

MEMORANDUM

TO: Interested Parties
FROM: Accountable Tech
RE: House Antitrust Package
DATE: June 22, 2021

PURPOSE: As Big Tech lobbyists blanket Capitol Hill with disingenuous talking points about the bipartisan House antitrust package, this memo is designed to give a brief overview of what the bills actually do, why each of them is desperately needed to fix the broken status quo, and underscore the extent of the industry's efforts to kill these overwhelmingly popular measures.

I. WHAT THE BILLS DO – AND WHY WE NEED THEM

The *American Innovation and Choice Online Act* will prevent dominant platforms from rigging marketplaces – by self-preferencing and picking winners and losers – and increase opportunity for small businesses and entrepreneurs. Rather than gatekeepers constantly favoring their own products or kneecapping competitors to pad their profits, this bill would level the playing field and put real choice in the hands of consumers.

Here's why we need it:

Facebook

- [Mashable](#): Mark Zuckerberg gave the order to kneecap Vine, emails show
- [NBC News](#): Mark Zuckerberg leveraged Facebook user data to fight rivals and help friends, leaked documents show
- [NYT](#): “For years, Facebook gave some of the world’s largest technology companies more intrusive access to users’ personal data than it has disclosed, effectively exempting those business partners from its usual privacy rules”

Amazon

- [WSJ](#): Amazon Scooped Up Data From Its Own Sellers to Launch Competing Products
- [ProPublica](#): Amazon’s New Competitive Advantage: Putting Its Own Products First
- [NYT](#): How Amazon Steers Shoppers to Its Own Products

Google

- [The Verge](#): Google fined a record €2.4 billion by the EU for manipulating search results | *The company demoted rivals and unfairly promoted its own services, says the EU*
- [Bloomberg](#): Google, Facebook Had Illegal Deal to Rig Ad Market, Texas Says

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- [Recode](#): Ads for Google products topped Google search results 91 percent of the time

Apple

- [Washington Post](#): Apple suppressed competitors in its App Store — until it got caught, a lawsuit alleges
- [NYT](#): How Apple's Apps Topped Rivals in the App Store It Controls
- [The Verge](#): Documents show Apple gave Amazon special treatment to get Prime Video into App Store

The ***Platform Competition and Opportunity Act*** and ***Ending Platform Monopolies Act*** would – together – roll back some of the most harmful anti-competitive acquisitions by Big Tech, and put new guardrails in place to ensure they cannot crush rivals and exploit conflicts of interest across business lines to maintain their dominance. With these protections in place, gatekeepers would be forced to actually compete for consumers on the merits, from protecting privacy and tackling disinformation to building more innovative products.

Here's why we need it:

- [Washington Post](#): How Big Tech got so big: Hundreds of acquisitions
- [FT](#): Big Tech goes on pandemic M&A spree despite political backlash

Facebook (owns Instagram, WhatsApp, Giphy, Onavo, Oculus, Kustomer, etc.)

- [The Times](#): Copy, acquire, kill: how Facebook stays on top
- [Mark Zuckerberg](#): “we can likely always just buy any competitive startups”
- [Mashable](#): 'Highly confidential' documents reveal Facebook used VPN app to track competitors
- [TechCrunch](#): A Year Later, \$19 Billion For WhatsApp Doesn't Sound So Crazy
- [Bloomberg](#): Facebook Gets Inside Look at Competition's Data With Giphy Buy

Google (owns YouTube, Android, Nest, Waze, FitBit, Motorola, DoubleClick, etc.)

- [TechCrunch](#): Google Bought Waze For \$1.1B, Giving A Social Data Boost To Its Mapping Business
- [Quartz](#): The acquisitions that made Google a search monopoly
- [Insider](#): Google's deal for Fitbit faces an EU probe — and regulators who watched the company break a major promise after buying DoubleClick in 2008

Amazon (owns Whole Foods, MGM, Twitch, Ring, Zappos, Audible, IMDB, etc.)

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- [Bloomberg](#): Amazon Emails Show Effort to Weaken Diapers.com Before Buying It
- [Reuters](#): Critics say Whole Foods deal would give Amazon an unfair advantage
- [Quartz](#): Amazon has built an unbreakable monopoly in video game streaming
- [TIME](#): Why Amazon's MGM Purchase Could Put the Company in Washington's Crosshairs

Apple (owns Siri, Beats, Shazam, Dark Sky, etc.)

- [BBC](#): Apple buys a company every three to four weeks
- [Gizmodo](#): "Apple has bought out just short of 100 small businesses over the last six years as part of its corporate acquisition spree"

The **Augmenting Compatibility and Competition by Enabling Service Switching (ACCESS) Act** would eliminate artificial barriers to entry and empower consumers to leave dominant platforms without losing their data and social networks (portability), or ability to interact with those platforms (interoperability). Just like Verizon phone owners can call AT&T owners without impediments, Snapchat users should be able to message friends on Facebook or Instagram. This would limit network effects that fuel monopolies and free consumers from feeling trapped wherever their friends or data happen to be.

Here's why we need it:

- [BuzzFeed](#): If You Created A Spotify Account With Facebook, It Is Forever Tied To Facebook
- [TechCrunch](#): Facebook shouldn't block you from finding friends on competitors
- [Protocol](#): OK Google, meet Alexa: Interoperability emerges as key antitrust issue | *Thus far, Google has blocked voice assistant interoperability, but a representative signaled this week that the company's stance could evolve.*
- [Lyft SEC Filing – Risk Factors](#): "Some of our competitors or technology partners may take actions which disrupt the interoperability of our platform with their own products or services"

Finally, the **Merger Filing Fee Modernization Act**, which has already passed the Senate, would pour desperately needed resources into the enforcement agencies that protect consumers from Big Tech's abuses. It would both increase their base appropriations level and supplement that funding by raising decades-old fees on acquisitions by large corporations, while lowering those fees for small businesses.

Here's why we need it:

- [Politico](#): FTC suffering a cash crunch as it prepares to battle Facebook

- [Big Technology](#): ‘It’s Ridiculous.’ Underfunded FTC and DOJ Can’t Keep Fighting the Tech Giants Like This

II. ADDITIONAL HARMS OF THE STATUS QUO

Big Tech has deployed their army of lobbyists to convince lawmakers that these bills will destroy the internet and American innovation forevermore. Many of the claims they’ve been pushing are flat-out lies. The truth is that it’s the status quo that we can’t afford.

Just since this antitrust probe was launched in June of 2019 – amid unprecedented scrutiny, public outrage, and a global pandemic – Facebook, Google, Amazon, and Apple have collectively bought up more than 50 companies and gained \$3 trillion in value. These companies that have grown Too Big To Care, and the rest of us are paying the price.

Beyond stifling innovation, crushing small businesses, and depriving consumers of choice, the second-order harms of Big Tech’s monopoly power pose existential threats to our democracy.

- ***Turbocharging Hate and Disinformation.*** Razing competitors has allowed these dominant platforms to operate with impunity, too big to care about user safety or societal harms. Companies like Facebook and YouTube have [boosted harmful conspiracy theories](#) and [extreme content](#) to maximize engagement so they can sell more ads – from [COVID hoaxes](#) to [election lies](#) and beyond. Moreover, Google and Amazon’s surveillance advertising businesses serve as a critical source of revenue for [medical misinformation](#) sites, [foreign propaganda](#) outlets, and [more](#).
- ***Privacy Erosion.*** Big Tech’s dominance is built on persistent surveillance, personal data collection, and profiling that [violates people’s basic human rights](#) – and the absence of true competition allows them to get away with these egregious privacy abuses without losing customers. There are endless examples of these practices, but perhaps one of the clearest examples was outlined by Rep. Val Demings (D-FL) as she explained the [bait-and-switch Google pulled](#) after their anticompetitive acquisition of DoubleClick:
 - [DEMINGS](#): “[In] 2007 Google's founders feared making this change because they knew it would upset their users. But in 2016, Google didn't seem to care. Mr. Pichai, isn't it true that what changed between 2007 and 2016 is that Google gained enormous market power? So while Google had to care about user privacy in 2007, it no longer had to in 2016.”
- ***Gutting the Journalism Industry.*** Facebook and Google’s surveillance-driven dominance of the online advertising market – along with their aggregation of news and monopolization of attention – has crushed the traditional news industry, siphoning up revenue that [once kept local newspapers afloat](#). As more and more journalists are laid off and communities left in [news deserts](#), [Facebook](#), [Google](#), and [Amazon](#) are all turning record-breaking profits on advertising.

III. BIG TECH’S D.C. INFLUENCE CAMPAIGN

Since the start of the House antitrust investigation into online competition, Big Tech companies have taken historic steps to lobby lawmakers and regulators, and divert public attention away from the harms they cause. Big Tech’s lobbying expenditures now far exceed that of Big Oil and Big Tobacco, and as of 2020, Facebook and Amazon now spend more on lobbying in Washington than any other individual companies in the world.

When taking Big Tech’s PAC contributions and lobbying expenditures into account, the industry has spent over \$121 million to influence Washington since this investigation began in 2019.

LOBBYING SPENDING SINCE HOUSE ANTITRUST PROBE	
Facebook - \$33,370,000.00	
2021 (Q1 and Q2)	\$4,790,000.00
2020	\$19,680,000.00
2019 (Q3 and Q4)	\$8,900,000.00
Amazon - \$32,405,000.00	
2021 (Q1 and Q2)	\$5,060,000.00
2020	\$18,685,000.00
2019 (Q3 and Q4)	\$8,660,000.00
Alphabet, Inc. - \$18,010,000.00	
2021 (Q1 and Q2)	\$3,150,000.00
2020	\$8,850,000.00
2019 (Q3 and Q4)	\$6,010,000.00
Microsoft - \$16,784,000.00	
2021 (Q1 and Q2)	\$2,620,000.00
2020	\$9,464,000.00
2019 (Q3 and Q4)	\$4,700,000.00
Apple, Inc. - \$11,780,00.00	
2021 (Q1 and Q2)	\$1,460,000.00
2020	\$6,650,000.00
2019 (Q3 and Q4)	\$3,670,000.00
NetChoice - \$270,000	
2021 (Q1)	\$20,000.00
2020	\$160,000.00
2019 (Q3 and Q4)	\$90,000.00
Consumer Technology Association	
2021 (Q1)	\$590,000.00

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2020	\$4,190,000.00
2019 (Q3 and Q4)	\$3,030,000.00
Compete America	
2020	\$250,000.00
2019 (Q3 and Q4)	\$120,000.00
High Tech Innovators Alliance	
2021 (Q1)	\$153,750.00
2020	\$600,000.00
2019 (Q3 and Q4)	\$295,000.00
GRAND TOTAL	\$121,847,750.00

On top of all this, these companies have spent millions more to [infiltrate and fund](#) relevant trade groups, think tanks, academic institutions, and public interest groups to ultimately [shape](#) debate and block antitrust enforcement.

- In 2020, Facebook helped [launch](#) American Edge, a dark money political advocacy organization designed to protect Big Tech from government regulation under the guise of “protecting American innovation.” The Washington Post [described](#) American Edge as “modeling its structure after the advocacy efforts of the National Rifle Association.” Days after the government filed antitrust lawsuits against Facebook, [American Edge released new polling](#) showing that U.S. regulators should “keep domestic tech companies strong.”
- As state and federal investigators were finalizing landmark antitrust lawsuits against Facebook in 2020, the company went on a hiring blitz of former federal regulators and lawmakers. They relied on legal advice from a former [FTC economist](#) and tapped a former top antitrust attorney at the FTC as their associate general counsel; they hired a former aides to Sen. Dianne Feinstein (D-Calif.) and Rep. Ken Buck (R-Colo), the top Republican on the House Antitrust Subcommittee.
- In 2021, the [Chamber of Progress](#) was launched as ‘progressive’ front group for the tech industry meant to woo Democratic lawmakers. Led by Google’s [former](#) head of policy strategy and external affairs, the group is funded by Amazon, Google, and Facebook, and is [using](#) the old playbooks of Big Oil and Big Tobacco to shield Big Tech’s anticompetitive agenda. The group nominally [advocated](#) for voting rights upon its launch to bolster its image, but their real energy is being spent on [campaigns](#) to kill competition measures.
- [Gizmodo](#): Here's Who Funds the Tech Think Tanks Asking Congress to Reconsider This Whole Antitrust Thing

IV. PUBLIC OPINION

Despite Big Tech’s lobbying blitz, the American people have an increasingly negative view of these companies and overwhelmingly support regulating them.

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- Sinking support for Big Tech: A July 2019 [poll](#) found that positive opinions of Big Tech had dropped from 71% in 2015, to just 50% in 2019 – and they have [continued](#) to sink, with the number of Americans who have a “very negative” view of Big Tech companies growing by more than double between August 2019 and February 2021.
- Consistent support for breaking up Big Tech monopolies: Polling just last month by [Data for Progress](#) found a majority of likely voters support breaking up Big Tech monopolies. Support was also consistent amongst Democrats and Republicans. Research from Accountable Tech and GQR in January [found](#) 63% support breaking up Big Tech companies like Google and Facebook. Over [60%](#) of voters think the economic power of large tech companies is a problem.
- Big Tech is politically unpopular: A survey ahead of the 2020 election in Senate battleground states found that [84%](#) of voters felt that Big Tech had grown too powerful, and [74%](#) felt that the federal government should have greater authority to limit their monopoly power.
- The public knows Big Tech is bad for small business: A bipartisan majority of voters [showed concern](#) that Big Tech companies were harming small businesses and consumers alike, with nearly [three quarters](#) of respondents supporting breaking up these companies to increase competition and innovation. A majority of survey [respondents](#) in December 2020 “worry about mom and pop stores” in their community, and 65% believe that the benefits that some large tech companies provide to customers do not constitute an acceptable trade-off for giving more power to the industry and taking business away from smaller competitors.