

S. 2992 WOULD CREATE AN UNEVEN PLAYING FIELD FOR SMALL BUSINESSES AND THEIR OWNERS

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Access to online storefronts: The American Innovation and Choice Online Act (AICOA) threatens the tools that small businesses and brands use every day to reach customers, build trust, and drive growth. None of the three iterations of the bill have addressed these issues, presenting harm to small businesses that are incredibly important to the American economy.

- **58%** of sales on Amazon are from third-party sellers, including many small businesses. That's up from **3%** in **1999**

Access to world-class shipping services: The bill could deprive small businesses of Amazon's support to store, package, ship, and return items, meaning they could face higher costs and poorer experiences for their customers.

Local business information: The bill would prevent Google from immediately showing small businesses' contact information on Google Search, crushing a convenient channel that helps them reach potential customers.

Digital advertising tools: Free and low-cost digital advertising tools allow small businesses to reach new and existing customers at a lower cost than traditional methods, aiding them in scaling their business. AICOA could severely hinder the ability of small businesses to employ digital marketing tools and reach customers.

- For example, it **costs** \$17.50 to get 1,000 impressions through a TV broadcast ad and just about **\$2.50** for a Google Display ad

Increasing accessibility for rural businesses: Online marketplaces and digital marketing allow fair competition between urban and rural businesses, opening access to national and global markets. This bill could discourage and prevent rural businesses from expanding their reach

Decreasing exposure to cyber attacks: Digital platforms that provide security infrastructure for small businesses using their services would be discouraged and prevented from doing so, which would burden small businesses with costly malware protection while simultaneously increasing their exposure to cyber-attacks.

- 43% of cyber-attacks are aimed at small businesses, but only 14% are prepared to defend themselves

The U.S. Chamber Technology Engagement Center (C_TEC) conducted a nationwide survey and econometric analysis of the U.S. small business ecosystem. They found that the use of technology platforms is a driver of economic success for small businesses:

- 93% of small businesses are using at least one technology platform
- 77% of small businesses say they would struggle to survive without access to their technology platforms
- 80% of women owners, 81% of minority owners, and 77% of veteran owners agree that technology platforms help them compete with larger companies

Small business advocates and experts agree:

U.S State and Local Chambers of Commerce Coalition

"The antitrust bills currently under consideration would shift the focus of antitrust from promoting competition to protecting competitors from competition. They would punish some companies for competing vigorously while leaving other companies free to engage in the exact same conduct. As a result, these bills would give federal agencies the power to micromanage large sectors of the economy. In the future, the federal government would decide whether a company can innovate, lower prices, or offer free shipping and other services – or whether such vigorous competition is unfair."

Small Business Roundtable

"Millions of small businesses are successfully navigating the 'Great Pivot,' and have leveraged tools and knowledge to modify business operations and sales to succeed. As we have noted in our research, much of that success is tied to taking businesses online and engaging in digital commerce in online marketplaces...The story here is not black and white. Writing a new set of rules in a vacuum doesn't help entrepreneurship or small business. Neither does ignoring the fact that new rules are needed to build a more equitable economy than the one we had before Covid-19."

Karen Kerrigan, Small Business & Entrepreneurship Council

"U.S. policy must continue to embrace and support digital connectivity and technological innovation/leadership across industry sectors. Stable and neutral policy (that does not pick winners and losers) is especially important now. At a minimum, the Senate Judiciary Committee needs to hear from affected stakeholders about legislation, such as S. 2992 and other legislation, that it plans to vote on. Technology and technology platforms are vitally important to small businesses and the future of U.S. entrepreneurship. SBE Council encourages open dialog and a more thorough vetting of the consequences of 'big tech' legislation before moving forward."

Jeffrey Westling and Juan Londoño, American Action Forum

"Further, as more third parties gain access to these stores and services, malicious actors could find new avenues to reach unsuspecting consumers, undermining their security and privacy. This in turn would lower consumer trust in the marketplace or service, hurting smaller firms and sellers who rely on the authority derived from being in that marketplace or store. If, for example, a consumer can no longer value the reputability that comes with being admitted to a service, consumers would just go to large, well-known brands instead of smaller sellers and vendors with which the consumer has no existing relationship. While intending to help these businesses and services, the bill would instead make it harder for them to compete, leaving consumers with worse options at higher costs."

Trevor Wagener, Computer & Communications Industry Association

"By contrast, the tech firms targeted in the bill offer numerous free or discounted services to startups and small businesses, including services that reduce barriers to entry for new entrants and directly enhance competition. Many of these services would have to raise their prices in order to comply with the bill. It is clear that this bill has little to do with protecting small businesses or preserving competition and more to do with deal-making at any price."
