

**Opening Statement of the Honorable Mary Bono Mack
Subcommittee on Commerce, Manufacturing, and Trade
Hearing on “Where the Jobs Are: There’s An App For That”
September 12, 2012
(As Prepared for Delivery)**

When it comes to mobile application software, I’m reminded of the hit song by country star Loretta Lynn: “We’ve come a long way baby.”

From the 1970’s “cave age” concept of conducting banking, or paying your utility bill by telephone, mobile apps have exploded in number and sophistication.

Today, there are apps to lose weight...quit smoking...examine your stock portfolio...review restaurants...watch videos...check up-to-date scores of your favorite sports team...witness breaking-news events worldwide...post on Facebook...Tweet to the world in 140-character bursts...and on and on.

According to a recent New York Times article, there were about 8,000 mobile apps in 2008. Today, there are more than 1.3 million, and they’re multiplying rapidly.

Consider this: It’s estimated that nearly 100 movies and about 250 books get released worldwide every week. That compares to nearly 15,000 mobile apps.

The health industry is a good example of this astonishing growth. The Baltimore Sun reported recently that there are now more than 40,000 mobile health apps contributing to an \$800 million global business. And experts say, we’re only beginning to “scratch the surface” of a nascent industry.

Apps, of course, are software programs – small in size – that users load onto their mobile devices or use layered on top of a platform such as Facebook. Once, you could only use an app on a desktop computer.

But times have changed in a hurry, thanks to increasingly more powerful mobile devices and higher quality networks.

Today, apps are purchased typically through an appstore associated with a particular platform. The main platforms in today’s app economy are Apple iOS, Google Android, RIM Blackberry, Microsoft Windows, Amazon Kindle, and Facebook.

Approximately one-third of all apps are created by individuals or businesses with fewer than five employees. But both blue chip companies and traditional brick-and-mortar stores now have an app presence as well, developed either in house or outsourced to a contractor.

App developers range in size from one-person shops to large developers such as Zynga, with nearly 3,000 employees.

The revenues generated by apps include the purchase of the app, in-app purchases – like game credits – in-app advertising, and app-enabled commerce, such as the purchase of goods and services through an app. As a result, a new term – the “apps economy” – encompassing all such commercial activity...has now become a part of Mainstream America.

Apple first launched the iPhone in 2007 and followed with the introduction of its App Store in 2008, which opened with 500 available apps.

Four years later, Apple says its stores offer an astonishing 600,000 apps. And according to its website, Google's Play store offers a similar number.

Today, an estimated 90 million U.S. consumers spend approximately 60 minutes per day accessing the Internet on their smartphones, while another 24 million U.S. consumers spend 75 minutes a day accessing the Internet on their tablets – much of this access being gained through the use of mobile apps.

And if you think all of that sounds pretty impressive, well...consider this: Last Christmas, on December 24 and December 25, consumers downloaded a staggering 392 million apps.

So, as smartphone and tablet ownership continue to rapidly expand, current projections indicate the app economy will soon become a \$100 billion-a-year business.

In addition to the explosive growth of the apps economy in the U.S., the outlook for apps as an export looks bright, as well. More than 20 percent of all apps downloaded in China last year were created by U.S. developers.

Clearly, this tremendous innovation offers high hopes for our economy. According to a study commissioned by TechNet about a year ago, there were over 44,000 app-related positions open in the U.S. at the time.

And here's another interesting finding of that survey: Researchers found that app jobs – while located in predictable places like New York and Silicon Valley – are actually dispersed throughout the country with an estimated two thirds of all app-related employment falling outside of New York and California.

With that as a background, I'm very anxious to hear from today's panel.

What have been the keys to the explosive growth and job creation in the mobile app economy?

Are there Federal policies that present a roadblock to the sector's growth and ability to create jobs?

Are there policies the Federal government should consider to foster further growth and job creation?

And what's the outlook for both the immediate and long-term future?

Today's hearing could not be more appropriately entitled: "Where the jobs are: There's an App for That."

Because increasingly – through American innovation and ingenuity – we're rapidly becoming a world where there's literally "An App for Everything."

And with that, I now recognize my good friend and colleague – our Subcommittee's Ranking Member, Mr. Butterfield of North Carolina – for his opening statement.