

THE AMERICAN INNOVATION AND CHOICE ONLINE ACT PROTECTS COMPETITION, ENCOURAGES INNOVATION, AND GIVES CONSUMERS MORE CHOICES

Introduced by Senators Amy Klobuchar and Chuck Grassely and cosponsored by Senators Richard Durbin, Lindsey Graham, Richard Blumenthal, John Kennedy, Cory Booker, Cynthia Lummis, Maize Hirono, Mark Warner, Steve Daines, Josh Hawley, and Sheldon Whitehouse

There have not been any meaningful updates to our tech competition policy since the dawn of the internet. Lacking clear rules of the road, big tech companies are abusing their power as digital gatekeepers to distort competition, giving themselves unfair advantages over small and medium sized businesses, and suppressing innovation and hurting consumers. Small and medium sized businesses have no practical option but to go through these big tech companies to reach their customers. It's time for some rules of the road so the big tech companies cannot use their market dominance to harm competition in our digital economy.

The bipartisan *American Innovation and Choice Online Act* prohibits anti-competitive conduct that hurts small businesses, stifles innovation, and forces consumers to pay more for fewer choices. The bill takes a measured, commonsense approach to protect competition, while ensuring platforms can continue to innovate, protect security and privacy, and compete globally. Specifically, the bill:

- Sets guardrails to protect competition by prohibiting gatekeeper platforms from preferencing their own products and services at the expense of smaller online businesses; taking platform users' non-public data to create copycat products or to otherwise compete against those businesses; or making businesses buy other services as a condition of getting good search ranking or placement on their platforms.
- Gives government enforcers – including the Department of Justice (DOJ), Federal Trade Commission (FTC), and state attorneys general (AGs) – tools to deter violations and hold dominant platforms accountable when they cross the line into illegal behavior.

The **Department of Justice sent a public letter in support of the bill** and **Commerce Department Secretary Raimondo** testified to her support.

The American people support S.2992

- Poll after poll conducted in states across the country have found a large majority of Americans support doing more to hold big tech companies accountable for anticompetitive behavior:
 - According to a May 2022 poll by Hart Research, there is overwhelming support (76%) for the *American Innovation and Choice Online Act* in Arizona, Georgia, New Hampshire, and Nevada.
 - A poll from Future of Tech Commission in July 2021 found that 80 percent of registered voters agreed that the federal government “needs to do everything it can to curb the influence of big tech companies that have grown too powerful and now use our data to reach too far into our lives.”

- The Taxpayers Protection Alliance, an advocacy group funded in part by Google, inadvertently released a poll they later pulled down that showed 68 percent support for antitrust reform targeting Big Tech.

Business and consumer groups strongly support S.2992

- **YCombinator**, a startup accelerator that has been used to launch more than 3,000 companies, including Airbnb, DoorDash, Instacart, Dropbox, and Reddit, wrote in a letter that “The American Innovation and Choice Online Act, co-sponsored by Senators Klobuchar and Grassley, targets self-preferencing to help restore competition in the digital marketplace and remove barriers for consumers to choose the services they want.”
- **Small Business Rising**, which represents over 150,000 independent businesses, wrote: “[the] legislation is a critical part of the solution to the harms caused by the outsized power of the tech giants.” **Main Street Alliance** said the bill would be a “win for small businesses.”
- Dozens of companies including **YELP, Sonos, and DuckDuckGO** wrote in support of the bill: “Dominant technologies companies’ ability to give their own products and services preferential placement, access, and data on online platforms and operating systems prevents companies like us from competing on the merits... deprive consumers of the innovative offerings a vibrant market would yield.”
- The **National Association of Wholesale Distributors** wrote that it was “imperative” to “move expeditiously” to advance the bill, “otherwise, competition and innovation will continue to be suppressed to the detriment of consumers and small-and medium-sized business.”
- **Consumer Reports** said that: “These fair market rules will mean consumers and businesses large and small can more easily choose, install, and use alternative apps and online services; switch between different services; mix and match services from different providers; and break out of the closed product ecosystems we find ourselves trapped in today. The bill will also open technology innovation to a broader and more diverse set of companies and individuals.”
- The bill is also endorsed by travel and tourism groups like **TripAdvisor, Travel and Technology Association, and American Hotel & Lodging Association**, as well as unions like the **International Brotherhood of Teamsters, Service Employees International Union, and the Strategic Organizing Center**.

Editorial Support

- **The Washington Post**, in April 2022, called S.2992 a “sound” bill and pressed for movement on the legislation. In October, 2021, it said it was a “promising piece of antitrust legislation.” **The Seattle Times**, in March 2022, said “lawmakers must forge ahead and support legislation that reins in the tech giants’ worst impulses, ensures fair competition and protects consumers and small businesses.” **The Boston Globe**, in October 2021, said the bill represented “a chance for Congress to turn concern over Big Tech’s sway into action.”