



The Daily Dish

# The Digital Markets Act Goes Live

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AAF has spilled a lot of digital ink on the Digital Markets Act (DMA) over the years; see for example [this](#) or [this](#). The reason was straightforward. The DMA's focus was on competitors, rather than the experience of consumers, in an effort to address what regulators saw was a problem in the market dynamics of the industry. 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. Moreover, what constitutes a violation of the DMA is not narrowly defined, opening the possibility that regulators could abuse this authority to favor certain industries or competitors.

That was unappealing in the abstract. But on March 6, the [DMA went into effect](#) designating Alphabet, Amazon, Apple, ByteDance, Meta, and Microsoft as “gatekeepers,” forcing these firms to open their services to competitors, preventing them from favoring their own products and services at the expense of rivals, and requiring these firms to provide more transparency about their business practices.

How is the DMA working in practice? AAF's Jeffrey Westling surveys its early impacts on these firms in his latest [insight](#). The broad conclusion is: “While the DMA is designed to help smaller firms using the gatekeepers' services...the compliance plans gatekeepers implement in response to the law often come with negative consequences for consumers, such as additional pop-ups, cybersecurity risks, reduced functionality.” Westling also provides a company-by-company review of the changes to their business models made in order to comply with the DMA.

There is more to come: “The European Commission plays a central role in the process of enforcement. With significant investigative powers, the Commission can conduct market investigations, request information, and carry out inspections on companies to ensure compliance. Non-compliance can lead to substantial fines and structural remedies, such as business practice adjustments or company break-ups to restore what the Commission deems competitive conditions.” Get ready for a bumpy ride.

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.