

December 23, 2021

California Congressional Delegation
United States Senate
Washington, D.C. 20510

United States House of Representatives
Washington, D.C. 20515

Sent via email

SUBJECT: Letter of Concern: Targeted Antitrust Legislation and Regulation

Dear Members of the California Congressional Delegation:

The California Chamber of Commerce respectfully writes this letter expressing concern about the economic consequences of recent federal proposals aimed at the technology sector and several of the nation's largest employers.

Earlier this year, a package of antitrust legislation aimed at competition in the U.S. technology sector was introduced in the U.S. House of Representatives. More recently, a handful of U.S. Senators have also introduced legislation with targeted regulation that would impact only successful U.S. tech companies. Although intended to help bolster competition, these proposals instead force the breakup of industry leading American technology companies; intervene with tech companies' business models; and undermine the digital products supporting many of the small-and-medium-sized businesses that form the backbone of our economy.

The bills will place significant job creation at risk. The proposals threaten job creation in tech and non-tech related sectors. Every new tech job creates [an average of over four non-tech jobs](#) in other local goods and services sectors across all income groups, including lawyers, dentists, schoolteachers, cooks and retail clerks, among many others. Moreover, as the Progressive Policy Institute demonstrates in a recent report, tech created jobs improve employment outcomes across all education levels - benefiting both college and non-college educated employees. This is part of the reason we urge caution before disrupting settled antitrust jurisprudence. This issue requires study and needs to be addressed with a fact-based approach that is inclusive of diverse stakeholder input.

The bills may undermine economic recovery. Since the outbreak of the pandemic, the same digital technologies targeted by the proposals have empowered businesses to endure the economic crisis, and actively take part in the recovery. For instance, a recent National Economic Bureau study found [dramatic differences in the adverse impact of Covid](#) on small and medium sized businesses: whereas businesses whose income was generated through offline channels experienced an average of 39% decline in sales during the crisis, businesses that were online incurred losses of only 23%. Accordingly, denying access and availability for these tools may undermine economic recovery.

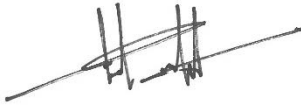
The bills explicitly change the focus of enforcement away from consumer welfare. Decades of antitrust jurisprudence have settled on the general principle that antitrust should focus on the effects that challenged business practices have on consumers, rather than on alleged harms to specific competitors. The proposed legislation will reframe the entire analysis away from consumer welfare, including businesses who depend on the services and products the targeted companies offer. The proposed bills deny technology companies the ability to continue providing these products and services. In effect, the bills deny people who rely on these products the benefits of their use and availability. To place this in perspective, and focusing on just a single business benefit and California alone, [over 2 million businesses](#) connected with customers in 2020 using such digital products. Indeed, the greater negative consequences of this legislation will be felt in every state, impairing business recovery across the nation.

We understand and appreciate the concerns members have raised about regulation and competition. These concerns deserve an inclusive conversation with input from a diverse group of stakeholders. But the proposals presented here are not the answer because they are unlikely to advance competition or benefit consumers. In fact, the bills presented will have far reaching adverse impacts, not only on the technology sector, but to the state of California and in communities across the United States. If there are issues in the marketplace that require new solutions, we support finding solutions that are supported by facts and take measured approaches that cause minimal economic harm. But hastily disrupting decades of antitrust jurisprudence without understanding the negative consequences that such action will have on the U.S. economy is not a meaningful, or sensible path forward. On a broader scale, deposing U.S. technology companies could threaten our national position as a global leader in innovation and technology. More locally, it could impair everyday digital solutions that small businesses rely upon to succeed.

We call upon Congress to carefully examine the impacts of the proposed legislation and advance more reasonable solutions that do not undermine the businesses and products that so many people rely on. The proposed legislation could hamper recovery for many people who are just beginning to see light at the end of the tunnel.

Thank you for your time and careful attention to this important matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Shoeb Mohammed', with a long horizontal line extending to the right.

Shoeb Mohammed
Policy Advocate

SM:ldl