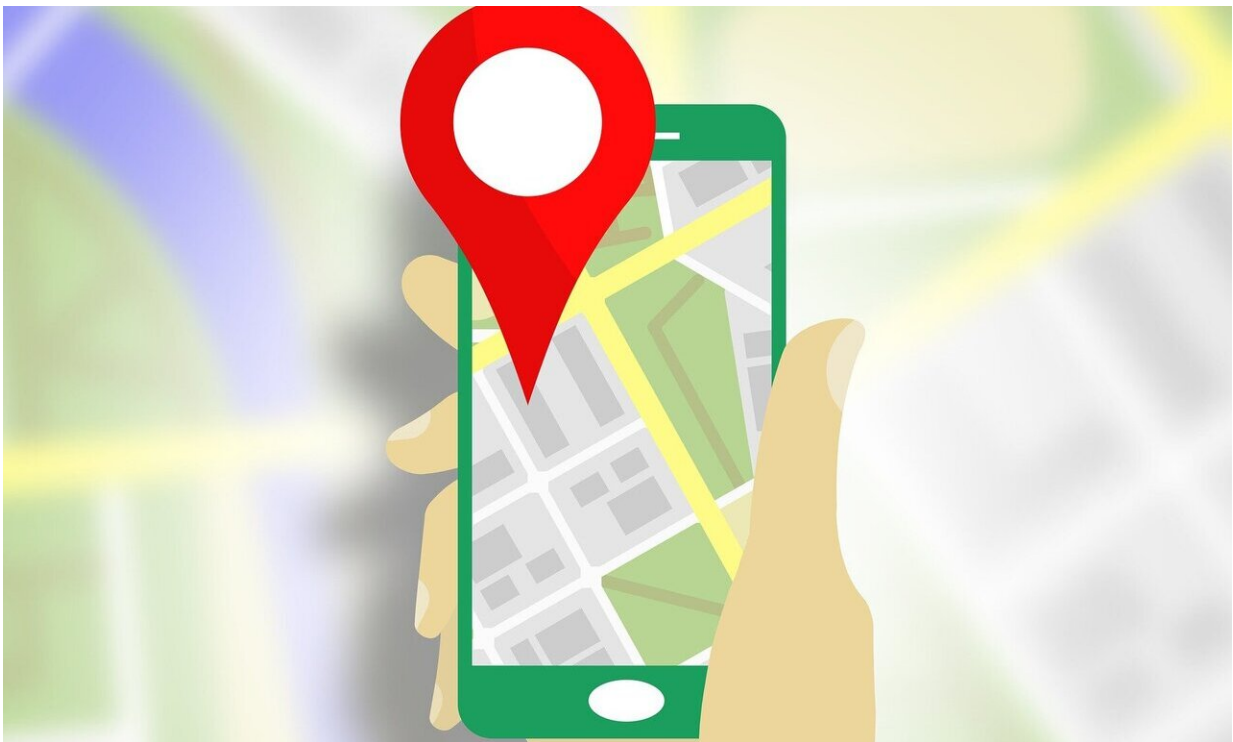


Antitrust reform is coming for tech giants, lawmakers say

March 1 2021, by David McLaughlin and Rebecca Kern



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House lawmakers kicked off an effort to tackle dominant technology companies, vowing a revamp of competition laws to curb their power.

The House antitrust panel, led by Representative David Cicilline, is hearing from antitrust experts Thursday about potential proposals aimed

at fostering [competition](#) in digital markets, ranging from company breakups to new regulations to prevent [tech giants](#) from flexing their muscles.

"Republicans and Democrats agree that these companies have too much power, and that Congress must curb this dominance," Cicilline said.

"Mark my words, change is coming, laws are coming. Every day, policymakers around the world are undertaking a similar process."

The hearing follows the findings of the panel's 16-month investigation of tech companies released last year. The report determined that Alphabet Inc.'s Google, Facebook Inc., Amazon.com Inc., and Apple Inc. have all abused their gatekeeper power over the digital economy.

The committee's report recommended a series of far-reaching antitrust reforms, including a measure that would prohibit a dominant tech platform from operating in competition with the firms dependent on it—much the way banking laws once barred large lenders from acquiring insurers, real estate firms, and other non-banking companies. The committee also recommended restrictions on acquisitions by dominant firms.

House panel urges tech giant breakup in plan Republicans shunned

Hal Singer, an antitrust economist, told lawmakers there is an "urgent need" to reform competition laws.

"Recent developments imply that certain platforms have accumulated so much economic and political power that they may not be governable, which militates in favor of cutting them down in size," he said.

Democrats are looking to capitalize on control of Congress to pass antitrust reform in response to evidence that industries across the U.S. economy have grown more concentrated, with many markets suffering from signs of declining competition. Competition policy is increasingly seen as a mechanism to combat economic woes such as income inequality and stagnant wages.

In the Senate, Democrats led by Amy Klobuchar of Minnesota introduced legislation earlier this month that would clamp down on mergers by making it easier for antitrust enforcers to stop deals.

Antitrust reform has Republican support. Representative Ken Buck of Colorado, the ranking member of the antitrust panel, said tech companies "are able to act with complete impunity because of their status as monopolies."

"The status quo is not working and we must act, but the key is to make sure we do not take a chainsaw to the whole economy, but rather that we should implement a scalpel-like approach to big tech," he said.

As Congress pursues legislative fixes, federal antitrust enforcers and state attorneys general across the country are pressing ahead with lawsuits against Google and Facebook that accuse the companies of violating antitrust laws. The complaint against Facebook filed by the Federal Trade Commission and states led by New York seeks to break up the company by unwinding its acquisitions of Instagram and WhatsApp.

Witnesses at Thursday's House hearing include Morgan Harper, a senior adviser at the American Economic Liberties Project, which advocates for the break-up of tech giants, and Charlotte Slaiman, the competition policy director at tech policy organization Public Knowledge.

One proposal raised by Slaiman in her written testimony, which has the support of at least some Republicans, is requiring tech platforms to give competitors access to their networks, similar to the way mobile networks interoperate with one another. Critics say the companies can effectively pick winners and losers in their markets by granting or denying access as they please.

Also set to testify is Eric Gundersen, the chief executive officer of Mapbox Inc., a software [company](#) that sells mapping tools to developers, who says Google is using its power over internet search to harm competition.

Gundersen said in written testimony that Google restricts interoperability. He said Google forces developers to use only Google Maps if they want to incorporate Google Search on a map, hindering competition from Mapbox.

"I need Google Maps to stop bullying and intimidating customers who want to both pay for Google Search and to use Mapbox maps," Gundersen said. "Customers—developers—should be able to buy whatever maps they think are the best solution for their needs without anti-competitive interference from Google.

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