

October 1, 2020

The Honorable David N. Cicilline Chairman Subcommittee on Antitrust, Commercial and Administrative Law Committee on the Judiciary U.S. House of Representatives Washington, DC 20515 The Honorable F. James Sensenbrenner Ranking Member Subcommittee on Antitrust, Commercial and Administrative Law Committee on the Judiciary U.S. House of Representatives Washington, DC 20515

Dear Chairman Cicilline and Ranking Member Sensenbrenner:

Consumer Reports has appreciated the opportunity to share our perspective during the course of the Subcommittee's investigation into the state of competition in the digital marketplace. As our letter to you in April¹ reflects, we share your interest in ensuring that the antitrust laws are up to the challenges of protecting competition and consumer choice in this marketplace, what improvements to those laws might be needed, and what might be needed to supplement them.

Throughout our 80+ year history, Consumer Reports has emphasized the fundamental importance of competition for ensuring a marketplace that works for consumers, by empowering them with the leverage of choice, the ability to go elsewhere for a better deal, which means businesses have to be responsive to consumers' interests. Antitrust law is critical to protecting that competition, and we have steadfastly supported strong antitrust laws, and advocated for sound and determined antitrust enforcement, consistent with the core values of an open marketplace and the benefits it brings to consumers, to the economy, and to society.

On September 24, the Digital Lab at Consumer Reports released "Platform Perceptions: Consumer Attitudes on Competition and Fairness in Online Platforms,"² the results of a nationally representative survey we conducted this summer. The survey demonstrates that clear majorities of consumers are concerned about the growing power of online platforms, and support government action to rein it in effectively to protect the online marketplace. Among our survey's major findings:

- 85% of Americans are concerned about the amount of data online platforms are collecting and storing about them.
- 81% are concerned that platforms are collecting and holding this data in order to build out more comprehensive consumer profiles.
- 75% say the practice of an online platform giving higher placement in search results for their own products either is unfair (23%), or is fair only if it is openly disclosed (52%).

¹ https://advocacy.consumerreports.org/research/cr-letter-to-house-judiciary-antitrust-subcommittee-online-platforms-investigation/.

² https://advocacy.consumerreports.org/press_release/consumer-reports-survey-finds-that-most-americans-support-government-regulation-of-online-platforms/.

- And 83% say this about the practice of an online platform giving higher placement to companies that pay extra for that that it's unfair (25%), or is fair only if it is labeled as a paid ad.
- But 46% have difficulty distinguishing between what is a paid ad versus an objective search result, and 58% are not confident that they are getting objective and unbiased search results when using an online platform to shop or search for information.
- 79% say that it's unfair for tech platforms to be strategically buying up other companies, because it's undermining competition and consumer choice.
- A clear majority of consumers about 6 out of 10 support more government regulation of online platforms (60%), and mandating interoperability features (61%) so consumers can switch without losing valuable connections and information they have built up.
- Three quarters of consumers (75%) said online platforms should not be allowed to manipulate their search algorithm to exclude competing sites or otherwise interfere with a seller's or consumer's own website,
- Three quarters (74%) aid online platforms should be required to use objective and impartial evaluations when showing results, and be clear about how those evaluations are made.

We are pleased that, as you prepare to release your report on the investigation, you are beginning the next step of considering options for addressing the problems you have identified. We look forward to working with you to ensure that the online marketplace works for consumers, and for all who seek to reach them.

Sincerely,

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cc: Members, Subcommittee on Antitrust, Commercial and Administrative Law