



The Daily Dish

# The Reality of the DMA

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The European Union's (EU) [Digital Markets Act](#) (DMA) classifies certain tech companies (e.g., Google, Apple, Facebook, Amazon, and – hilariously – Booking.com, which advocated for the DMA) as “gatekeepers” and subjects them to additional regulations. For a while now, AAF experts have been concerned that by focusing on competitors' experience in the market rather than the impact of concentration and anti-competitive practices on consumers, the DMA would likely diminish consumer benefits by eliminating choices in the market and potentially raising the costs of certain products.

That was a theoretical concern, which AAF has been [monitoring](#) since before the DMA rolled out this year. Now, the first real evidence is in. Bloomberg [reports](#) that:

[Apple Inc.](#) is withholding a raft of new technologies from hundreds of millions of consumers in the [European Union](#), citing concerns posed by the bloc's regulatory attempts to rein in Big Tech. The company announced Friday that it would block the release of Apple Intelligence, iPhone Mirroring and SharePlay Screen Sharing from users in the EU this year, because the Digital Markets Act allegedly forces it to downgrade the security of its products and services.

According to Apple, “[Apple Intelligence](#) is a personal intelligence system that brings powerful generative models to iPhone, iPad, and Mac. Apple Intelligence is comprised of multiple highly-capable generative models that are specialized for our users' everyday tasks, and can adapt on the fly for their current activity.”

In a variety of legislative debates and court settings, Apple has appealed to the superior security and privacy it offers consumers. Consumers make a choice to buy Apple products and, as a result, buy into the restrictions on interoperability that come with it. I've detected no widespread consumer discontent with this choice (consumers could, after all, simply buy something else). From a welfare point of view, the DMA reduces consumer benefits. In a statement, Apple again appealed with this argument: “We are concerned that the interoperability requirements of the DMA could force us to compromise the integrity of our products in ways that risk user privacy and data security.”