

Unplugging Big AI

The market for AI models is competitive, but the path to users isn't. To fix it, we need a right to plug in.

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Executive summary

Today's market for AI models is still competitive. People's *path* to those models, however, is not. Despite ongoing competition for model quality, we still run a serious risk of this market tipping towards oligopoly, because of chokepoints in *distribution*. The incumbent gatekeepers are leveraging every chokehold they have in digital markets to funnel users to their services, shut out rivals, and maintain an unfair edge in AI.

How do we know? Sundar Pichai at Google I/O acknowledged that 2.5 billion Gemini users arrive through AI Overviews – only a fraction of people use Gemini itself¹. When Meta kicked ChatGPT out of WhatsApp, 50 million users were shut out overnight.²

Competition and Digital Markets Act (DMA) enforcers have moved to meet this moment, ordering Meta to reopen WhatsApp to third-party AIs and specifying actions Google must take to keep Android open to rival AI tools. These actions – which defend a “right to plug in” for AI competitors³ – are a potent way to keep AI innovation open and user choice alive.

Now, before markets have fully tipped, is the right time to build on this progress. As [Google's recent actions](#) demonstrate, Big Tech will fiercely resist a wider right to plug in, because it threatens their market dominance. Today, consumers are locked-in while competing providers are locked-out: gatekeepers solidify their dominance by imposing their own built-in tools, effectively shutting out alternative businesses. A modular and granular architecture directly challenges this monolithic model. It opens the ecosystem so that alternative providers can plug their AI services into major search engines, social networks, or operating systems, giving users the freedom to select lighter, on-device, or privacy-first alternatives for instance.

¹ Sundar Pichai, “I/O 2026: Welcome to the agentic Gemini era,” 19 May 2026. (Claims usage of AI Overviews at 2.5 bn users, AI Mode 1bn, Gemini app 900m.) <https://blog.google/innovation-and-ai/sundar-pichai-io-2026/>

² <https://openai.com/index/chatgpt-whatsapp-transition/> (Per OpenAI, “We’ve loved seeing more than 50 million of you chat, create, and learn with ChatGPT on WhatsApp.”)

³ The technical term for this in competition law is “vertical interoperability”.

This short paper explains why enforcers should prioritise it regardless - it is the best hope of keeping the AI market truly open.

The Digital Markets Act (DMA) was designed to curb the monopolistic advantages of dominant tech platforms. The rapid integration of artificial intelligence (AI) across the digital stack threatens to entrench market concentration at an unprecedented scale.

To preserve innovation and market contestability, European competition authorities and policymakers must redouble their focus on **vertical interoperability for AI**. Mandating open integration is the critical structural mechanism to prevent gatekeepers from transforming platform dominance into an unassailable AI monopoly.

To do so, the European Commission should launch a comprehensive market inquiry on AI, enforcing vertical interoperability across all core platform services (CPS), including AI agents, to safeguard a competitive and contestable digital future by conducting to the extension of the scope of Article 6(7) through a delegated act.

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1. The Emerging Regulatory Landscape: DMA Enforcement and the AI Frontier

The publication of the [first DMA review](#) on 28 April 2026 signalled a pivotal shift in European digital policy. While confirming that the European Commission's ongoing cloud market inquiry will deliver its findings by [May 2027](#), the review underscored that artificial intelligence has become a key priority.

The Commission explicitly signalled its intention to leverage the full range of its statutory powers, monitoring AI developments to ensure compliance where AI technologies are integrated into designated CPS⁴ or warrant standalone designation as virtual assistants.

“The Commission will continue monitoring developments in the area of AI as a matter of priority, ensuring full compliance with the DMA where AI technologies or services are either an integral part of designated core platform services or a distinct service potentially warranting designation. The Commission will do so as part of its ongoing regulatory dialogue with gatekeepers on their evolving business models and the implications for DMA compliance. The Commission will in particular further assess whether some AI services need to potentially be designated as virtual assistants. Moreover, the Commission will consider whether the DMA’s future-proofing tools need to be used to update any obligations in relation to AI services.”

Recent competition proceedings reflect this policy direction while acknowledging a fundamental economic reality: AI market contestability is entirely dependent on access to underlying platform infrastructure. When a platform’s proprietary AI tools are automatically – and exclusively – integrated into its widely used services (Google Search, WhatsApp, Android, etc.), it becomes nearly impossible for alternatives (such as Mistral, EuroLLM or any other AI service) to gain a foothold.

This symbiotic and exclusionary relationship established between AI services and legacy Big Tech platforms not only deprives captive users of access to alternative AI services, but also reinforces Big Tech's dominant position by consolidating access to data collected by these platforms.

⁴ All CPS are listed in Article 2.2 of the DMA: “(a) online intermediation services; (b) online search engines; (c) online social networking services; (d) video-sharing platform services; (e) number-independent interpersonal communications services; (f) operating systems; (g) web browsers; (h) virtual assistants; (i) cloud computing services; (j) online advertising services”.

Two recent decisions attempt to limit these dynamics by ensuring the openness of operating systems (Android) and messaging services (WhatsApp) to third-party AIs:

- **[Android Decision](#)**: A mandate requiring Android to open up to third-party AI assistants, not just Gemini, was issued by the European Commission on 16 July 2026. Google is currently [challenging](#) this decision before the EU General Court.
- **[WhatsApp Interim Measures](#)**: On 9 June 2026, in the European Commission's own terms, it "ordered Meta to restore free access to WhatsApp for rival general-purpose AI assistants, and maintain it until the end of the Commission's antitrust investigation."

2. Concrete Risks in Practice: Paying the Cost of Market Closure

While gatekeepers contest these interventions, the regulatory diagnosis remains correct: without intervention at the vertical layer, platform gatekeepers will successfully ring-fence the AI value chain.

The distortions caused by vertical foreclosure are already visible in Search. The deployment of native AI Overviews within Google Search represents a massive shift toward a ["zero-click" web ecosystem](#). By generating direct AI answers from indexed publisher content while denying competing AI assistants equal integration with Search, gatekeepers like Google cement their dominance through a dual monopoly: capturing downstream attention and monetising user queries entirely within a closed loop, while locking out competition from other AI search agents.

The systemic risks of platform foreclosure extend beyond pure economics, reaching into democratic governance. The integration of proprietary models, such as Grok serving as an unvetted "custom feeds" builder within X, illustrates the danger. AI-driven recommender systems deployed within closed platforms, with no third-party access or accountability, puts democracy at risk. On the contrary, vertical interoperability enables true algorithmic pluralism, giving users the right to choose third-party – AI or not – curation engines that help them break free from the opaque models that gatekeepers de facto offer.

Ultimately, as rightly identified by the European Commission in its first DMA evaluation report, the current regulatory challenge is twofold: how to enforce vertical interoperability between third-party AI tools and traditional Core Platform Services (CPS) (such as Operating Systems, Search, and Messaging); and how to achieve vertical interoperability with AI agents themselves⁵.

⁵ Lê Nguyễn Hoàng, *Demain l'IA aux commandes*, Dunod, 2026.

3. Rebuttal: Overcoming 6 Unfounded Objections

Arguments against vertical interoperability often cite security, technical constraints, and user experience. A closer look reveals that these criticisms directly serve the interests of Big Tech, not the consumer or startups.

Objection n°1: “It’s unsafe”. Gatekeepers frequently use privacy and security as an anticompetitive shield to prevent third-party access. In reality, interoperability can be effectively secured through standardised APIs, sandboxing, and strict authorisation protocols. If the highly sensitive financial sector’s Open Banking regulations successfully allow for third-party access, there is no reason why digital platforms cannot implement equally robust security measures without resorting to outright market closure.

Objection n°2: “It’s technically unfeasible”. The argument that monolithic technical architecture is indispensable is a commercial choice designed to enforce proprietary lock-in, rather than an absolute engineering constraint. AI services are nothing more than a sum of distinct, modular functionalities, such as “pre-training, alignment, system prompt, chain-of-thought activations, history retention, history manipulation, user interface, source retrieval, agentic interconnections and watermarking”⁶. The emergence of open standards and modular function-calling architectures demonstrates that modulating an AI service is technically viable.

Objection n°3: “This is free riding”. The argument that third-party AI tools would unfairly capitalise on gatekeepers' infrastructure is highly paradoxical, given that gatekeepers themselves rely on scraping online content – at no cost – to generate direct AI answers. Mandating interoperability is about preventing gatekeepers from capturing downstream attention and monetising user queries entirely within their closed loop.

Objection n°4: “Openness would put the world at risk”. While a vast majority of the most dominant AI companies, centralising generation and moderation within closed models managed by gatekeepers would be the best way to avoid the creation of points of failure and manage existential risks. Such statement is massively contested, included by some Big Tech companies, by strategies adopted by communities and firms over the world and is not supported by any theoretical or empirical evidence⁷.

⁶ Thanks to Lê Nguyễn Hoàng for drawing and sharing that list with us.

⁷ A. Morris, “Who’s Who In The Fight Over Whether AI Will Kill Us”, Forbes.com, September 24, 2026. <https://www.forbes.com/sites/andreamorris/2026/09/24/whos-who-in-the-fight-over-whether-ai-will-kill-us/>

Conversely, deploying AI systems within closed platforms without external oversight threatens democratic processes by granting a handful of corporations total control over public information flows. In that regard, vertical interoperability could enable concrete evolutions such as algorithmic pluralism: giving users the right to choose third-party AI curation systems. By fostering genuine freedom of choice, vertical interoperability reduces the risk of unvetted, proprietary models controlling information flows utilised by countless users.

Objection n°5: “Users are lazy”. The claim that vertical integration is the only way to ensure a seamless user experience serves as a cover for market capture and predatory behaviour.

The history of the digital economy demonstrates that consumer choice and competition stimulate innovation far more effectively than closed, monopolistic systems. This is true throughout the history of telecommunications; no incumbent operator would have introduced the set-top box or linked internet access, home phone, and TV into a single-provider bundle (triple play).

It is equally true for all the features that gatekeepers have integrated into their systems after seizing third-party innovations (think of the recent addition of Pause Point on Android). This reality is embedded in the DMA’s mandate, as one of its key ambitions is to stop dominant firms from crushing innovative competitors.

Objection n°6: “There is a demand for AI integration.” Big Tech has made AI features omnipresent through an unprecedented push. To the point where these features cannot be disabled, or can only be turned off by jumping through endless hoops.

On the other hand, evidence suggests that price-sensitive AI customers (notably, coders) do seek cheaper alternatives to Big AI. Bloomberg reports that on OpenRouter, a neutral marketplace where developers can pick their models, the share of tokens processed by US firms fell from about 70% to about 30% between June 2025 and June 2026, with alternative Chinese models surging in share⁸.

⁸ Bloomberg, “US Lead in the AI Race With China is Rapidly Narrowing”, 19 August 2026.
<https://www.bloomberg.com/graphics/2026-us-china-ai-race/>

4. Policy Recommendation: The Imperative for a Comprehensive AI Market Inquiry

To realise these strategic pillars, the European Commission must urgently launch several dedicated **market inquiries into artificial intelligence**.

Under current legislation, Article 6(7) DMA forces gatekeepers to grant third-party hardware and service providers free, equal, and effective interoperability with the exact same operating system, hardware, software, and virtual assistant features used by their own in-house services.

A first market analysis should seek to extend the scope of services covered by such article. Search, social networks, messaging...and every single core platform service (CPS) that is used by gatekeepers to enable dominant AI systems to reinforce the market power of the corporate groups that control them. Furthermore, dominant generative AI services should be formally recognised as gatekeepers across the numerous functional categories of CPS into which they fall under the regulation, such as search engines, virtual assistants, operating systems, or cloud services.

Just as the European Commission relies on market inquiries to designate major cloud infrastructure providers such as AWS and Azure as gatekeepers, it must adopt the same proactive approach across a broader ecosystem of AI-driven services.

Consequently, a separate market investigation will be needed to define the specific obligations that should be imposed on these AI services. Grounded in Article 12(1) and Article 19 procedures, the Commission should then adopt delegated acts pursuant to Article 49 to expand Article 6(7) vertical interoperability obligations across designated core platform services:

- First, to **ensure vertical interoperability extends to all designated CPS on which companies build the dominance of their AI services**;
- Second, and equally critical, to mandate that **AI services and conversational agents themselves allow vertical interoperability for the functionalities they internalise**.

In the longer term, the Commission could use the inquiry findings to build a future-proof interoperability framework, enabling new techno-economic interconnection models between systems, functionalities and services of the same or different nature.

Conclusion: Demystify and Plug In

The tech industry continues to fiercely protect the persisting myth of the “monolithic service”, presenting conversational agents as indivisible, singular entities. In reality, these AI services are nothing more than a sum of distinct, modular functionalities: web crawling, data retrieval, recommendation systems, text generation, and task execution.

Regulatory frameworks must pierce this monolithic facade for the sake of greater market competition, user safety and democracy. By demystifying the architecture of conversational agents, the Commission can mandate that the individual functional layers hidden within these AI services remain interoperable. This ensures that third-party developers, specialised European AI services, and alternative algorithmic engines can plug into and compete within the specific functionalities currently monopolised behind the interface of a “single” AI assistant.

Only by enforcing vertical interoperability on both host platforms and the internal architectures of AI agents can regulators protect democracy and foster a truly competitive, pluralistic digital ecosystem.

About FOTI

The Future of Technology Institute (FOTI) is a pan-European and independent think tank dedicated to building a more secure, prosperous, and fair technology future for Europe. FOTI provides research and insights to European leaders aimed at opening market chokepoints and developing alternatives. The institute is non-partisan and accepts no corporate funding.

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