

April 27, 2022

The Honorable Charles Schumer  
Majority Leader  
U.S. Senate  
Washington, DC 20510

The Honorable Mitch McConnell  
Minority Leader  
U.S. Senate  
Washington, DC 20510

The Honorable Nancy Pelosi  
Speaker  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Kevin McCarthy  
Minority Leader  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Dick Durbin  
Chair  
Senate Committee on the Judiciary  
Washington, DC 20510

The Honorable Chuck Grassley  
Ranking Member  
Senate Committee on the Judiciary  
Washington, DC 20510

The Honorable Jerrold Nadler  
Chairman  
House Committee on the Judiciary  
Washington, DC 20515

The Honorable Jim Jordan  
Ranking Member  
House Committee on the Judiciary  
Washington, DC 20515

*Re:* Economic Analysis Finds Harmful Impacts of Antitrust Bills on Consumers, American Businesses, and U.S. International Competitiveness

Dear Senate and House Leadership, Judiciary Committee Chairs, and Ranking Members:

We, the undersigned organizations, write to share our concerns about S. 2992, H.R. 3816, H.R. 3825, and H.R. 3826 (collectively, “the antitrust bills”) and the impact they will have on American consumers and businesses of all sizes.

A new study by National Economic Research Associates (NERA) finds that the antitrust bills would cost the U.S. economy up to \$319 billion.<sup>1</sup> The study concludes that these costs would ultimately be passed on to consumers and business users of the targeted companies “in the form of higher retail costs and the loss of free and valued services.” More specifically, the study found the bills’ impacts to just one targeted service, Amazon Prime, would harm consumer welfare by \$22 billion annually— equivalent to a loss of \$148.47 per year for each Amazon Prime member.<sup>2</sup>

This is the first economic study offering policymakers quantified costs on the package of the proposed legislation; it concludes that there are “no quantifiable benefits from the bills for consumers or small businesses.”<sup>3</sup>

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<sup>1</sup> Christian Dippon & Matthew Hoelle, *The Economic Costs of Structural Separation, Line of Business Restrictions, and Common Carrier Regulation of Online Platforms and Marketplaces*, Nat’l Econ. Rsch. Assocs. (Mar. 18, 2022), [https://www.nera.com/content/dam/nera/publications/2022/Platform\\_Regulation\\_Quantitative\\_03\\_18\\_22.pdf](https://www.nera.com/content/dam/nera/publications/2022/Platform_Regulation_Quantitative_03_18_22.pdf). See also [https://www.ccianet.org/wp-content/uploads/2022/03/22-CCIA-002-CCIA-NERA-Study-Handout-V4\\_1.pdf](https://www.ccianet.org/wp-content/uploads/2022/03/22-CCIA-002-CCIA-NERA-Study-Handout-V4_1.pdf).

<sup>2</sup> *Id.*

<sup>3</sup> *Id.*

Americans across the country are facing the highest inflation in forty years, and these bills will further raise costs on American consumers and businesses who use the targeted platforms, including many small and medium-sized businesses.

The antitrust bills will cause economy-wide harm beyond just “tech.” The antitrust bills are messaged as just targeting Google, Amazon, Facebook, and Apple, but the NERA analysis reveals that the use of simplistic language that relies on market capitalization means that more American companies would be captured in just a few years: 13 additional companies in the next 5 to 10 years and likely over 100 companies by the 2030s.<sup>4</sup> The NERA analysis shows that this increase in the number of companies impacted by the bills occurs even when inflation is accounted for.

The antitrust bills would also harm international competitiveness by applying U.S.-specific size thresholds that would cover only U.S.-based companies and not foreign competitors of a similar size. While some of the bills include global size thresholds, they are set 20 times higher than the U.S.-specific size thresholds, creating a bias against U.S.-based companies, whose early users are disproportionately American. The bills would particularly harm U.S.-based startups, which are a recognized driver of U.S. innovation and entrepreneurship, as well as small and mid-sized businesses that seek to grow and partner with larger companies.<sup>5</sup>

We urge members to fully consider the above harmful effect of this legislation, and to oppose regulations that would harm consumers, undermine American innovation, and damage the U.S. economy.

Sincerely,

Americans for Prosperity  
Computer & Communications Industry Association  
Connected Commerce Council  
Consumer Technology Association  
Information Technology & Innovation Foundation Schumpeter Project  
National Taxpayers Union  
NetChoice  
Small Business Entrepreneurship Council  
Software & Information Industry Association  
Taxpayers Protection Alliance  
TechNet  
U.S. Hispanic Business Council

Cc: Members of the Senate Committee on the Judiciary  
Members of the House Committee on the Judiciary

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<sup>4</sup> *Id.*

<sup>5</sup> *Id.* See also Susan Woodward, *Irreplaceable Acquisitions: Proposed Platform Legislation and Venture Capital*, Sand Hill Econometrics (2021), [http://www.sandhillecon.com/pdf/Woodward\\_Irreplaceable\\_Acquisitions.pdf](http://www.sandhillecon.com/pdf/Woodward_Irreplaceable_Acquisitions.pdf).