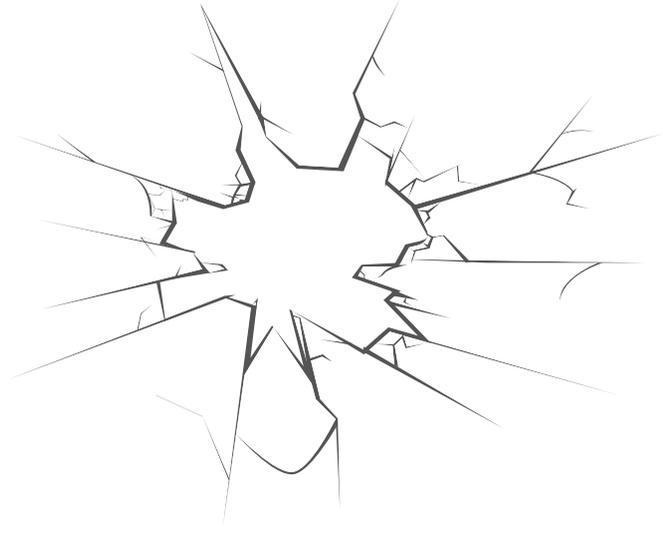


**Senator Feinstein, Experts:**

**AICOA RAISES SERIOUS CONCERNS, HARMING SMBS AND INNOVATION**

(S. 2992 AND H.R. 3816)



Senators Klobuchar, Grassley, and other cosponsors recently introduced S. 2992, "The American Innovation and Choice Online Act" (AICOA) to the Senate Judiciary Committee for markup.

**Senator Feinstein expressed strong concerns:**

"I'm concerned that this is really going to be very dangerous legislation. It may end up giving a competitive advantage to other large global businesses that narrowly escape being regulated by the bill."

"I'm very concerned about the bill this committee is considering. It's not really the type of legislation that we usually consider, where the rules are laid out and everyone is expected to comply. Instead, it's specifically designed to target a small group of companies, most of which are headquartered in my home state of California. If the conduct this bill seeks to prevent is unfair and improper, I believe that conduct should be prevented from anyone who engages in it, not only a small handful of companies."

"This makes no sense. We're requiring companies to take down protections that are in place today and instead allow hackers and those looking to steal personal data to access the devices. I'm told that Federal agencies have concerns about these provisions, but this committee has not had the benefit of their input. For these reasons, I will oppose this bill today."

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**Experts agree:**

**Shoeb Mohammed**  
**California Chamber of Commerce**

"The proposed legislation will reframe the entire analysis away from consumer welfare, including businesses who depend on the services and products the targeted companies offer. The proposed bills deny technology companies the ability to continue providing these products in services. In effect, the bills deny people who rely on these products the benefits of their use and availability."

"Focusing on a single business benefit and California alone, over 2 million businesses connected with customers in 2020 using such digital products. Indeed, the negative consequences of this legislation will be felt in every state, impairing business recovery across the nation."

## **Karen Kerrigan**

### **Small Business & Entrepreneurship Council**

"Unfortunately, in its current form, S.2992 will disrupt and curtail market access for many small businesses, and alter the digital tools they have come to rely upon for survival during the ongoing pandemic. The national competitiveness and national security issues that Senators also brought forward during committee markup are quite significant. In our view, these significant issues are not fixable on the Senate floor."

## **Keith Kratch**

### **Former Under Secretary of State for Economic Growth, Energy, and the Environment**

"The first thing we got to make sure is that we don't handcuff our businesses. And I know there is some legislation that says things like 'software companies have to always open up their interfaces'. That means the Chinese can always get the data. Or that you can't make an acquisition. We have to be careful."

## **Krisztina Pusok and Edward Longe**

### **American Consumer Institute**

"A prohibition on self-preferencing could also harm small businesses, particularly ones that depend on access to online platforms. Faced with stringent regulations governing how they operate, tech platforms that run online marketplaces could reasonably move to limit or remove smaller businesses that depend on their platform to operate."

## **Ahmad Thomas**

### **Silicon Valley Leadership Group**

"These bills would strip U.S. companies of their ability to deliver integrated consumer tools, ban mutually-beneficial startup acquisitions, and harm our leading innovators,"

"Silicon Valley companies and entrepreneurs have been a key pillar for the state's growth and strength during the pandemic. The proposed legislation could stifle the Golden State's innovation. Moreover, many entrepreneurs and small businesses rely on the free and integrated tools offered by online platforms to build products and markets."

## **Tracy Hernandez**

### **Los Angeles County Business Federation**

"Our economic health is just beginning to rebound while we face new uncertainties driven by surging omicron cases. Now is not the time to strip companies of tools and resources that help them connect with consumers."

"The proposed antitrust bills being debated by Congress are antithetical to sensible, bipartisan pandemic recovery strategies that prioritize job creation, business growth and innovative competitiveness on the international stage. This package of bills neglects the needs of millions of small business owners and third-party sellers who depend on unrestricted access to online platforms to market their products. Passing any one of these bills would depress employment, jeopardize the future of California's technology jobs and deny consumers fair access to competitively-priced, high-quality products."

**Malena Daley**  
**Progressive Policy Institute**

"The disregard for the bill's implications regarding consumer welfare raises an important question: Who is antitrust legislation meant to benefit? In theory, promotion of competition on online platforms may lower prices and increase choice, but the line of thinking promoted by this bill turns a blind eye to the reality of how users and businesses engage with internet services. For consumers, integrated online services are a valued feature of the products provided by platforms. By taking this integration away or requiring that it be offered at cost, Americans who depend on these services will be left worse off with the passage of this bill."

**Matt Schruers**  
**Computers & Communications Industry Association**

"This bill still disregards the principles that have governed the U.S. market economy, and led to a successful tech industry. It tosses out previous consumer-focused considerations and instead jeopardizes popular products and services."

"Even as this legislation is being rushed to a markup, more experts are questioning the wisdom in hamstringing a few U.S. companies, forcing them to share data and other information with foreign rivals. That may work as a political strategy, but it is not a sound economic or security strategy."