

June 22, 2021

The Honorable Jerrold Nadler Chairman Committee on the Judiciary U.S. House of Representatives Washington, DC 20515 The Honorable Jim Jordan Ranking Member Committee on the Judiciary U.S. House of Representatives Washington, DC 20515

Dear Chairman Nadler and Ranking Member Jordan:

Consumer Reports urges Members of the Judiciary Committee to vote "aye" on favorably reporting the bills noticed for markup tomorrow.

They are designed to address the market power of large online platforms and prevent it from further hampering competition and innovation and the benefits they bring to consumers, the marketplace, and the economy. They would help create sound and effective market rules to promote interoperability and non-discrimination, and they would shift the burden of proof so large online platforms have to demonstrate how acquisitions will help competition emerge and grow. And large platforms would have to operate consistently with a duty of care for consumers.

These bills make a number of significant reforms that Consumer Reports has called for, among them:

- Mandating interoperability for large online platforms, under appropriate conditions like user privacy safeguards. This should help lower barriers to entry and growth for competing companies, and enable effective consumer and business choice among alternatives. This should mean that consumers can choose among competing services without losing contacts, photos, and other valuable content that they have accumulated while using the dominant platform. This would give consumers the right to keep and control their own valuable content.
- Imposing non-discrimination requirements on large online platforms (marketplaces or distribution platforms). This requires a dominant online platform operator to provide the same level of functionality to other providers, so that businesses who use the platform can compete with the platform owner and its affiliated businesses on similar terms. This should help ensure that the best services can get consumers' attention and dollars, irrespective of which company produces the service, and that consumers can buy or use services that best serve their needs.
- Requiring large online platforms to justify acquiring another company by showing that the acquisition target is not an actual or potential competitor, and that the acquisition would not

further entrench the large online platform's dominance. This would prevent anti-competitive acquisitions by already-dominant online platforms.

• Increasing pre-merger filing fees on the largest mergers. This would help provide antitrust enforcers with needed resources to perform their vital mission of policing the marketplace and ensuring that consumers and competition are protected.

These are sound proposals, based on the Antitrust Subcommittee's year-plus bipartisan investigation into competition in the online marketplace, and reflecting established principles of antitrust and competition policy. It is great to see the Committee now taking action to address these important issues.

As the nationally-representative <u>survey</u> conducted by Consumer Reports last summer confirmed, consumers across the political spectrum tell us these companies have too much power, and there's widespread support for laws to discipline platforms and reduce harms to consumers. These bills are the right starting point, well-conceived and well-written, and we look forward to working with you and Committee Members and others to achieve these important goals, to ensure that the online marketplace works for consumers and for businesses large and small that seek to reach them through the internet.

Sincerely,

George P. Slover Senior Policy Counsel

Consumer Reports

Sumit Sharma

Senior Researcher, Technology Competition

Consumer Reports

cc: Members, Committee on the Judiciary