

The Honorable Cecilia Aguiar-Curry  
California State Assembly  
1021 O Street, Suite 8210  
Sacramento, CA 95814

**SUBJECT: AB 1776 (AGUIAR-CURRY) COMPETE ACT: OPPOSE**

Dear Assemblymember Aguiar-Curry:

We, the undersigned write as professors of antitrust law, economics, and business at California universities are **OPPOSED** to your **AB 1776 (Aguiar-Curry)** as against the interests of the state's economy.

### **Overview**

While we share the goal of promoting competitive markets, this proposal would constitute a severe and untested departure from established antitrust principles. It would expand restraint of trade liability from agreements to single-firm conduct and explicitly reject decades of federal precedent that provided stability and predictability to businesses and courts alike. This hurts consumers and businesses both large and small, posing a particular threat to the price competition necessary to help Californians with affordability.

### **Problems with the Bill**

In practical terms, the bill would expose companies to liability for a wide range of ordinary business practices. These include decisions that often lead to lower prices, improved quality or greater innovation: discounting, product design, and distribution strategies that have long been considered lawful under antitrust law. This proposed legislation risks creating substantial legal uncertainty, encouraging costly litigation, and discouraging investment in California. Businesses, especially startups and growing firms, depend on clear rules to innovate and compete. This bill would deter expansion, reduce job creation, and ultimately harm the very competitive dynamism the bill seeks to promote. It also goes against the report of the academic experts who provided detailed analysis that was ignored by the California Law Revision Commission. Antitrust law is complex and it has taken judges more than 100 years to come up with workable rules. A new standard, untethered to any framework, is not the way forward. Sometimes antitrust decisions favor plaintiffs and sometimes they favor defendants but the evidentiary record, based on economic effects, ultimately is what allows one side or another to prevail.

### **Unintended negative consequences for consumers**

We are particularly concerned that the COMPETE Act could have unintended consequences for consumers. Increased litigation risk and compliance costs are likely to be passed on in the form of higher prices, reduced product offerings, or slower innovation. At a time when California's economy plays a central role nationally and globally, policies that introduce ambiguity and divergence over 120 years of case law development risk isolating the state and burdening companies operating across jurisdictions. We respectfully urge you to vote against this measure.

Sincerely,

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UC Riverside

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USC

Joseph Biello  
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