

CONGRESS' BREAK UP BILLS:

The Real Impact of The Senate's American Innovation and Choice Online Act (S. 2922) and its House Companion (H.R. 3816)

Members of Congress are considering legislation that could break consumers' favorite tech products and digital services, taking away pro-consumer and pro-competitive innovations that have made Americans' lives easier before, during, and after the pandemic.

Moreover, the broad Senate bill could impose massive fines on companies—to the tune of 15% of revenue in multiple years—that would make it difficult, if not impossible, to continue to provide consumers with their favorite products, or to develop new innovative features.

It's time to set the record straight.

Myth: The bills would not affect consumers' experience using Amazon Prime.

Fact: The bills could break popular features like Prime free shipping.

The bill's prohibitions would make it untenable for Amazon to promote Prime offers to Prime members and to ensure Prime meets its delivery promise with a shipping service that is faster and cheaper than competing options. The bill could force consumers to pay more and wait longer for the things they need.

For additional background:

<https://www.project-disco.org/competition/110121-how-proposed-legislation-would-break-digital-services-the-prime-example/>

Myth: These bills will help small businesses compete.

Fact: The bills could hurt small businesses in many ways.

Many small businesses rely on digital platforms to reach and communicate with customers, and the proposed legislation would jeopardize the ability of platforms to provide these services. For example, these bills jeopardize Amazon's ability to offer a marketplace for small businesses alongside its own retail business, which gives customers the opportunity to shop for brand-name goods as well as small business offerings. Doing so would expose Amazon to legal uncertainty and crippling fines. This could deprive 500,000 U.S. small businesses of a tool they use to grow.

For additional background:

<https://www.project-disco.org/competition/080321-what-smes-stand-to-lose-from-overregulation/>

Myth: These bills are about strengthening American competitiveness.

Fact: The bills place extreme burdens on American companies without corresponding rules for competitors overseas.

By singling out a handful of leading American companies, the bills would make U.S. businesses less competitive. This would harm American technology leadership and competitiveness, with corresponding risks to U.S. national security.

For additional background:

<https://www.cciagnet.org/wp-content/uploads/2021/09/CCIA-KS-NatSec-White-Paper.pdf>

Myth: The bills would not impede Google's ability to provide helpful information in search.

Fact: The bills would make services such as Google Search less helpful to consumers.

By prohibiting companies from showing their own information up front in search results, these bills could eliminate many of the features that users find most helpful in services like Google Search, including contact information that appears when you search for a restaurant or a map showing its location. Users would instead have to repeatedly navigate through a series of individual links to find all the information they are looking for.

For additional background:

<https://springboardccia.com/2021/08/11/the-cicilline-bill-is-a-disaster-for-small-businesses/>

Myth: The bills do not impede companies' ability to protect consumer privacy.

Fact: The bills jeopardize the safety and privacy of American consumers by restricting companies' ability to apply security standards and forcing data-sharing with third parties, including foreign firms.

By limiting companies' ability to make judgments between similar products, or determine whether another business user can be trusted with your data, the bills would force companies to choose between protecting your security information or being sued. In addition, because the bills prohibit bundling services, platforms would be inhibited from deploying their own tools to fight malware, viruses, and spam.

For additional background:

<https://www.project-disco.org/privacy/061721-tech-regulatory-overhaul-series-the-excess-of-access/>

Myth: The bills would not jeopardize the user experience or safety of smart phones.

Fact: The bills would eliminate many of the convenience and safety features consumers expect from their phones.

Because operating systems like iOS and Android would be prevented from bundling trusted apps and security functions, like antivirus software and spam protection, consumers would be left to find the apps they need on their own, determine what is safe to use, and look after their own digital security.

For additional background:

<https://www.project-disco.org/competition/062221-tech-regulatory-overhaul-series-a-discrimination-bill-against-consumers/>