

Diverse Business, Civil Society, and Political Organizations Voice Concern about Proposed Regulatory Package

Stakeholders across the spectrum agree that the House regulatory package poses risks to US consumers, businesses, and the nation's technological competitiveness. The proposed bills represent a shift from careful competition principles that have produced a vibrant innovation economy, towards a strong role for regulators to shape and approve what digital products and services consumers can use. The following diverse organizations from different constituencies, political parties, and sectors of the economy have expressed concerns about the bills' negative potential for consumers, innovators, and the economy.

Connected Commerce Council, [Letter signed by over 6,000 American Small Businesses](#)

- "...during the pandemic Google, Amazon and other American technology leaders helped small businesses survive. Research shows millions of businesses would have closed if they did not have access to digital services and online marketplaces. We did not ask you to spend precious time and taxpayer dollars going after companies that help small businesses. The labor market is shifting, uncertainty is slowing recovery, and Congress should focus on helping people. Do not play politics in the name of competition. Instead, talk to small businesses that rely on the scale, security, and low prices that digital platforms provide and that help with recovery and success."

US Black Chambers, Latino Coalition, Chamber of Progress and Asia/Pacific Islander American Chamber of Commerce and Entrepreneurship, [Letter to Congress](#)

- "...We are concerned that well-intentioned proposals aimed at forbidding "conflicts of interest" by big technology platforms could negatively impact services that people today receive for free or low cost. For example, one legislative proposal would force free apps like Google Maps, YouTube, WhatsApp, Instagram, LinkedIn, iMessage, and FaceTime to be divested from their parent companies. By removing the current cross-subsidization for these free services, this proposal could force consumers to pay for these standalone services --- making technology and opportunity less accessible. That in turn could also make it more difficult for small businesses like those we represent to reach new customers using these tools..."

Engine Advocacy / The App Association / Developers Alliance, [Letter to Congress](#)

- "...Recent polling has shown there is significant reliance on these tools and services by developers, and an acknowledgement by users of their added monetary value. Regulation of application marketplaces threatens an ecosystem that benefits both platform companies and developers by reducing the incentives for collaboration that drive our platform partners to create tools, services and educational support for emerging app companies. Removing these incentives for platforms to provide tools and services to the companies in their application marketplaces would hinder progress across the sector at a time when there should be exponential growth..."

National Venture Capital Association, [Letter to Congress](#) Opposing Platform Competition and Opportunity Act

- "...H.R. 3826 would make it harder for startups to be acquired by reducing the number of potential acquirers. The impact of this is considerable: fewer potential acquirers would mean a reduced sales price for the company due to less bidders, resulting in less profitability for the entrepreneurs. This reduced profitability will make new company formation less attractive than it currently is relative to other opportunities, thereby negatively impacting employment, wages, and innovation..."

Chamber of Commerce, [Public Statement](#)

- “...Antitrust should remain a law of general application and focused on the economic interest of consumers. The misguided approach taken in these bills will stymie innovation, harm consumers, and weaken America’s technology leadership. While ostensibly targeting ‘Big Tech,’ this approach to antitrust would broadly impact American business and our economy. They should be voted down.”

New Democrat Coalition, [Letter to House and Committee Leadership](#)

- “...The scope and impact of these bills could have a tremendous impact on the products and services many American consumers currently enjoy and the competitiveness of our innovation economy. Notably, stakeholders and policy experts are raising concerns these proposals may weaken personal privacy protections, cybersecurity, and increase the spread of dangerous conspiracy theories and misinformation. On behalf of the New Democrat Coalition, instead of proceeding directly to markup, we respectfully request you hold full legislative hearings on these specific bills to better understand their impacts and the intended and unintended consequences of the legislation...”

Thirteen Bipartisan Groups, [Letter to Congress](#)

- “...At a time when voters are looking to Congress to address the country’s most pressing challenges, it seems hard to believe that Congress is instead on the verge of banning Amazon Prime and Amazon Basics; banning the preinstallation of iMessage and FaceTime on iPhones; and banning Google from including Google Maps in its search results... We believe that voters want Congress to fix things that are broken -- not break or ban things that they feel are working well. We strongly encourage you to reject these proposals.”

Computer & Communications Industry Association (CCIA), [White Paper](#) on Competitiveness and National Security Implications of House Bills

- “At a time when U.S. technology leadership is under threat from competitors abroad, a series of bills introduced in the House would take a sledgehammer to America’s most successful, dynamic companies – fundamentally undermining U.S. tech competitiveness and giving an unearned advantage to foreign rivals. These proposals conflict with critical R&D priorities, facilitate foreign access to sensitive U.S. data and IP, and open the door to a future where the U.S. is no longer the global technology leader.”

Michael Allen, National Security Institute at GMU Advisory Board Member, [Op-ed](#)

- “...The House’s proposals set its sights on knee-capping America’s largest technology providers while affording more favorable treatment to foreign technology rivals. As the [largest investors](#) in R&D, America’s big technology companies will continue to represent a growing share of America’s future workforce, as well as enhance our ability to counter the influence of foreign subsidized technology companies. The House bills could not only hamstring some of the largest drivers of U.S. innovation, but also impede the ability of these companies to create millions of new American jobs just as the economy is gearing up for a rebound...”

25+ Conservative Groups and Activists, [Letter to Congress](#)

- “...If implemented, bureaucrats in the Biden administration would wield vast new powers at the expense of American business and households. This heavy-handed approach should offer no comfort for those worried that the platforms are biased against them, as it actually increases the likelihood of political abuse. Republicans and free-market Democrats should hold firm and vote No.”

American Enterprise Institute, [Blog Post](#)

- “By shifting the burden to the defendant to prove no harm, self-preferencing goes from presumptively permissible to presumptively prohibited. This is unwarranted, as most self-preferencing benefits consumers. Ironically, this burden shifting also harms competition. Disruptive competition occurs when companies test new business models and combinations. They rarely know in advance which new combinations will catch on with consumers; it’s an iterative trial and error process. But labeling potentially pro-consumer innovations as presumptively illegal will limit that experimentation, leading to less overall competitive growth and dynamism in tech markets. (Indeed, some claim this is why European firms do not innovate as rapidly as American firms.)”

American Institute for Economic Research, [Blog Post](#)

- “The neo-Brandeisian model of antitrust that we are seeing emerge today will essentially open the floodgates for a government that seeks to intervene in every aspect of economic life that fancies regulators. It will expand the scope of such regulation beyond the appropriate boundaries of combating cartels and genuine monopolization, towards an ever more paternalistic as well as arbitrary model of governance.”
- “Proper reforms should leverage more market functions, not less. In contrast, the neo-Brandeisian model will reintroduce a crippling regime of arbitrary and further unchecked state power that will surely sap the vibrancy from the American economy at a time when it is needed most.”

American Consumer Institute, [Op-Ed](#)

- “...It should be abundantly clear that following Europe's punitive, heavy-handed approach to antitrust will leave consumers with limited access to cheaper products, limited consumer access for small businesses, and a stagnant economy. For these reasons alone, lawmakers in Washington should not be looking to Brussels for guidance on future antitrust reforms. Instead, they should seek to preserve a regulatory environment that prioritizes consumers and innovation.”

Chamber of Progress, [Letter to Congress](#)

- “We share your goal of promoting competition online and protecting consumers, but legislation proposed by Reps. David Cicilline and Pramila Jayapal would dramatically degrade services which hundreds of millions of Americans use every day. Both Rep. Cicilline’s “American Innovation and Choice Online Act” and Rep. Jayapal’s “Ending Platform Monopolies Act” would prevent Apple, Amazon, Facebook, Google, and Microsoft from offering integrated tech conveniences to consumers.”

New Democrats Network, [Letter to Congress](#)

- “The scope and impact of these bills could have a tremendous impact on the products and services many American consumers currently enjoy and the competitiveness of our innovation economy. Notably, stakeholders and policy experts are raising concerns these proposals may weaken personal privacy protections, cybersecurity, and increase the spread of dangerous conspiracy theories and misinformation. On behalf of the New Democrat Coalition, instead of proceeding directly to markup, we respectfully request you hold full legislative hearings on these specific bills to better understand their impacts and the intended and unintended consequences of the legislation.”

National Taxpayers Union, [Blog Post](#)

- “...This legislation would be a departure from this consumer-first approach and allow for ideologically driven government intervention. It would give unelected bureaucrats troubling flexibility to determine what private companies have an incentive to do, absent any real measure of consumer

harm...Regulators are poor predictors of the direction of the economy. Without having to prove any anticompetitive harm, regulators will be a bull in the china shop. The losers under this proposal would be consumers, who currently enjoy the variety of offerings and the convenience of using them. Using aggressive heavy-handed intervention would undermine the United States' role as the world leader in technological innovation."

NetChoice, [Resource Page](#)

- "The flurry of bills from Representatives on the House Judiciary Committee are designed to radically undermine America's antitrust foundation and will kneecap leading American businesses, fossilize American innovation, and undermine America's global competitiveness."

R Street Institute, [Blog Post](#)

- "The bills introduced in the House are an assault on digital commerce, one of the bright spots in the U.S. economy. At best, these new laws are a direct threat to permissionless innovation, with the approval of federal regulators becoming a prominent roadblock when trying to do business in a dynamic and rapidly changing marketplace. At worst, this would turn covered platforms into little more than public utilities—platforms for others to do business. Any efforts to utilize economies of scale or scope may trigger enforcement actions, giving platform operators fewer incentives to invest in new technologies that drive innovation."

Taxpayers Protection Alliance, [Op-Ed](#)

- "There is a bipartisan consensus that the digital divide is a problem worthy of public policy interventions. The question is why a bipartisan coalition in the House is now actively working to make solving this problem even harder. Utilizing broadband service requires devices like smartphones and computers. Adding a layer at the device level to broadband adoption by requiring users, many of whom are already skeptical of the utility of such service, to go through the process of selecting which apps they like the most is the definition of two steps backward."
- "Congress has spent billions and is gearing up to spend billions more to address the issue of the digital divide. But in the classic case of the left hand not having a clue what the right hand is doing, Ken Buck, David Cicilline, and their colleagues on the House Judiciary Committee stand poised to widen the digital divide, even in places where it had previously closed."

TechNet, [Letter to House Judiciary Committee](#)

- "...These measures will also disrupt the United States' unique, yet fragile, startup ecosystem. Startups are responsible for almost all of the net new U.S. jobs created since 1977, and acquisitions are a key part of our successful startup ecosystem. It has become significantly more expensive and challenging to manage a public company. Fifty-eight percent of startups expect to be acquired, realize their gains, and go on to create another new, innovative product or service. Making it less attractive to start or invest in a new enterprise will harm the American economy, just as we are trying to rebuild it post-pandemic."