonymous

Midship Inc

FiddleCube

Copilot

Vaero Inc.

CopyCat

browser-use

Anonymous

Atrix AI

Clearly AI

Melty

Anonymous

Risotto

Anonymous

Greenboard

Felt

innkeeper

Deferred.com

Malama

Surge Communications

Anonymous

Anonymous

UpCall

BigSmart AI

InEvent

Approov
SolarMente
Anonymous
Genius
Anonymous
Zep AI
Bilanc
Care Weather Technology
Sorcerer Corporation
Sunset
Decisional AI

CC:
Vice President J.D. Vance

Secretary Howard Lutnick

Secretary Scott Bessent

United States Trade Representative Ambassador Jamieson Greer

Teresa Ribera, Executive Vice-President of the European Commission for a Clean, Just, and Competitive Transition

Henna Virkkunen, Executive Vice-President for Executive Vice-president of the European Commission for Technological Sovereignty, Security and Democracy