

White House unveils sweeping antitrust push

July 9 2021, by John Biers



US President Joe Biden plans to sign an executive order to promote competition in the US economy and bolster Washington's scrutiny of big mergers.

Vowing consumer relief from costly hearing aids, excessive airline baggage fees and myriad other ills, President Joe Biden unveiled a wide-ranging effort to remake Washington's posture towards corporate power and consolidation.

Biden plans to sign an executive order promoting competition in the American economy, encompassing everything from rulings on Big Tech mergers to runaway pharmaceutical prices and the negotiating dynamics between small farmers and meat processors, the White House said Friday.

"For decades, corporate consolidation has been accelerating," according to a fact sheet released by the White House that described the initiative as "a whole-of-government effort to promote competition in the American economy."

The document cited earlier moments in US history when presidents confronted corporate power, such as the trust busting push by President Theodore Roosevelt in the early 20th century that gave "the little guy a fighting chance."

The order outlines 72 initiatives across the federal government and announces the creation of a White House Competition council to monitor progress.

The move comes as Biden's legislative agenda faces challenges amid bitter partisanship in a closely-divided Congress. The US president has scored some Republican support for a scaled-down infrastructure package, but other major initiatives have broken strictly along party lines and look more uncertain.

Executive orders provide another policy mechanism for presidents, although, unlike legislation, they can be reversed by a successor's pen. Many of the measures included in Friday's announcement set policy goals, but also require extensive follow-up by other agencies.

Big Tech targeted

Among the measures, the order calls for greater scrutiny of mergers involving large tech companies, including so-called "killer acquisitions" that are meant to remove a competitive threat.

The plan also orders the Federal Trade Commission to establish rules on the surveillance and accumulation of data at tech firms and to ensure small businesses are given a better chance to compete with large companies that own and operate online retail marketplaces.

The White House also reversed former president Donald Trump's actions on net neutrality, requiring internet providers to allow access to all services without discrimination or unfair fees.

The measures follow the appointment of prominent Big Tech critics to the Biden administration, including Tim Wu at the White House's National Economic Council and Lina Khan as head of the Federal Trade Commission.

Other measures call for the Health and Human Services department to establish rules to allow hearing aids to be sold over the counter and to ensure more transparent disclosure of airline baggage fees and other ancillary charges.

The White House also directed US health authorities to work to import prescription drugs from Canada and to increase supply of generic and biosimilar drugs.

A "lack of competition" is a factor behind US drug prices that are 2.5 times those in other developed countries, while pharmaceutical company profits are more than double the margins of other industries, the White House said.

The policy also includes provisions to protect workers from being forced

to sign non-compete agreements when starting a new job and to ensure better competition in the freight rail and maritime shipping industries.

Zephyr Teachout, a professor at Fordham Law School and an advocate for tough antitrust enforcement, applauded the measure.

Biden's announcement "wholly embraces the understanding that concentration of power and market dominance is a central reason for massive inequality," she tweeted. "That in itself is a 180 from every prior president in the last 40 years."

But the Information Technology and Innovation Foundation, a think tank funded in part by large tech companies, said Biden's executive order is based on a "false premise."

"President Biden's Executive Order assumes that specific industries are getting more concentrated, but they are not. Competition in the United States is more robust than the order describes," ITIF said. "Only four percent of US industries are highly concentrated."

"Instead of changing antitrust rules, the White House should ensure that agencies properly enforce existing antitrust laws. For everything else, the White House should defer to Congress."

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