

MEMORANDUM

TO: Interested Parties
FROM: Jesse Lehigh, Co-Founder of Accountable Tech
RE: Politics of an Antitrust Vote This Fall
DATE: August 4, 2022

I. Overview:

With historic, bipartisan legislation to rein in Big Tech ready for the Senate floor, industry is mounting a desperate last stand. Big Tech insists that taking these votes would carry great risks for battleground Democrats. But that's belied by the facts; an objective examination of the political dynamics and economic climate make clear that, across the board, this package is a home run.

Despite tens of millions of dollars spent to malign and misrepresent this legislation, polling has been remarkably consistent throughout dozens of surveys nationwide and in key states: voters across the political spectrum, *everywhere*, overwhelmingly support these bills. But just looking at those numbers in a vacuum actually *undersells* the political salience of the bills in the current context.

For starters, the top issue on voters' minds is inflation – and polling shows they understand that corporate greed and monopoly power are among its greatest drivers. People are outraged that, even as working families and small businesses struggle to stay afloat amid a confluence of historic crises, mega-corporations are growing richer than ever. And tech giants have been the ultimate profiteers.

As Main Street suffers, Big Tech monopolies have exploited their dominance to turn record-breaking profits and drive up prices. Passing legislation to crack down on those abuses – especially alongside the Inflation Reduction Act, which lowers costs and raises corporate taxes – would equip Democrats with a compelling economic vision and proof-points to tout this fall.

So on substance and politics alike, taking a vote to rein in Big Tech is an unequivocal win – which is underscored by the fact that even as the industry stokes fears about the implications for battleground Democrats, *their Republican challengers are proactively praising the bills*.

Beyond the boilerplate attacks on Big Tech, the Republican nominees in Nevada and Arizona and frontrunner in New Hampshire have all specifically applauded Congress's bipartisan antitrust push, with the latter attacking Sen. Hassan on the trail for her supposed opposition.

The real political risk for Democrats is *not* bringing these wildly popular bills to the floor and *not* securing a win for working families and consumers over greedy monopolists. Inaction opens them up to resentment from the base, attacks from their opponents, and more ads from Big Tech.

II. Polls Show Overwhelming, Cross-Cutting Support

In poll after poll, despite tens of millions of dollars in Big Tech spending over the past year, the American Innovation and Choice Online Act (AICOA) and the Open App Markets Act (OAMA) enjoy overwhelming support across every political persuasion and demographic. In critical battleground states, the measures are backed by astounding 50+ point margins. More broadly, in national polling, huge majorities across demographics agree Big Tech has too much power and must be reined in.

Recent Battleground State Polling

Hart Research, May 18-22, 2022:

- AZ – AICOA: 73% support, 13% oppose (+50) | OAMA: 79% support, 18% oppose (+61)
- GA – AICOA: 79% support, 17% oppose (+52) | OAMA: 84% support, 13% oppose (+71)
- NV – AICOA: 78% support, 18% oppose (+50) | OAMA: 80% support, 17% oppose (+63)
- NH – AICOA: 76% support, 14% oppose (+52) | OAMA: 75% support, 16% oppose (+59)

OnMessage / Lake Research, June 6-10, 2022

- AZ – AICOA: 64% support, 21% oppose (+43) | OAMA: 73% support, 18% oppose (+55)
- GA – AICOA: 79% support, 18% oppose (+61) | OAMA: 81% support, 13% oppose (+68)
- NV – AICOA: 72% support, 16% oppose (+56) | OAMA: 80% support, 12% oppose (+68)
- NH – AICOA: 72% support, 15% oppose (+57) | OAMA: 82% support, 10% oppose (+72)

National Polling

There is a wealth of polling demonstrating that these bills, specific measures within them, and broader calls to rein in Big Tech are extremely popular across every slice of the electorate. (See [this analysis](#) for a deeper dive.) Below is a small sampling of noteworthy data that underscore that cross-cutting appeal:

- In a [recent survey](#) of 908 small business owners, 62% cited Amazon’s dominance over the online market as a very or extremely significant challenge. And the conservative National Federation of Independent Businesses (NFIB), [endorsing](#) the bills, said 84% of their members support them.
- Morning Consult [found](#) that 67% of voters “believe that the benefits some large tech companies provide to their customers is not an acceptable trade-off for the industry’s increasing power and the undermining of small businesses.”
- Voters aged 18-25 – who have grown up with these companies and are consistently most tech-friendly in polls – [back](#) AICOA and OAMA by 46 and 34 point margins respectively.
- Even polls *funded by Big Tech* have unwittingly shown how popular these bills are, like [this one](#) that found 68% want to ban self-preferencing, and [this one](#), in which 57% said tech giants ‘are monopolies that have too much power and too little competition.’

III. Americans Believe Monopoly Abuses Are Driving Inflation

It’s no secret that inflation is currently the top concern for working families in every corner of the country. And although it’s a global phenomenon with no easy fix, Americans have grown frustrated that leaders in Washington haven’t seemed to feel their pain or acted more boldly to address it.

But more than either Democrats or Republicans, or Biden or Trump, Americans overwhelmingly blame *corporate greed and monopoly exploitation* for driving up inflation. And tech giants have epitomized the brazen profiteering that earns their ire, raking in a record-shattering \$1.4 trillion last year, while gratuitously hiking prices across the economy.

AICOA and OAMA take direct aim at those monopoly abuses. Passing the two antitrust bills this fall – alongside the Inflation Reduction Act – would allow Democrats to brandish a record of taking on corporate greed and racking up hard-fought wins for working families and small businesses.

Voters Blame Corporate Greed and Monopoly Abuses for Inflation

- In a June [CNBC poll](#), 66% of voters said “corporations taking advantage of world events by charging more for products” is a “major cause” of inflation, while less than half said the same about the policies of Joe Biden, Donald Trump, or the Federal Reserve.
- A [Navigator Research poll](#) fielded in May found that “an overwhelming and growing majority of Americans (81%) blame inflation on corporations being greedy and raising prices to make record profits.”
- A [Morning Consult poll](#) fielded in May found that a clear majority of voters believe that “large companies having little competition” is very or somewhat responsible for increasing inflation in the U.S. economy.
- In recent [Data For Progress polls](#), 82% of voters said corporate price gouging contributes significantly to inflation, 80% want Congress to promote competition to bring prices down, and voters blamed corporate greed for inflation over rising wages by a 4-1 margin.

Big Tech’s Profiteering Is Unparalleled and Unprecedented

- [MarketWatch](#): Amazon, Apple, Facebook, Google and Microsoft collectively “topped **\$1.4 trillion in revenue** [in 2021] — which would rank 13th in gross domestic product as a nation, just behind Brazil and ahead of Australia, according to World Bank figures — and they generated \$320 billion in profit.”
- **Amazon**, after pulling in a record [\\$33.4 billion](#) net profit in 2021 – with CEO Andy Jassy [pocketing \\$213 million](#) – [hiked Prime fees](#) by 17% on subscribers. Then it hit third-party sellers who are forced to rely on the platform with a new 5% “[fuel and inflation surcharge](#)” that, in turn, is [driving up prices](#) on a wide range of products.
- **Google** [doubled](#) annual profits in 2021 to \$76 billion, aided by exorbitant [gatekeeping tolls](#) in its Google Play store and [monopoly abuses](#) across the online ad ecosystem, including charging [more than twice](#) for ads than its rivals – predatory behaviors that pass steep costs on to consumers. The windfall did not deter Google from [pulling the plug](#) on small business owners amid soaring inflation after a decades-old promise of free services for life.
- **Apple’s** 2021 was [unprecedented](#), owing in part to the [~\\$80 billion](#) in fees extracted via its App Store dominance. They had the [most profitable](#) quarter in the history of the world to end the year, followed by a [record](#) Q2, prompting a \$90 billion stock buyback. None of that stopped them from [cracking down](#) on a nascent unionization effort, fueled by [outrage](#) over Tim Cook’s \$99 million annual compensation package.

IV. Top GOP Challengers Have Proactively Embraced the Antitrust Push

Even as battleground Democrats are told to fear the political implications of taking these votes, GOP challengers have *proactively* endorsed the antitrust push. In New Hampshire, leading contender Don Bolduc has even used Sen. Hassan’s supposed opposition to the bills as campaign fodder, painting her as unwilling to hold Big Tech accountable while forcefully defending the bipartisan legislation.

The Republican nominees in Nevada and Arizona – Adam Laxalt and Blake Masters – have similarly praised Congressional push, and embraced a slew of other measures that are anathema to the industry, from banning targeted advertising to upending Section 230.

New Hampshire

- [The Intercept](#): “Sen. Maggie Hassan’s effort to dodge [an antitrust vote] has turned into its own political liability... ‘Pushing back against Big Tech is necessary to build American Strength back. @SenatorHassan continues to sell out to these companies by cowardly opposing bipartisan legislation that would hold sites like Google and Facebook accountable,’ Don Bolduc tweeted.”
- [Don Bolduc NH Journal op-ed](#): It’s Time To Tame Big Tech

Arizona

- [Daily Caller](#): “Blake Masters wants to break up Big Tech and ban their business practices he believes are harmful. ‘I think Republicans need to reacquaint themselves with their history of antitrust enforcement...’ Masters said he generally agrees with the [House antitrust package.]”
- [Blake Masters WSJ op-ed](#): “These companies got big by innovating long ago, and they stay big by making sure no other company challenges them... We always should be skeptical of massive, unaccountable concentrations of power.”

Nevada

- [Adam Laxalt](#): “Big Tech has so much power... the fact of the matter is, for the big ones – the groups that own that own almost 90% of these market shares, these are now essentially public utilities... I support the advancement of the antitrust [bills in Congress]..”

V. Onslaught of Tech-Funded Ads Will Continue – Until the Vote is Taken

The fact that GOP candidates have embraced the antitrust push and threatened far harsher crackdowns on Big Tech – and that Republican leaders have vowed to launch endless investigations into tech giants if they win control of Congress – leads to one other key point:

For Democrats spooked by the onslaught of tech-funded ads in their states, those ads will almost certainly stop after the Senate actually votes – and not before then. Big Tech wants to kill these bills, not propel hostile Republicans to power.

And this isn’t just conjecture. The EU’s recently passed digital overhaul provides concrete evidence of Big Tech’s playbook after they lose a major legislative fight. Throughout the 18 months in which the package was being debated, the industry unleashed a deluge of ads. But lawmakers prevailed, and the ads stopped – Big Tech has already shifted its focus and resources toward compliance and litigation.

For Big Tech, A Republican Congress Would Be A Nightmare

- [AP](#): Big Tech Attacks Become Rallying Cry for GOP Candidates
- [Vanity Fair](#): Document Requests and Documents and Subpoenas and Depositions: GOP Reportedly Planning a War Against Big Tech
- [Washington Post](#): “Republican officials have long accused social media companies of stifling conservative viewpoints. But if the GOP retakes [Congress] in this year’s midterm elections, those grievances may fuel an onslaught of congressional investigations.”

EU Shows Big Tech Shifts Resources To Compliance After Losing Major Legislative Fight

- [Financial Times, 3/21/22](#): How Big Tech lost the antitrust battle with Europe:
 - “Interviews with EU officials, lawmakers and others suggest [Big Tech’s lobbying] efforts have been ham-fisted and largely in vain — and major companies are now shifting their attention to how they might comply with the legislation”
 - “In Europe...there is a feeling among tech companies that the battle has already been lost. Legal teams at Google, Apple and Amazon are already considering ways to implement the new rules... including the creation of a new compliance unit. Asked to come out publicly to defend the sector, lobbyists are declining the opportunity. ‘It’s over,’ says one, who represents the interest of big tech and declined to speak on the record.”
- [Source from European Parliament](#): “We saw industry ads everywhere for months. The day after the final vote, the ads stopped.”

VI. Conclusion

As the world’s most powerful companies continue their warpath to destroy this bipartisan legislation and protect their obscene profits, they have successfully advanced the false narrative that a vote would be a political nightmare for Democrats. But every data point indicates the exact opposite is true.

Amidst historic inflation – and outrage over unchecked corporate profiteering – these bills are overwhelmingly popular with every slice of the electorate, along with the small business community, labor, consumer advocates, and even GOP Senate challengers. They offer Democrats a chance to crack down on abuses of power by the world’s richest companies, and drive down costs for working families.

Far from fearing a vote on this legislation, battleground Democrats should be publicly *demanding* one so they can tout the victory as part of a robust agenda to level the economic playing field.