



Chairman Klein and the Senate Industry, Business and Labor Committee:

Thank you for the opportunity to express our support for SB 2333.

Epic Games is a leading interactive entertainment company and provider of 3D engine technology, based in Cary, North Carolina. Epic operates Fortnite, one of the world's largest games with over 350 million accounts and 2.5 billion friend connections. Epic also develops Unreal Engine, which powers the world's leading games and is also adopted across industries such as film and television, architecture, automotive, manufacturing, and simulation.

Epic has long been an advocate for fairer and more open platform policies. We believe it is time to end Apple and Google's abuse of its dominant position of the app marketplace to ensure competition and freedom for consumers and developers alike.

The anticompetitive practices on mobile platforms today stifle innovation and subject mobile developers to crippling restrictions. This hurts consumers by reducing choice and inflating prices. People who buy a smartphone have a right to choose how and where they install apps and have the right to choose their in-app payment option.

Apple and Google demand that developers use their payment processing services, which charge an exorbitant rate of 30%. They block developers from using more efficient payment methods that would allow them to save money and pass those savings along to their customers. This 30% tax stifles competition, with many developers unable to survive under this burdensome policy. And it threatens the ability of developers to innovate and create new kinds of games, apps, and businesses. As SB 2333 points out, App Stores should not be able to require a developer to use an in-app payment system as the exclusive mode of accepting payments.

This is a material impediment to innovation in an increasingly necessary part of our American economy. If developers are not allowed to do businesses directly with their customers and if the platform holders are able to set arbitrary rules that tax the consumer and the developer without competition, this will devastate small businesses.

I want to sincerely thank you for taking the lead on this issue to stop the anticompetitive behavior. If we do nothing, we will see an increase in closed platforms where there is no freedom, anywhere. If platforms are allowed to continue on this path, other companies could be encouraged to similarly try to limit their platforms and consumers and businesses will pay the price.



Epic is a member of the [Coalition for App Fairness](#) which represents more than 50 companies who are working together to create a level playing field for app businesses and to give people freedom of choice on their devices. Thank you for taking action for the people and businesses of North Dakota and for helping app makers everywhere secure a lasting future.

The tech industry at the end of this battle will not be the same as the tech industry today. Thank you to the leaders of North Dakota for addressing this complicated but serious problem.

Best,

Tera Randall
Epic Games
VP, Communications and Policy