

TESTIMONY OF GARRY TAN
PRESIDENT AND CEO OF Y COMBINATOR
BEFORE SENATE COMMITTEE ON JUDICIARY
SUBCOMMITTEE ON ANTITRUST, COMPETITION POLICY, AND CONSUMER RIGHTS
HEARING ON “BIG FIXES FOR BIG TECH”
TUESDAY, APRIL 1, 2025

Chairman Lee, Ranking Member Booker, and Members of the Subcommittee,

Thank you for the opportunity to testify today about restoring competition and innovation in the digital economy. I'm Garry Tan, and I am the President and CEO of Y Combinator. For over 20 years, YC has helped launch over 5,000 tech startups, many of which have grown to become industry leaders.

We stand at a critical juncture. The unchecked concentration of power in big tech has severely limited innovation, harmed consumers, and restricted America's global competitiveness. Today, I'm here to speak on behalf of what I call 'little tech'—the startups, innovators, and tech entrepreneurs whose voices haven't been represented in Washington. Their innovations hold the key to America's continued technological leadership, yet their potential is consistently undermined by the dominance of large incumbents. To illustrate, let me share a few real-world examples from YC startups:

First, consider API access. Without open APIs, even the brightest entrepreneurs cannot secure funding, and innovative solutions never reach the public. An API, or Application Programming Interface, is a technical gateway that allows startups to integrate and build upon platforms, enabling innovative solutions to reach consumers. One YC startup created cutting-edge technology capable of detecting deepfake fraud—such as fraudulent calls targeting elderly parents. Despite its potential to address an urgent societal issue, this startup was forced to pivot because it was denied essential API access by dominant platforms. Without open APIs, even the brightest entrepreneurs cannot secure funding, and innovative solutions never reach the public.

Second, interoperability—meaning the ability of different technological systems and services to seamlessly communicate and work together—is critical. Beeper, another YC startup, aimed to simplify messaging across platforms—offering genuine consumer choice by breaking down the green vs. blue bubble divide. Imagine an interoperable messaging client, powered by LLMs—advanced artificial intelligence capable of understanding and generating human-like text—capable of intelligently detecting and warning users against sophisticated scams. This innovation could save countless Americans from devastating financial losses. Unfortunately, restrictive practices by companies like Apple effectively shut Beeper out of competition, limiting consumer access to these potentially transformative solutions.

Third, dominant firms continually engage in harmful self-preferencing, exemplified clearly by Siri. Despite serving over a billion people globally, Siri remains embarrassingly behind, often providing outdated or nonsensical responses. Apple's monopolistic control has stifled Siri's ability to integrate cutting-edge generative AI technologies, leaving consumers with an inferior product. Consumers get transformative technology years later than they otherwise could because entrenched monopolies consistently pull up the ladder behind them. This abuse of dominance directly contributes to the decline of innovation and undermines America's technological leadership. The failure of the FTC to bring an enforcement action against Google's egregious forms of self-preferencing in 2012 sent a message to every gatekeeper that it was open season for self-preferencing. As a result, the web became less open; today, most traffic that starts on Google terminates on Google rather than winding up on the open web.

History has provided clear lessons on remedies that work. The landmark Microsoft antitrust case exemplified how mandated open API access and prohibitions against exclusionary agreements unlocked competition. Google and Chrome emerged precisely because Microsoft's monopoly was curtailed.

Therefore, I strongly support vigorous enforcement of existing antitrust laws when dominant platforms engage in egregious self-preferencing or block reasonable interoperability. I urge Congress to pass legislation that equips antitrust enforcers with more powerful and targeted tools to effectively address the dominance of the largest technology platforms.

Today, we must apply similarly bold remedies to big tech:

- **Open API Access:** Mandate that dominant firms provide open API access to enable startups to develop groundbreaking innovations.
- **Interoperability Requirements:** Require major platforms to offer interoperability, ensuring startups and consumers have meaningful choices and access to cutting-edge technology.
- **Limiting Self-preferencing:** Adopt clear restrictions that prevent dominant companies from artificially elevating their own products and services over those of competitors.

Ultimately, this abuse of dominance is precisely why America's exceptionalism is at risk. America's economic strength and technological leadership depend on vibrant competition, transparency, and open markets. Policymakers must act decisively to restore conditions that allow innovation to thrive, protect consumers from exploitation, and ensure America remains at the forefront of global technological advancement.

Thank you, and I look forward to your questions.