



The Daily Dish

ASFA — Little Freedom, un-American

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Remember the Digital Markets Act (DMA)? How could you forget, even at this early hour, this God-forsaken, Eurotrash abomination? The legislation was intended to pry open the app stores of firms such as Apple and Google by labeling them “gatekeepers” and asserting they were abusing a monopoly position. As a conceptual matter, it committed the fundamental sin of competition policy by ignoring consumer welfare in favor of regulating the dynamics of competition.

Competitors often feel that certain firm behavior is unfair and, under the DMA, their complaints could lead to the penalization of a successful company – even if its popularity stems from a superior product, and not behavior that harms consumers. The only thing that matters is the welfare of consumers; there are always more competitors. Damage from the DMA was easily foreseen.

When the DMA finally launched in 2024, AAF’s [insight](#) noted myriad compliance costs for firms and the fact that:

While the DMA is designed to help smaller firms using the gatekeepers’ services, in practice, the compliance plans gatekeepers implement in response to the law often come with negative consequences for consumers, such as additional pop-ups, cybersecurity risks, and reduced functionality.

Since then, a new [study](#) has concluded that the DMA also did not lower consumer prices. In short, thanks for nothing.

Eakinomics’ [fear](#) of the living, breathing DMA was what it would do to Americans:

While some may argue it is fine to “let Europe be Europe,” there are risks to U.S.

businesses and consumers. Even worse, some components of these bad policies have shown up in U.S. legislative and regulatory proposals, so it is important to document their negative impacts. Everyone has a stake in the regulation of global digital markets and the DMA marks a key shift away from the light-touch approach that has been so successful to date.

The fear of copycat legislation was well-founded, which brings us to the App Store Freedom Act ([ASFA](#)), a close cousin to the DMA that will be one of the subjects of a House hearing today. The ASFA would regulate “dominant” mobile app marketplaces with over 100 million users. It would require them to allow third-party app stores onto their platforms and would enable “sideloading” of third-party apps. This is intended to bypass apps from official stores such as Google Play Store and Apple App Store and supposedly lower prices. As we have seen from the DMA, it won’t.

ASFA violates the freedom of some firms, delivers less economic freedom to consumers, and is fundamentally un-American in its lineage. No thanks.