

## Technology regulation

# Big Tech pulls out all the stops to halt 'self-preferencing' antitrust bill

Lobbying by the likes of Amazon and Alphabet ramps up as Congress prepares to vote on landmark legislation



Democrats and Republicans have found rare common cause in recent years in their attempts to rein in the corporate power enjoyed by Silicon Valley's largest companies © FT montage / Reuters / Unsplash

**Kiran Stacey** in Washington 10 HOURS AGO

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Amazon and Alphabet are spearheading what is shaping up to be the most intense political campaign by corporate America in recent history as part of a last-ditch attempt to stop Congress from passing laws to curb their market power.

The companies are targeting a [“self-preferencing” bill](#) which would prevent large online platforms from using their dominance in one field to give other products an unfair advantage — for example, Alphabet using its Google search engine to promote its travel or shopping products.

If the bill goes through, it is likely to lend momentum to a wave of legislation aimed at strengthening America’s competition rules, in what could be the biggest update of the country’s antitrust rules in a generation.

“This is one of the most significant campaigns that we have run in recent years,” said Matt Schruers, president of the Computer & Communications Industry Association, which has co-ordinated the tech industry’s response to the bill. “That is because there has never been so serious a proposal to undermine US competitiveness and put US users at risk.”

Those on the other side see the lobbying as aimed at shoring up the dominance of the [big tech](#) groups. “The internet giants are in Yolo [you only live once] mode — they are desperate and are doing whatever they can to avoid the tax bite,” said Nathan...

desperate and are doing whatever they can to change the trajectory," said LUTNER Lowe, senior vice-president of public policy at Yelp, which has lobbied in favour of the bill.

"These companies are throwing spaghetti at the wall, using every conceivable argument they can find," said one congressional aide involved in promoting the bill.



Jeff Bezos, Amazon founder and then-chief executive, testifies remotely in 2020 at a House hearing on 'Online Platforms and Market Power' © Graeme Jennings-Pool/Getty Images

Democrats and Republicans have found [rare common cause](#) in recent years in their attempts to rein in the corporate power enjoyed by Silicon Valley's largest companies. Members of Congress have proposed a range of legislation to do so, including measures to limit when large technology companies can buy smaller rivals and to stop them acting as both buyers and sellers in the lucrative digital advertising market.

But it is the "self-preferencing" bill, known as the American Innovation and Choice Online Act, that the industry is homing in on, given its wide support in Congress and possible implications for the industry.

The bill, which has been championed in the Senate by the Democratic senator Amy Klobuchar and in the House by her party colleague David Cicilline, specifically targets Amazon, Alphabet, Apple and Facebook parent Meta. It has passed through committees in the House and the Senate, and its supporters are now waiting for

Democratic leaders to move it to a floor vote.

“Senate offices right now are hearing from these companies multiple times a day,” said a second congressional aide.

If passed, the bill would stop Google placing its own products at the top of its search results and would bar Amazon from giving preferential treatment in its online store to sellers who can afford to pay for it.

Amazon would be prohibited from forcing sellers on its Prime subscription service to use the company’s own delivery services. It would also force companies to share certain customer data with potential rivals.

In recent weeks, the Biden administration has [given its support](#) to the bill, while its advocates in the Senate say they have been told by Chuck Schumer, the Democratic leader in the chamber, that he intends to put it to a vote by early summer.

The momentum has alarmed the companies that would be affected.

The CCA, which represents all four, has spent more than \$10mn this year buying [television advertisements](#) warning that the bill would “break Prime” and “end guaranteed two-day free delivery”.

The money is part of a wave of cash that the internet industry has directed towards Washington in recent years. According to public data [compiled by OpenSecrets](#), the industry went from spending \$25mn on lobbying in 2011 to \$85mn a decade later.

The companies are not leaving the lobbying solely to their industry associations. Executives from Alphabet, Amazon and Apple have all personally spoken to members of Congress, according to officials and industry executives.

Kent Walker, Google’s chief legal officer, has led his company’s push, according to several people working in the industry. Amazon has used four of its most high-profile executives to make its case: Andy Jassy, chief executive; David Zapolsky, general counsel; Andrew DeVore, associate general counsel; and Brian Huseman, its Washington-based head of public policy.

These executives have made a range of arguments against the bill: consumers like services to be bundled together; the bill would strengthen their Chinese rivals; being forced to co-operate more closely with their competitors could jeopardise the security of customers’ data.

Google has suggested a range of amendments, according to people in the industry and

Google has suggested a range of amendments, according to people in the industry and on Capitol Hill. Amazon has been calling members from its home state of Washington, arguing that the bill could result in job losses there, according to two congressional officials.

In an attempt to allay some of the industry concerns, Klobuchar last month released an updated version of the text, which, among other things, would make it easier for companies to argue that they are taking certain actions to protect customers' digital privacy, and says companies should not be penalised for offering encrypted messaging services, such as WhatsApp, or subscription services, such as Amazon Prime.

These changes have not been enough to placate the bill's opponents, however. Zoe Lofgren, the Democratic representative from California, said: "As a matter of principle we have never legislated on the basis of making rules for five companies that are different from everyone else. The way it is crafted is problematic."

Given the divisions within their own party, some think Democratic leadership in Congress may avoid votes on the "self-preferencing" bill, even if it attracts Republican support. Others think Democrats will want to seize the opportunity to pass landmark legislation.

Charlotte Slaiman, competition policy director at Public Knowledge, a campaign group that has supported the bill, said: "I think Congress should jump on the chance to accomplish something big here."

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