Resolved: The United States federal government should enforce antitrust regulations on technology giants.

OVERVIEWS/FRAMING/INDICTS/GENERAL ARGS

A2 AI good

1. Delink - AI is dead. In the squo, MIT in 2019 reports AI can't make changes in businesses that are more than incremental.Chopra in 2018 reports that recent years have seen no new breakthrough research in artificial intelligence due to insurmountable barriers between those programming and the creation of AI that can behave/think like a human due to our lack of knowledge about how the brain actually works. AI has peaked at pattern recognition.
2. Don't trust some random study - Kellon of the BBC in 2018 reports that the Organisation for Economic Co-operation and Development, with 36 member countries, have concluded that empirically, in the US, 10% of jobs are at risk of being destroyed by automation on net, which is actually a conservative estimate compared to Oxford predicting 47% of jobs will be automated away.
3. Even if AI does have the potential to create more jobs on net, Bukhardt of DataScience explains the new jobs created will be for people with heavy CS/data science backgrounds, not for those whose jobs are actually going to get automated away.

Brian Bergstein, 2-13-2019, "This is why AI has yet to reshape most businesses," MIT Technology Review,
https://www.technologyreview.com/s/612897/this-is-why-ai-has-yet-to-reshape-most-businesses/
The perfume business is hardly the only one to adopt machine learning without seeing rapid change. Despite what you might hear about AI sweeping the world, people in a wide range of industries say the technology is tricky to deploy. It can be costly. And the initial payoff is often modest.

It's one thing to see breakthroughs in artificial intelligence that can outplay grandmasters of Go, or even to have devices that turn on music at your command. It's another thing to use AI to make more than incremental changes in businesses that aren't inherently digital.

Leo Kelion, 4-1-2018, "AI 'poses less risk to jobs than feared'," BBC News,
https://www.bbc.com/news/technology-43618620
Fewer people's jobs are likely to be destroyed by artificial intelligence and robots than has been suggested by a much-cited study, an OECD report says.

An influential 2013 forecast by Oxford University said that about 47% of jobs in the US in 2010 and 35% in the UK were at "high risk" of being automated over the following 20 years.

But the OECD puts the US figure at about 10% and the UK's at 12%.

Even so, it says many more workers face their tasks significantly changing.

The OECD says the previous forecasts exaggerated the impact of automation because they had relied on a broad grouping together of jobs with the same title.

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Its new analysis, by contrast, takes account of the differences between jobs with the same name.

For example, the role of a carpenter can vary greatly depending on what type of projects a worker is involved in, how much autonomy they have, and the size of their employer. Some of those roles may be more vulnerable to automation than others.

Michael Burkhardt, xx-xx-xxxx, "The impact of AI on inequality, job automation, and skills of the future.," Towards Data Science, https://towardsdatascience.com/the-impact-of-ai-on-inequality-job-automation-and-skills-of-the-future-fe89c21e34bc
That's true but the question is how many of those new jobs are going to be there and will those new jobs really be a good match for the people who are going to need jobs. Because if all the new jobs you're creating are for robotics engineers and A.I. researchers and data scientists then those are not jobs that can be done by people that are now flipping hamburgers or driving a taxi in most cases. That does create a problem.

Paras Chopra, xx-xx-xxxx, "Why AI is dead? :: Articles :: Paras Chopra," No Publication, http://paraschopra.com/old-website-archive/articles/ai-dead/index.php
Before starting writing about Why AI is dead, I'd like to invite a few comments on "Is AI really dead?". Today, in my view, I don't see any breakthrough research going on. I no more sumble across programs which can create poetry, can chat effectively or can demonstrate novel applications. So I consider AI dead today.

The reason AI is dead because researches, in the past, have taken a wrong decision that the goal of AI is to *imitate* humans. By imitation I mean programming a computer to behave like a human. For example, the turing test involves the testing of a computer to be able to communicate like humans.

A2 AI bad

1. CityJournal in 2018 explains if technology could render workers obsolete, the radical advancements of past generations should have done it, and if this time is different, we

should find evidence that a large share of current workers are uniquely vulnerable to the particular set of technologies on the horizon. Technological growth improves our standard of living and frees up time for us to do higher level jobs and further grow the economy.

Oren Cass, xx-xx-xxxx, "Is Technology Destroying the Labor Market?," City Journal, https://www.city-journal.org/html/technology-destroying-labor-market-15829.html
Economists often blame automation. Technology, they argue, allows us to produce more output with fewer people, displacing less skilled workers from high-paying factory jobs into the lower-paying service sector or sending them out of the workforce entirely. Breakthroughs in robotics and artificial intelligence will only accelerate the trend, threatening perhaps the majority of jobs in the decades ahead.

Yet these claims find no support in either the data of recent economic performance or careful analyses of future labor-force trends. If automation were rendering workers obsolete, we would see evidence in rising productivity, major capital investments, and a shift in the ratio of production workers to managerial workers. None of these things has occurred. If technology could render workers obsolete, the radical advancements of past generations should have done it. They did not. If this time is different, we should find evidence that a large share of current workers are uniquely vulnerable to the particular set of technologies on the horizon. We do not.

I2 Wyman/FB killzone study

1. Biased - Commissioned by Facebook to try to prove kill zones don't exist.
2. Delink - Economist Ian Hathaway quantifies in 2018 that if you look at internet retail, internet software, and social media, corresponding with Amazon, Google, and Facebook, venture-capital financing has declined, indicating that the kill zone is real.

Noah Smith, 11-7-2018, "Big Tech Sets Up a 'Kill Zone' for Industry Upstarts," Bloomberg,
https://www.bloomberg.com/opinion/articles/2018-11-07/big-tech-sets-up-a-kill-zone-for-industry-upstarts
Do kill zones really exist? Researchers have been trying to answer that question. Facebook commissioned a study by consultant Oliver Wyman that concluded that venture investment in the technology sector wasn't lower than in other sectors, which led Wyman to conclude that there was no kill zone.

But economist Ian Hathaway noted that looking at the overall technology industry was too broad. Examining three specific industry categories — internet retail, internet software and social/platform software, corresponding to the industries dominated by Amazon, Google and

Facebook, respectively — Hathaway found that initial venture-capital financings have declined by much more in the past few years than in comparable industries. That suggests the kill zone is real.

Implementation cards
DOJ Antitrust enforcer

1. DOJ Antitrust enforcer said in July he's going to focus on a) further extending oversight over mergers and acquisitions and b) reducing the spread of platform exclusivity agreements in terms of their impacts on competition, and by extension, prices, innovation, and privacy.
    a. Probably even more likely - Kang of NYTimes in 2019 reports big tech spent 55 mil lobbying last year, chances are the enforcement isn't going to be something that retroactively splits apart companies/mergers and instead the more palatable blocking of future M/A

Cecilia Kang and Kenneth P. Vogel, 6-5-2019, "Tech Giants Amass a Lobbying Army for an Epic Washington Battle," No Publication, https://www.nytimes.com/2019/06/05/us/politics/amazon-apple-facebook-google-lobbying.html
The four companies spent a combined $55 million on lobbying last year, doubling their combined spending of $27.4 million in 2016, and some are spending at a higher rate so far this year, according to the Center for Responsive Politics, which tracks lobbying and political contributions. That puts them on a par with long-established lobbying powerhouses like the defense, automobile and banking industries.

Lauren Feiner, July 2019, "The DOJ's antitrust chief just telegraphed exactly how it could go after Google, Apple and other big tech companies," CNBC, https://www.cnbc.com/2019/06/11/makan-delrahim-speech-lays-groundwork-for-antitrust-versus-big-tech.html
The Department of Justice's assistant attorney general brought the case against big tech into focus in a new speech delivered at the Antitrust New Frontiers Conference in Tel Aviv on Tuesday. Makan Delrahim laid out some possible arguments against the tech giants as his office is reportedly taking the lead on investigating Google parent company Alphabet and a potential probe into Apple. The Federal Trade Commission, meanwhile, reportedly has taken jurisdiction over Facebook and Amazon. Shares of these companies dropped on last week's reports that U.S. antitrust officials were beginning to take action on long-anticipated investigations. But the case against the companies has remained unclear as some tech advocates have argued that old school antitrust laws don't have a place in the digital economy.Delrahim's speech, as transcribed on the DOJ's website, argues existing antitrust laws are strong enough to regulate tech.

"We already have in our possession the tools we need to enforce the antitrust laws in cases involving digital technologies," Delrahim said. "U.S. antitrust law is flexible enough to be applied to markets old and new.

Google declined to comment on the speech. Apple, Facebook and Amazon did not immediately respond to requests for comment
Here are some of the possible arguments antitrust regulators could use against Big Tech based on Delrahim's speech:

The ‘no economic sense test’

One way of evaluating whether a company has violated antitrust law is through what Delrahim called the “no economic sense test.” A monopoly that makes a decision that makes no economic sense except for “its tendancy to eliminate or lessen clikompetition” would fail the test, according to Delrahim’s definition.

“But even if a company achieves monopoly position through legitimate means, it cannot take actions that do not advance plausible business goals but rather are designed to make it harder for competitors to catch up,” he said.This test suggests antitrust regulators may look into tech companies’ acquisitions and decisions around product development to evaluate whether they made business sense or simply hindered or squashed competition.

Consumer prices aren’t paramount

GS: Jeff Bezos, WIRED25 Summit 181015

Jeff Bezos speaks onstage at WIRED25 Summit: WIRED Celebrates 25th Anniversary With Tech Icons Of The Past & Future on October 15, 2018 in San Francisco, California.

Matt Winkelmeyer | Getty Images

For those who believe current antitrust laws can’t stand up to big tech, a key argument states that antitrust is based around the concept of consumer harm. When it comes to modern tech companies, many actually offer consumers substantially lower prices than they would find otherwise (in Amazon’s case) or don’t charge consumers for their services at all (as in the case of Google and Facebook). If price inflation is a chief concern for antitrust law, then it’s hard to make the case that consumers are harmed by tech’s low prices.

But Delrahim takes a different perspective.

“The Antitrust Division does not take a myopic view of competition,” he said. “Many recent calls for antitrust reform, or more radical change, are premised on the incorrect notion that antitrust policy is only concerned with keeping prices low. It is well-settled, however, that competition has price and non-price dimensions.”

In addition to price inflation, “diminished quality is also a type of harm to competition,” Delrahim said. “As an example, privacy can be an important dimension of quality. By protecting competition, we can have an impact on privacy and data protection.”

Similar to how competing companies can drive down each others’ prices, competition can also encourage companies to include quality elements such as privacy features. This concept could become particularly important for companies like Facebook and Google, which don’t charge consumers for their services but collect vasts amount of data about them. Apple, on the other hand, has tried to preempt this approach by emphasizing consumer privacy in its products.

Delrahim said the concept regulating companies outside of price competition would not be a new approach. During the peak of Standard Oil’s dominance, he said, consumers saw lower prices. “This was likely due to, among other things, a combination of economies of scale, superior bargaining power, and overall declining input prices,” he said. “It nonetheless demonstrates that price effects are not the sole measure of harm to competition under the U.S. antitrust laws.”

Exclusivity

Delrhaim said exclusivity is another important way to evaluate anti-competitive behavior. “Generally speaking, an exclusivity agreement is an agreement in which a firm requires its customers to buy exclusively from it, or its suppliers to sell exclusively to it. There are variations of this restraint, such as requirements contracts or volume discounts,” he said.

While exclusivity is not inherently anti-competitive, according to Delrahim, there are cases where a company may use exclusivity “to prevent entry or diminish the ability of rivals to achieve necessary scale, thereby substantially foreclosing competition.”

He referenced the antitrust case against Microsoft, which focused in part on the company’s inclusion of its web browser in its Windows operating system, which he said discouraged users from uninstalling it and seeking alternatives.

“This theory is broadly applicable to other technology markets,” Delrahim said.

Apple has faced criticism and legal action for its rules around its App Store, which comes preinstalled on iPhones and provides specific rules to developers who wish to distribute their apps through the system. The Supreme Court recently ruled that consumers have standing to sue the company in a case arguing its commission on app sales has inflated prices for the software.

Effects on innovation

GP: Facebook Privacy Scandal: Mark Zuckerberg prepares to testifies 180410-003

Mark Zuckerberg, chief executive officer and founder of Facebook

Andrew Harrer | Bloomberg | Getty Images

Anticompetitive behavior can also stifle innovation, according to Delrahim. He described how acquisitions of young competitors could be considered anticompetitive.

"They can be beneficial to the extent they combine complementary technologies or bring products and services to market that would not have been made available to consumers otherwise," Delrahim said."It is not possible to describe here each way that a transaction may harm competition in a digital market, but I will note the potential for mischief if the purpose and effect of an acquisition is to block potential competitors, protect a monopoly, or otherwise harm competition by reducing consumer choice, increasing prices, diminishing or slowing innovation, or reducing quality. Such circumstances may raise the Antitrust Division's suspicions."

Facebook notably raised antitrust concerns when it announced plans to buy another social networking platform, Instagram, and later, WhatsApp. At the time that Facebook announced the Instagram deal in 2012, Social Internet Fund Founder Lou Kerner told the Associated Press the $1 billion price tag on the young company was "astronomical." But even at the time, he recognized the deal kept Instagram "out of the hand of competitors."

Today, $1 billion seems like a steal for Facebook, which analysts have estimated is now worth about $100 billion, according to Bloomberg. Instagram is the most popular social network among teens, according to a Piper Jaffray survey. Facebook also likely benefits from the fact that most Americans don't know it owns Instagram, according to a recent survey by DuckDuckGo.

The rise of a handful of tech giants also prevents smaller firms, like a young Instagram, from having ample leverage in acquisitions, Delrahim noted.

"Interestingly, independent companies complained that the commitment prevented them from selling out on advantageous terms with AT&T, " Delrahim said, referencing the historical antitrust case. "Indeed, this complaint is evocative of start-ups for whom a popular exit strategy is acquisition by a large firm in the same or an adjacent market."

Coordination

Delrahim said the Antitrust Division could look into "coordinated conduct that creates or enhances market power." He referenced Yahoo and Google's 2008 advertising agreement, which would have allowed Yahoo to "replace a significant portion of its own internet search advertisements with advertisements sold by Google."

The division found the agreement "would have harmed the markets for internet search advertising and internet search syndication where the companies accounted for over 90 percent of each market, respectively." The companies abandoned the plan when the division said it would file suit.

Facebook

1. Facebook would be split off into it, Insta, and WhatsApp.

Author By Ben Thompson, 2-21-2017, "Manifestos and Monopolies," Stratechery by Ben Thompson, https://stratechery.com/2017/manifestos-and-monopolies/

To that end, Facebook should not be allowed to buy another network-based app; I would go further and make it prima facie anticompetitive for one social network to buy another. Network effects are just too powerful to allow them to be combined. For example, the current environment would look a lot different if Facebook didn't own Instagram or WhatsApp (and, should Facebook ever lose an antitrust lawsuit, the remedy would almost certainly be spinning off Instagram and WhatsApp).

Tech giant definition card

1. Definition shouldn't really be expanded past FAANG (Facebook, Apple, Amazon, Netflix, Google?).

Print Edition, xx-xx-xxxx, "Technology firms are both the friend and the foe of competition," Economist, https://www.economist.com/special-report/2018/11/15/technology-firms-are-both-the-friend-and-the-foe-of-competition?utm_source=headtopics&utm_medium=news&utm_campaign=2018-11-20

Despite the ubiquitous use of the term “giant”, today’s tech firms are not unprecedentedly large. Ranked by domestic sales Apple is 14th in America, Amazon is 15th, Alphabet 37th and Facebook 107th. Uber and Airbnb are minnows that don’t even make the top 300. The tech firms are accused of extracting giant rents from society. But the largest five have lower earnings relative to the economy than the mightiest monopolists of the past did, with a median profit of 0.16% of gdp. That compares with a median of 0.24% of gdp for four historical goliaths in the year that antitrust regulators hit them: Standard Oil and us Steel (1911), ibm (1969) and at&t (1974). For Amazon and Netflix the rents flow in the other direction because their prices are low today: in total they subsidise their combined 240m paying subscribers to the tune of about $50 per person per year, based on the amount of additional free cashflow they would have needed to cover their cost of capital in 2017.

OV Not even monopolies

1. Tech giants don’t have enough market share yet to warrant regulation. McLaughlin of the Washington Post in 2019 explains the percentages these companies control of revenue tend to hover around 50%, such as Apple controlling 45% of the smartphone market. . But under modern antitrust enforcement, those percentages alone aren’t enough to alarm regulators in the U.S. - for instance, Standard Oil’s market share got as high as 88 percent late in the 19th century before the government stepped in. Hovenkamp of UPenn in 2019 adds that similarly, Microsoft controlled over 90% of the market share in operating systems before being sued by the government.

Hovenkamp of UPenn in 2019
Mar 26, 2019, 3-26-2019, "Why Breaking Up Big Tech Could Do More Harm Than Good," Knowledge@Wharton,
https://knowledge.wharton.upenn.edu/article/why-breaking-up-big-tech-could-do-more-harm-than-good/

McLaughlin of the Washington Post in 2019
https://www.washingtonpost.com/business/did-big-tech-get-too-big-more-of-the-world-is-asking/2019/03/22/dc8cdc7e-4c77-11e9-8cfc-2c5d0999c21e_story.html?noredirect=on&utm_term=.f275bba8bd6a
They’re powerful, for sure. Google and Facebook Inc. together controlled 60 percent of mobile ad revenue and 51 percent of digital ad revenue globally in 2018, according to eMarketer. In the U.S., Apple Inc. has about 45 percent of the smartphone market; about 47 percent of all U.S. e-commerce sales go through Amazon.com Inc. But under modern antitrust enforcement, those percentages alone aren’t enough to alarm regulators in the U.S., which long ago stopped equating big with bad. (Standard Oil’s market share got as high as 88 percent late in the 19th century.)

What's illegal is for a monopoly to abuse its market power to prevent rivals from threatening its position. U.S. courts ruled Microsoft Corp. did so in the 1990s.

A2 PRO
A2 Implementation arguments
A2 Consumer harms bad standard

1. Highly unlikely that this occurs, while for awhile they've tried to change the standard - hasn't passed.
2. Szabo of the Seattle Times in 2018 explains the alternative is some amorphous standard like dangers to liberty which would allow for politically-motivated enforcement. Murray of the CEI in 2019 further explains the consumer welfare standard is more free from politically-motivated intervention by clearly defining that a company's size or success doesn't matter as long as consumers aren't hurt.

Iain Murray, 3-13-2019, "CEI Releases New Video: How Antitrust Harms Consumers by Stifling Innovation and Competition," Competitive Enterprise Institute, https://cei.org/content/cei-releases-new-video-how-antitrust-harms-consumers-stifling-innovation-and-competition
NARRATOR: When bureaucrats couldn't prove companies had an actual "monopoly" over markets, they instead relied on what Supreme Court Justice Louis Brandeis called "the curse of bigness." Brandeis believed that if a company was too large and too profitable, it was an inherent threat to the market.

Of course, it's hard to pinpoint what is too large and too profitable, so by the 1980's, most regulators adopted the Consumer Welfare Standard, which says that a company's size or success doesn't matter, as long as consumers aren't hurt.

Carl Szabo, 7-8-2018, "Don't damage our democracy by breaking up big tech," Seattle Times, https://www.seattletimes.com/opinion/dont-damage-our-democracy-by-breaking-up-big-tech/
This standard might be emotionally appealing, since we all want to protect "liberty." And we can imagine that the FTC and the DOJ, armed with this standard, could act aggressively against any big business. Because the "dangers to liberty" standard is so amorphous, government regulators and prosecutors would be unencumbered by fact-finding and detailed economic analysis.

But we want fair and honest antitrust enforcement. The "dangers to liberty" standard would sail us into uncharted waters and be vulnerable to politics and populism.

Suppose now we had a politically-motivated FTC and DOJ no longer restrained by the "consumer welfare" standard. Corporate political speech, protected by the First Amendment and

permitted by the “consumer welfare” standard, could be attacked if the FTC regarded it against the administration’s current concept of liberty.

Likewise, many Democrats see most actions by Republicans as “dangers to liberty,” and vice-versa. How would a politically motivated DOJ or FTC deal with “threats to liberty” based on political actions or speech?

A2 Price regulation/utilities

1. The Economist in 2018 explains this policy would both reduce innovation and encourage companies to ignore their customers as they’d have no incentive to appeal to them to gain a higher price. For this reason, the last time the US tried to implement price regulation between 1938 and 1978 with airlines and AT&T, inefficient empires were just created where the corporations didn’t care or need to appeal to their consumers.

Print Edition, xx-xx-xxxx, "Technology firms are both the friend and the foe of competition," Economist, https://www.economist.com/special-report/2018/11/15/technology-firms-are-both-the-friend-and-the-foe-of-competition?utm_source=headtopics&utm_medium=news&utm_campaign=2018-11-20

The second approach would be to turn platform firms such as Facebook, Alphabet, Uber and Twitter into regulated utilities. Their prices and return on capital would be capped (causing profits to fall by about 65% and 81% for Alphabet and Facebook, respectively). Economic regulation would sit alongside a broader attempt to police the firms’ behaviour, just as utilities have to promise to provide clean water and reach every home. But state supervision would douse these firms’ innovative spirit. America’s two 20th-century experiments with price regulation were disasters. The airlines between 1938 and 1978, and at&t until 1982, were inefficient empires that did not care about customers. Because of the politicisation of America’s institutions and the rise of lobbying, the risk of cronyism today would be high.

A2 Warren’s plan

1. Delink - Warren’s plan is unlikely to pass for two reasons.
    a. Lobbies. Market Insight in 2019 explains tech giants and tech industry groups have spent 55 and 13 million respectively on lobbying Congress last year alone.
    b. Bipartisan opposition. Provenzano of the Pacific Standard in 2019 writes that Republicans and even Democrats oppose the plan. Fush of Yahoo in 2019 further elaborates that since this legislation could increase prices, Democrats would oppose the bill to help lower income Americans.

Thus, Kovacic of UC Davis in 2019 concludes only with some cataclysmic, unprecedented external shock could Warren's ideas get through Congress.

2. Vox '19 - Dem candidates are just calling for M/A breakups, not Warren's plan - our implementation

Yglesias of Vox in 2019
May 3, 2019, "The push to break up Big Tech, explained"
Vox Media,
https://www.vox.com/recode/2019/5/3/18520703/big-tech-break-up-explained
By Obama's final year in office, however, his Council of Economic Advisers (CEA) issued a report sounding the alarm about an increase in economic concentration across almost all economic sectors whose deleterious impacts extended beyond higher prices to potentially playing a role in declining investment and stifling wage growth. The CEA report further called for "examination" of "market structure changes throughout the supply chain" — and then in 2017, congressional Democrats formally committed themselves to a new antitrust agenda.

These proposals, turned into **legislation by presidential candidate Sen. Amy Klobuchar, do not directly target the technology industry.**
But they do embed two big changes that are directly relevant to Big Tech.
One is that Democrats are calling for new standards that "will prevent not only mergers that unfairly increase prices but also those that unfairly reduce competition — they will ensure that regulators carefully scrutinize whether mergers reduce wages, cut jobs, lower product quality, limit access to services, stifle innovation, or hinder the ability of small businesses and entrepreneurs to compete."
The other is that they want to shift the rules so that "the largest mergers would be presumed to be anticompetitive and would be blocked unless the merging firms could establish the benefits of the deal."

Kovacic of UC Davis in 2019
Mar 26, 2019, 3-26-2019, "Why Breaking Up Big Tech Could Do More Harm Than Good,"
Knowledge@Wharton,
https://knowledge.wharton.upenn.edu/article/why-breaking-up-big-tech-could-do-more-harm-than-good/
The only way Warren's two ideas would get through Congress is if there was "some cataclysm, some external shock that is a result of a corporate scandal, a further set of revelations that calls

into question the legitimacy of the sector," Kovacic said. One recent example is the Dodd Frank act that resulted from the severity of the financial crisis, he added. But barring such disasters, "it is a long, long way … to put all of these measures in place."

Fush of Yahoo in 2019
Erin Fush, xx-xx-xxxx, "The problem with Elizabeth Warren's plan to break up Facebook, Google, and Amazon," No Publication,
https://finance.yahoo.com/news/warren-facebook-google-amazon-antitrust-210802440.html
Four antitrust experts told Yahoo Finance that it would be highly unlikely that Congress would move to force big companies to spin off parts of themselves.

"It won't pass before the next election for sure and I think there's going to be a lot of pushback even within the Democratic party and the reason is these broad-scale divestiture or breakup provisions are likely to produce much higher prices," Hovenkamp noted. "Democrats tend to represent a lot of lower income people — they may be the ones who are hurt the most."

Provenzano of the Pacific Standard in 2019
Brianna Provenzano, xx-xx-xxxx, "Will Elizabeth Warren's Antitrust Plan to Break Up Big Tech Work?," Pacific Standard,
https://psmag.com/economics/will-elizabeth-warrens-antitrust-plan-to-break-up-big-tech-work
"Just ask yourself, is the California delegation going to stand arm-in-arm with President Warren and say, 'Break them up'?" Kovacic asks. "Will the Washington delegation? And these aren't just the Republicans, these are the Democrats. Are they going to abandon this tech sector that they have been so fond of and turn against it in a decisive way?"

"None of this will be done overnight," he adds. "This is a multi-year sustained effort, and the question is, will the country have the political will to sustain that effort over time in light of the reaction—and the pressure—that will be brought to bear by the industry and some consumers?"

Market Insight in 2019
Continuing Or, 3-15-2019, "Warren's Big Tech 'platform utility' antitrust proposal would need thumbs up from Congress, courts," No Publication,
https://mlexmarketinsight.com/insights-center/editors-picks/antitrust/north-america/warrens-big-tech-platform-utility-antitrust-proposal-would-need-thumbs-up-from-congress,-courts
The CFPB was created in the national panic over the state of the banking industry after the 2008 financial crisis, but it is not clear that Americans are similarly troubled by Big Tech today.

Warren's plan would face a Congress fueled by tech lobbying dollars. Google, Amazon, Facebook and Apple spent nearly $55 million lobbying Congress in 2018 — up from just more than $9 million in 2010, according to congressional ethics records. Additionally, tech industry groups spent $13 million on lobbying in 2018, up from just under $10 million in 2010.

A2 General arguments

A2 Monopolies bad

1. Delink - This is natural. WBUR in 2017 explains technology giants naturally become monopolies as consumers only need say one search engine or social networking sites naturally rely on having as many people opted in as possible. Thus, Atkinson of Nextgov in 2019 concludes companies shouldn't be penalized as they've earned market share and operated at scale without hurting consumers.
2. Turn - Monopolies are good for society.
    a. Good for workers. Thiel in the WSJ in 2014 explains when companies don't have to worry as much about competition, they have a wider latitude to care about workers, products, and impacts on the wider world.
    b. R&D. Karmin in 2018 explains that due to economies of scale, companies that are monopolies have more profit margins they can use to invest in infrastructure and research to improve their services.
    c. Consumer benefit. Pepall of Econofact in 2019 explains that since consumers only need say, one shopping, social media, or search engine, monopolies create large platforms that ultimately benefit consumers by increasing the number of people locked in.
    d. Lower prices. Yglesias of Vox in 2019 explains tech monopolies reached their position by revolutionizing the market and cutting prices compared to traditional retailers, such as Amazon offering incredibly low e-book prices. However, when Apple entered the market, e-book prices actually rose.

Matthew Yglasias, May 3, 2019, The Push To Brieak Up Big Tech, Explained, https://www.vox.com/recode/2019/5/3/18520703/big-tech-break-up-explained

This sometimes leads to "anti-monopoly" policies that can sound a little perverse. A few years back, for example, Amazon essentially monopolized the market for e-books. Major book publishers fought back by teaming up to take on the bigger company and the Justice Department filed an antitrust suit against them. Why? Well, **Amazon was using its power in the marketplace to keep e-book prices low. The publishers, the government argued, were trying to form a cartel to force Amazon to raise prices. And, indeed, even though the publishers ended up settling with the government, the introduction of more competition into the e-book marketplace (primarily from Apple) has had the impact of making e-books**

more expensive than they were when Amazon ruled the roost. The standard, in other words, isn't that one company dominating a market is bad. It's that it's bad if a company's market domination leads to bad outcomes for consumers.

Lynne Pepall and Dan Richards, January 2, 2019, Big-Tech and the Resurgence of Antitrust, https://econofact.org/big-tech-and-the-resurgence-of-antitrust

But beyond a more lenient antitrust policy, other factors, such as the role of network effects and of two-sided platforms can also help to explain increased concentration and profits, especially with regards to the tech giants like Amazon, Apple, Facebook and Google. **The value to an individual consumer of certain goods and services increases as more people purchase it**. For example, **as more consumers buy Apple products, more designers write applications to run on Apple software, and as more applications are created for Apple products more consumers want to buy them. These network effects create positive feedback loops that encourage firms to grow large.** Industries with strong network effects naturally converge to a small number of big firms where only the firms with very large networks or market shares can survive. Network effects are particularly prevalent in markets served by firms that act as two-sided platforms where advertisers on one side can find potential customers on the other side. For example, **the more that consumers use Google, the more firms want to advertise on its search engine, and, in turn, the more consumers want to use Google.** Two-sided platforms are very prevalent in the digital economy and include media companies, credit card companies, gaming consoles, and dating services. **This is reinforced by scope economies - it is cost efficient for a retailer such as Amazon to sell many products, not just books.**

Peter Karmin, Stuart Loren, Managing Partner & Director, Karmin Capital, March 2018, Antitrust in the Internet Age, https://static1.squarespace.com/static/59c018a20abd045c70aaa964/t/5ab13e5b88251bfd94b30e65/1521565277206/Antitrust+in+the+Internet+Age.pdf

Natural monopolies are rare and amongst the best businesses to invest in, as they are largely insulated from competition. Even more lucrative are natural monopolies (as well as dominant businesses in highly concentrated markets) that operate platform services or networks. Platform businesses generally have huge fixed costs (for instance, computing infrastructure or merchandise fulfillment centers), but nearly zero marginal costs. **When the cost of serving more users and generating additional revenue approaches $0, a company's profit margins have nowhere to go but up. The larger these businesses grow, the more they can invest in additional infrastructure and research to improve their services, fend off potential competitors and continue driving users to their platform**s.

Peter Thiel, September 12, 2014, Competition is for Losers, Wall Street Journal, https://www.wsj.com/articles/peter-thiel-competition-is-for-losers-1410535536

Monopolies are a good thing for society, venture capitalist Peter Thiel argues in an essay on WSJ. The PayPal co-founder joins Sara Murray to discuss his business philosophy, his take on Apple Pay, and what's a deal breaker in pitch meetings.
"Perfect competition" is considered both the ideal and the default state in Economics 101. So-called perfectly competitive markets achieve equilibrium when producer supply meets consumer demand. Every firm in a competitive market is undifferentiated and sells the same homogeneous products. Since no firm has any market power, they must all sell at whatever price the market determines. **If there is money to be made, new firms will enter the market, increase supply, drive prices down and thereby eliminate the profits that attracted them in the first place. If too many firms enter the market, they'll suffer losses, some will fold, and prices will rise back to sustainable levels. Under perfect competition, in the long run no company makes an economic profit.**
A monopoly like Google is different. Since it doesn't have to worry about competing with anyone, it has wider latitude to care about its workers, its products and its impact on the wider world. Google's motto—"Don't be evil"—is in part a branding ploy, but it is also characteristic of a kind of business that is successful enough to take ethics seriously without jeopardizing its own existence.

Atkinson of Nextgov in 2019
Frank Konkel, 3-8-2019, "Big Tech Claps Back at Warren's Proposal to Break Up Amazon, Google, Facebook," Nextgov,
https://www.nextgov.com/cio-briefing/2019/03/big-tech-claps-back-warrens-proposal-break-amazon-google-facebook/155418/
"Breaking up large internet companies just because they are large won't help consumers. It will hurt them by reducing convenience, reducing quality of service and innovation, and in some cases leading to the introduction of priced services," said Rob Atkinson, president of Information Technology and Innovation Foundation, a Washington, D.C.-based think tank for science and tech policy. "Consumers now benefit greatly from having one Amazon, one Google, and one Facebook. The goal of competition policy should be to enhance consumer welfare, not penalize companies for earning market share and operating at scale—yet that is exactly what the Warren proposal would do."

WBUR in 2017
No Author, 8-28-2017, "Are Tech Giants Like Amazon, Facebook And Google Monopolies?," No Publication,
https://www.wbur.org/hereandnow/2017/09/04/amazon-facebook-google-monopolies

"There are certain monopolies that are what one would call 'natural,' which is to say, like electric utilities, where it just doesn't make sense to string multiple power lines into buildings. And those need to be regulated. But in terms of markets where you could have rivals but you don't have rivals, you can just see something like search, search engines. There's basically Google, and what Google does essentially structures the internet. For social media, you have Facebook. And for online retail, while there are alternatives, Amazon is capturing an increasing amount of online commerce. So I would say those three institutions are the most obvious and most powerful monopolistic institutions that are in our culture right now."

A2 Price hikes

1. Delink - Most tech services are free. Patel of the Verge in 2018 explains that major tech today tends to be free to access, like Google or Facebook. Indeed, the Economist in 2018 finds that online inflation is actually running at one percentage point below official inflation thanks to bargains available on the web.
2. Delink - Mergers don't raise costs. McLaughlin of the Washington Post in 2019 writes that current tech mergers usually involve big companies buying smaller rivals or purchasing companies to enter new markets, both of which increase tech access without increasing costs to consumers.
3. Turn - Breaking up big tech would actually raise consumer prices. Hovenkamp of UPenn in 2019 explains that companies like Amazon, Google, and Facebook have lowered prices of products and services to consumers and provided a marketing platform for small companies, meaning that breaking up these companies would not level the playing field but instead route profits back to traditional big businesses. For instance, if Amazon could no longer sell Amazonbasics batteries, consumers would have to buy Duracell batteries which have markups in excess of 50 or 60%.
    a. Indeed, Henderson of Econlib in 2018 explains that since tech companies gained dominance initially by pricing lower than their competitors, they don't extract wealth from consumers; instead, they create it.

David Henderson, 9-7-2018, "Should Antitrust Be Used Against Amazon?," Econlib, https://www.econlib.org/should-antitrust-be-used-against-amazon/

She can't have it both ways. The first paragraph quoted suggests that the antitrust advocates thought high prices were the problem. The second paragraph suggests that they weren't. But within that second paragraph, she quotes, while seeming to implicitly agree with, the idea that the large firms extracted wealth from consumers. If the large firms were pricing lower than their competitors, which they were, they can't extract wealth from consumers; instead they create wealth for consumers.

Print Edition, xx-xx-xxxx, "Technology firms are both the friend and the foe of competition," Economist,
https://www.economist.com/special-report/2018/11/15/technology-firms-are-both-the-friend-and-the-foe-of-competition?utm_source=headtopics&utm_medium=news&utm_campaign=2018-11-20
Their effect on the economy has been positive in many ways. Online inflation is running at one percentage point below official inflation, reflecting the bargains available on the web. Economists have criticised the firms for employing only a few tech bros and creating no assets apart from executive Koi carp aquariums. But this view is out of date. The big five tech firms have almost 1m staff, not far off the 1.5m Walmart has in America. They are investing at a massive pace: some $137bn in 2017. As a result their combined hoarding rate (their free cashflow) actually fell from a peak of 0.66% of gdp 2015 to 0.61% last year.

Hovenkamp of UPenn in 2019
Mar 26, 2019, 3-26-2019, "Why Breaking Up Big Tech Could Do More Harm Than Good," Knowledge@Wharton,
https://knowledge.wharton.upenn.edu/article/why-breaking-up-big-tech-could-do-more-harm-than-good/
But experts from Wharton and elsewhere challenge some of the basic premises of her proposal and warn that breaking up these three companies could result in unintended consequences that ultimately would harm consumers. The presence of Amazon, Google and Facebook in the market, they said, have lowered prices of products and services to consumers and provided a marketing platform for small companies at little or no cost. Weakening them would not necessarily level the playing field, but could instead route profits back to other big businesses — the old incumbents. But this rule not only requires a new statute, it could be harmful to consumers, experts said. Imagine if Amazon could not sell its Amazon Basics-branded products on its own site. Take household batteries, which Amazon Basics sells for 10% to 50% less than branded rivals, Hovenkamp said. By banning Amazon Basics, consumers would pay higher prices for Duracell batteries, which is owned by Berkshire Hathaway, a behemoth. Or shoppers could buy Energizer, Rayovac and Eveready batteries, whose parent is a “very large battery company,” he said. Hovenkamp noted that name-brand batteries have markups in excess of 50% or 60%.

Patel of the Verge in 2018
Nilay Patel@Reckless, 9-4-2018, "It’s time to break up Facebook," Verge,
https://www.theverge.com/2018/9/4/17816572/tim-wu-facebook-regulation-interview-curse-of-bigness-antitrust
Second, it’s all but impossible to show a consumer price increase when major internet services like Google and Facebook are free. Making a case for breaking up these companies will rely on

showing a different type of harm than high consumer prices — something like anticompetitive practices, or that innovative businesses get suffocated when they're absorbed by their gigantic acquirers.

"There are a subset of cases where the primary harm manifests itself as an innovation loss," says Hal Singer, an economist and antitrust expert. "We need to attack them with a different standard because the probability of prevailing under the consumer welfare standard is zero."

McLaughlin of the Washington Post in 2019
https://www.washingtonpost.com/business/did-big-tech-get-too-big-more-of-the-world-is-asking/2019/03/22/dc8cdc7e-4c77-11e9-8cfc-2c5d0999c21e_story.html?noredirect=on&utm_term=.f275bba8bd6a
In the U.S., they're primarily focused on the harm to consumers from reduced competition. When two companies want to merge, for example, could the deal result in higher prices? That's usually not an issue in high-tech tie-ups, because big firms are often gobbling up much smaller rivals or buying companies for the purpose of entering new markets. The EU has been more aggressive, as evidenced by three antitrust actions against Google in as many years carrying penalties that total $9.3 billion.

A2 Climate change

1. The stronger link into climate change is climate advocacy and innovation from big tech companies. Haskins of the Outline in 2018 explains companies like Google are stepping in where the US government hasn't to send climate funding to the UN and increase climate data accessibility. Axios goes on to explain Facebook, Apple, and Google are all pioneering players in creating sustainable corporations and investing in carbon-cutting tech.

Numbers, xx-xx-xxxx, "Big Tech's place in the fight against climate change defies easy labels," Axios,
https://www.axios.com/apple-big-tech-climate-change-renewable-energy-f98bc503-9909-4743-b3dd-41724e113e53.html
My thought bubble: Big Tech's place in the fight against climate change defies easy labels.

Facebook, Apple, Google and others are pioneering players driving growth in corporate renewable power procurement and making sustainability commitments.
And those three, as well as Amazon, Microsoft and others, are all signatories to the "We Are Still In" pledge on the Paris Climate Agreement.

Caroline Haskins, xx-xx-xxxx, "Google will help the UN with climate change research since the U.S. government won't," Outline, https://theoutline.com/post/5453/google-will-help-the-un-with-climate-change-research-since-the-us-government-wont

The world is struggling to fund climate change research after President Trump's 2019 budget plan axed $2 million in contributions to the Green Climate Fund — the global funding pool for climate research, which is managed by the United Nation's Framework Convention on Climate Change (UNFCCC). For now, the best the UN can do to fund climate change research is to lean heavily into private partnerships — this time, with Google.

According to a United Nations press release from Monday, Google is sharing maps and data from its environmental satellites with a series of national and multinational space agencies associated with the UN.

A2 Past enforcement worked

A2 EU enforcement

1. Sort of non-topical - Davidson of the New Yorker in 2017 explains EU regulations are based on harms to innovation, not prices, whereas American antitrust has always been based in consumer harm defined by prices. Furthermore, Stewart of the New York Times in 2018 elaborates that it's hard to find any antitrust expert, European or American, who has currently endorsed the degree to which the EU is enforcing antitrust regulations. Without proof that the US is going to switch regulatory models in the near future, they don't get impacts off of the EU model.
2. Delink - EU method of enforcement useless. Tiku of WIRED in 2019 explains that given the most recent EU fine of 1.7 billion dollars is the third in a series of massive fines and they haven't done anything to erode Google's dominance.
    a. Turn - Even if you buy that the fines have made a difference, the US Chamber of Commerce elaborates that large fines send a signal to stop competing to expand their market share and instead play it safe, decreasing innovation.
3. Turn - EU antitrust has created consumer harms in two ways.
    a. Price. Ghosh of Business Insider in 2018 explains that pre installing Google's apps on phones allow Google to profit off of the free Android platform, and without that revenue as the EU requests, Google might hike the costs of using Android, and thus Android phones.
    b. Convenience. The US Chamber of Commerce explains that expanding consumer choice by disassembling tech giants ignores how consumers often choose convenience in order to maximize their consumer welfare.

U.S. Chamber of Commerce, xx-xx-xxxx, "Five Things European Antitrust Gets Wrong," https://www.uschamber.com/series/above-the-fold/five-things-european-antitrust-gets-wrong
Finally, high fines in these highly subjective cases chill future pro-competitive behavior. All firms, including those with large market shares, should be encouraged to compete aggressively. However, large fines send a signal to stop competing up against the legal line and instead play it safe. The message competition authorities should send to firms is always to compete vigorously; and if a legal line is crossed, the priority will be to restore competitive forces in the market, not make news with headline-grabbing fines.

U.S. Chamber of Commerce, xx-xx-xxxx, "Five Things European Antitrust Gets Wrong," https://www.uschamber.com/series/above-the-fold/five-things-european-antitrust-gets-wrong
Choice plays a role in the antirust view of consumer welfare, but Europe conveniently forgets consumers often choose convenience. Consumers can buy pencils without erasers, but most consumers are pleased that pencil companies generally offer an eraser with every purchase. The same is arguably true for a computer or a smart phone: The consumer wants to be able to turn it on and start to use it. In both the Microsoft and the most recent Google case, the EU decided that consumers are too lazy to download a different app over preloaded offerings, despite the fact that last year alone consumers downloaded 197 billion apps on mobile devices.

James B. Stewart, 7-26-2018, "Why Trump Is Right About the E.U.'s Penalty Against Google," No Publication,
https://www.nytimes.com/2018/07/26/business/google-european-union-antitrust-trump.html
It's hard to find any antitrust expert, European or American, who has endorsed the logic or outcome of the ruling by the European Commission.

The commission, which is the union's executive arm and oversees its competition policy and antitrust law, found that Google had run afoul of those regulations in several respects.

But the heart of the decision involved Google's insistence that mobile phone manufacturers that use its Android operating system and want to preinstall the Google Play app store must also install a suite of Google apps, including the company's search engine, its Chrome browser and its mapping, calendar and photo programs.

Adam Davidson, 6-28-2017, "Teddy Roosevelt Would Not Understand the E.U.'s Antitrust Fine Against Google," New Yorker,
https://www.newyorker.com/business/adam-davidson/teddy-roosevelt-wouldnt-understand-the-eus-antitrust-fine-against-google

“Price” is the key word in American antitrust law—higher prices are bad, and lower prices are good. This is because U.S. antitrust laws have, generally, demanded a demonstration that consumers have been harmed by a monopoly and that harm, most often, is defined as higher prices. For the European Commission, whose Google decision was based on antitrust regulations written decades later, after the rise of the Internet, the key word is “innovation.” Monopoly for the Europeans can raise prices, lower prices, or have no impact on prices but still be dangerous because it stifles new ideas. The European Commission has taken a forceful global role in establishing that view, especially under Margrethe Vestager, the current commissioner of competition, who, this week, levied a record $2.7 billion fine against Google for abusing its monopoly power.

Tiku, 3-20-2019, "The EU Hits Google With a Third Billion-Dollar Fine. So What?," WIRED, https://www.wired.com/story/eu-hits-google-third-billion-dollar-fine-so-what/
EUROPEAN OFFICIALS WEDNESDAY fined Google €1.49 billion ($1.7 billion) for more than a decade of abusive practices in how it brokered online ads for other websites like newspapers, blogs, and travel aggregators. This is the third billion-dollar antitrust penalty levied against Google by the European Commission, which has fined the company more than $9 billion for anticompetitive practices since 2017. Some critics were quick to point out that the fines don’t seem to have eroded Google’s dominance. But the reaction also shows how much the debate around antitrust has intensified in just a few years, from fear that enforcement would stifle innovation to concern that even massive fines provide an insufficient check on dominant tech giants.

Shona Ghosh, 7-19-2018, "**Android phones may become much more expensive thanks to Google's $5 billion fine from the EU**," Business Insider, https://www.businessinsider.com/android-phones-might-become-more-expensive-after-google-fine-2018-7?IR=T&_ga=2.38030443.998121114.1559706720-366858845.1559706720
"Google has invested billions of dollars over the last decade to make Android what it is today," he wrote. "This investment makes sense for us because we can offer phone makers the option of pre-loading a suite of popular Google apps (such as Search, Chrome, Play, Maps and Gmail), some of which generate revenue for us."

He added: "This means that we earn revenue only if our apps are installed, and if people choose to use our apps instead of the rival apps."

A2 AT&T created innovation

1. Not comparable - Zoffer of the Stanford Law Review in 2019 explains innovations after the breakup were generally predicated on tech developed by Bell Labs years earlier, giving other sources of innovation and economic dynamism credit for the boom.

Zoffer of the Stanford Law Review in 2019, xx-xx-xxxx, "Short-Termism and Antitrust's Innovation Paradox,"
https://www.stanfordlawreview.org/online/short-termism-and-antitrusts-innovation-paradox/
The rejoinder to this, of course, is that the 1984 breakup of AT&T did not undercut investment and innovation—it fomented it by unleashing competition. But the AT&T case may not be a suitable analog. The internet and mobile phone service hit the market around the same time that AT&T's telephone service monopoly was broken up, and the young cable industry was already thriving. (And these innovations all relied to various extents on technology developed by Bell Labs years earlier).This history makes it difficult to definitively isolate the asserted pro-innovative effects of the breakup, given other emerging sources of innovation and economic dynamism.

A2 Suing Microsoft created Google

1. [Best/condensed response] - Steve Ballmer, the CEO of Microsoft during the lawsuit, doesn't even attribute Google to the antitrust, he says it was Microsoft's fault they focused too much on Windows while completely missing the rise of phones. Thompson of Stratechery in 2019 explains that the timeline doesn't even line up - Bing was created eight years after Microsoft was settled
2. Shouldn't have even been enforced in the first place. The Lead in 2018 explains Microsoft did not use coercion with their consumers, nor did they prevent consumers from going anywhere else - they simply gave out products for free.
3. Delink - False. Bhargava of UC Davis in 2019 explains that the government's lawsuit against Microsoft failed, only placing restrictions on the company, not breaking it up. He concludes Google pulled ahead over Internet Explorer not due to the government but simply because other it innovated better and faster.
    a. [Silly lawsuit in the first place anyway, because you need to have a browser bundled with a computer since that's literally the prereq to installing any other browser in the first place]
4. Better Delink - Thompson of Stratechery in 2019 explains that the timeline doesn't even line up - Bing was created eight years after Microsoft was settled and that Google's method of creating the web through links instead of APIs with a business model of advertising not licensing allowed it to pull ahead of Microsoft, which Thompson concludes would have happened with or without the lawsuit.
    a. Look to Windows Media Player as an example, which the federal government was also cracking down on Microsoft for, for similar reasons. Stewart of the New York Times in 2018 explains Windows Media Player also got overturned by competition, even before the outcome of the case was decided.

http://www.aei.org/publication/the-microsoft-myth-we-shouldnt-assume-more-antitrust-will-give-us-more-tech-innovation/
But this isn't obviously the lesson that history teaches. It's not at all clear the Microsoft, if not distracted by its antitrust fight with the feds over the now infamous 1990s "Browser War" with Netscape, would have mercilessly squashed Google and Facebook. Nor is it clear that the American software industry owes its existence to the government's distracting 13-year pursuit of IBM born out of the last official act of LBJ's Justice Department in January 1969.
Certainly both claims are bandied about bulletproof explanations, such as in the Axios story "For tech, antitrust is a fatal distraction." Let's focus on the case of Microsoft. Was the software giant distracted by its conflict with Washington such that it let Google become a search superpower and missed the industry move to mobile. Perhaps. But maybe simpler and more common explanation is the correct one: A big, bureaucratic, slow-moving incumbent failed to adjust to a secular business shift.
Here's what Steve Ballmer, Microsoft CEO from 2000 to 2014, said when he departed the company: "If there's one thing I regret, there was a period in the early 2000s when we were so focused on what we had to do around Windows that we weren't able to redeploy talent to the new device form factor called the phone." And Vic Gundotra, a former head of Google's mobile division, left Microsoft after it became clear "the company could not accept the reality that Windows was no longer the center of the universe," according to "In The Plex: How Google Thinks, Works, and Shapes Our Lives," a 2011 biography of the company by tech journalist Steven Levy.

The Lead in 2018 Psyclone Media, Inc, xx-xx-xxxx, "," Lead, <a class="vglnk" href="https://thelead.com/articles/trust-busting-causes-more-problems-than-it-solves
Many looked down on this practice; however, it does not qualify as monopoly behavior. Microsoft did not use coercion with their consumers, nor did they prevent consumers from going anywhere else—they simply gave products out for free. Clearly, consumers weren't exactly suffering under this "monopoly behavior." Despite this, the DOJ won the lawsuit, and Microsoft took a major financial hit. The government used antitrust legislation to put Microsoft in its place instead of allowing consumers to determine who should get their business.

James B. Stewart, 7-26-2018, "Why Trump Is Right About the E.U.'s Penalty Against Google," No Publication,
https://www.nytimes.com/2018/07/26/business/google-european-union-antitrust-trump.html
The focus on tying arrangements is reminiscent of two famous Microsoft cases: one in the United States, in which the government accused the company of illegally tying its Internet

Explorer browser to its dominant Windows operating system, the other in Europe, where Microsoft was found to have abused its Windows dominance by embedding its media player.

The outcomes in both cases are now widely viewed as irrelevant, since by the time they were decided, Explorer and Windows Media Player had been overwhelmed by technological change and competition — from Google, among others. Microsoft's share of the browser and media-player markets is insignificant today.

Author By Ben Thompson, 3-12-2019, "Where Warren's Wrong," Stratechery by Ben Thompson, https://stratechery.com/2019/where-warrens-wrong/

Start with the most obvious error: **Bing was not even launched until 2009, eight years after the Microsoft case was settled.** MSN Search, its predecessor, did launch in 1998, but with licensed search results from Inktomi and AltaVista; Microsoft didn't launch its own web crawler until 2005 (these details will matter in a moment). What is more striking is that, in retrospect, the core piece of the government's case doesn't make any sense: of course a browser should be bundled with an operating system; a new computer without a browser would be practically useless (for one, how do you install a browser?). Moreover, Apple, not without merit, argues that restricting rendering engines to the one that ships with the OS (all browsers on iOS have no choice but to use the built-in rendering engine) has significant security benefits; this is debatable, but ultimately, most don't care, simply because browsers are means to information, not ends. This, crucially, is something Microsoft did not understand in the 1990s; Microsoft's operating system monopoly was predicated on owning the APIs with which applications were built, creating both lock-in and an ever expanding network effect. Unsurprisingly, Microsoft viewed the web through this exact same lens; that meant that Netscape was a threat because it was "middleware", a potential means to run applications that were not locked into Windows. This is true, by the way — web apps work across operating systems and browsers — but this fact has absolutely nothing to do with the rise of Google. After all, when Google IPO'd in 2004, Internet Explorer had 95% market share; a browser was a means, not an end. **The reality is that Google is an operating system of sorts, but the system is not a PC but rather the entire web; what ties things together are not APIs, but links. And, crucially, the business model that makes sense is not licensing, but advertising. This is a value chain that never even occurred to Microsoft, and why would it?** The entire company was predicated on controlling operating systems for physical computers, controlling the APIs on top, and earning revenue through licensing; it was fabulously profitable, and as history shows again and again, being fabulously profitable with an existing value chain is the best way to not only fail to recognize a new market opportunity (Microsoft didn't even have a web crawler until after Google's IPO!), but to in fact be at a massive disadvantage when you finally do so. Look no further than mobile: Microsoft was not encumbered by antitrust when it came to their mobile ambitions, and yet they failed even more spectacularly there than they did online. In this case the company didn't "miss" the opportunity — Windows Mobile came out back in 2000 — it was just stuck in a PC mindset when it came to product development, attached to its Windows licensing model when it came to monetization, and institutionally incapable of producing superior end user experiences thanks to the company's traditional focus on platforms and compatibility. In short, to cite Microsoft as a reason for antitrust action against Google in particular is to get history completely wrong: Google would have emerged with or without antitrust action against Microsoft; if anything the real question is whether or not Google's emergence shows that the Microsoft lawsuit was a waste of time and money

Bhargava of UC Davis in 2019
Mar 26, 2019, 3-26-2019, "Why Breaking Up Big Tech Could Do More Harm Than Good," Knowledge@Wharton, https://knowledge.wharton.upenn.edu/article/why-breaking-up-big-tech-could-do-more-harm-than-good/
Hemant Bhargava, technology management chair at the University of California, Davis, said Warren has good intentions but "the disease [she is trying to cure] is not that bad," he said. "These companies … are certainly big, but they are not monopolies. They are nowhere near as dominant as Microsoft was, for example, in the 1990s with over 90% of market share in

operating systems." (Warren has pointed out that nearly half of all e-commerce business goes through Amazon, while Google and Facebook account for more than 70% of internet traffic.) The government tried to break up Microsoft but didn't succeed beyond putting restrictions on its market behavior. Eventually, it was a better widget that humbled Microsoft, Bhargava believes. "Microsoft lost its lead with Internet Explorer, not because of any help from the government or its other [agencies], but simply because other firms innovated better and faster," he said. Market forces successfully checked its behavior. "The evidence that the government actions led to good results is really not there."

A2 Hurts competition

1. Delink - Thompson of Stratechery in 2019 explains that companies like Facebook, Google, and Amazon were all powerful before they did acquisitions and none achieved their primary power by limiting competition.
2. Delink - Competition exists in squo. Axios reports that for instance, Amazon Web Services biggest competitors are Microsoft Azure and Google Cloud. It's not like these tech giants aren't unrivaled.
3. Delink - Natural progression still possible. Pethokoukis of the AEI in 2019 explains past giants failing like Yahoo, MySpace, and Nokia demonstrate that tech still evolves. In the squo in face, Facebook has lost 15mil users since 2017, Google worries about voice search, and Amazon owns only 5% of the retail market. These companies face threats.
    a. Alternative nonunique - Natural monopolies exist in tech for three reasons, all of which won't go away if you enforce antitrust. 1) Collection of data allows extreme personalization. 2) There's only a need for one platform that increases in value the more people are on it. 3) Psychological buy in - even if there's a better deal elsewhere, consumers still prefer their familiar platform.
4. Turn - Antitrust hurts competition. Younkins in 2002 explains that antitrust subsidizes and protects less-efficient firms from competition and discourages abler firms from operating to the best of their abilities.
5. Turn - Better price alternative to consumers to traditional companies. The Economist in 2018 writes that the actions of tech firms like Amazon taking on the pharmaceutical industry or Netflix taking out cable-TV have lowered prices for consumers and forced traditional corporations like Walmart to provide better service. Unfortunately, The Economist concludes that if big tech ever faces a serious threat, they could crumble, leaving the market open for traditional corporations to come back in.

Gregory Day, Columbia Law School, October 17, 2017, "How Antitrust Affects Innovation," http://clsbluesky.law.columbia.edu/2017/10/17/how-antitrust-affects-innovation/

I constructed a new dataset of publicly available information as well as data received from Freedom of Information Act ("FOIA") requests. **The dataset spans from 1963 to 2015 with a unique entry each year.** The results of the models are consistent, strong, and quite unexpected, demonstrating the effects of antitrust enforcement on society's ability to produce patents and R&D.

First, a greater number of antitrust lawsuits filed by private parties—which are the most common type of antitrust action—impedes innovation. Second, the different types of antitrust actions initiated by the government tend to affect innovation in profoundly different ways. Merger challenges (under the Clayton Act) promote innovation while **restraint of trade and monopolization claims (under sections 1 and 2 of the Sherman Act) suppress innovative markets.** Even more interesting, these effects become stronger after the antitrust agencies explicitly made promoting innovation a part of their joint policies.

My analysis also supports concerns that the mere presence of the Federal Trade Commission and the Department of Justice in dynamic markets might chill the incentives to innovate. As the administrative state of antitrust increases—measured by the size of agency budgets and the number of investigations, actions, and personnel—the innovation in private industry decreases. **To offer an analogy, when drivers can spot a police officer by the highway, they are more likely to drive *below* the speed limit, acting in an overly conservative manner.** In the innovation context, a similar effect appears to be true: Although the presence of antitrust regulators in innovative markets may make some firms abide by the law, it can also make others overly cautious and reduce innovation.

Khan, Yale, 2017

Despite these losses—or perhaps because of them—Prime is considered crucial to Amazon's growth as an online retailer. According to analysts, customers increase their purchases from Amazon by about 150% after they become Prime members.213 Prime members comprise 47% of Amazon's U.S. shoppers.214 Amazon Prime members also spend more on the company's website—an average of $1,500 annually, compared to $625 spent annually by non-Prime members.215 Business experts note that by making shipping free, Prime "successfully strips out paying for . . . the leading consumer burden of online shopping."216 Moreover, the annual fee drives customers to increase their Amazon purchases in order to maximize the return on their investment.217

As a result, Amazon Prime users are both more likely to buy on its platform and less likely to shop elsewhere. "[Sixty-three percent] of Amazon Prime members carry out a paid transaction on the site in the same visit," compared to 13% of non-Prime members.218 For Walmart and Target, those figures are 5% and 2% respectively.219One study found that less than 1% of Amazon Prime members are likely to consider competitor retail sites in the same shopping session. Non-Prime members, meanwhile, are eight times more likely than Prime members to

shop between both Amazon and Target in the same session.220 In the words of one former Amazon employee who worked on the Prime team, “It was never about the $79. It was really about changing people’s mentality so they wouldn’t shop anywhere else.”221 In that regard, Amazon Prime seems to have proven successful.222

https://mitsloan.mit.edu/ideas-made-to-matter/will-regulating-big-tech-stifle-innovation
Rehelian, MIT, 2018
The rise of platform-based megafirms like Google and Facebook, he said, has seen digital markets shift more and more toward a winner-take-all dynamic, where the platform that attains dominance first tends to only need a slight edge over its competitors to harness powerful network effects and tip the market significantly in its favor.

“You see this concentration of megafirms across lots of sectors, like retail and logistics … and that raises issues about ‘Is this leading to a reduction in competition?’” said Van Reenen. “We think this may be a particular problem in digital markets, because they compete on platforms. People search a lot on Google, so Google gets more information and that improves their algorithms. Then, even more people use it, and that kind of snowballs and they monetize that through advertising.”

James Pethokoukis@Jimpethokoukis, 3-14-2019, "Elizabeth Warren's fairy tale about Big Bad Tech," AEI, http://www.aei.org/publication/elizabeth-warrens-fairy-tale-about-big-bad-tech/
That really gets to the heart of why Warren’s plan is so flawed: A lack of imagination. The internet isn’t over. It isn’t time to turn these firms into “platform utilities” under a heavy government thumb. Amazon owns just 5 percent of the retail market. Facebook has lost 15 million users since 2017 and is trying to shift its entire business strategy. Apple wonders how to adapt to a post-iPhone world. Google faces a future where voice search may be dominant, and other Big Techies are aggressively competing.

History is littered with supposedly unassailable tech firms that are now industry afterthoughts: Yahoo, MySpace, Nokia. Technologies will evolve. So might business models. Government should be careful when injecting itself into that process.

Ben Thompson, 3-12-2019, "Where Warren’s Wrong," Stratechery by Ben Thompson, https://stratechery.com/2019/where-warrens-wrong/

The merger issue is a real one, but only when it comes to propagating power; Facebook was dominant before it bought Instagram and WhatsApp, Google before it bought DoubleClick or YouTube, and Amazon before it bought Diapers.com or Whole Foods (I do share Senator Warren's concern about acquisitions; I will return to this point). Notably, Apple has not made any major acquisitions other than Beats headphones, and that too came well after the company had created the iPhone. Similarly, the conflict of interest Senator Warren worries about is also post-dominance; **none of Google, Facebook, Amazon, nor Apple achieved their power by "using proprietary marketplaces to limit competition".** That is not to say this, like acquisitions, isn't a worthwhile issue, but it is flat out wrong to say that these are the reasons "big tech companies achieved their level of dominance."

Antitrust Threat, xx-xx-xxxx, "Big Tech companies, unfazed by D.C.'s antitrust threat, continue their acquisition spree," Axios, https://www.axios.com/big-tech-antitrust-regulation-acquisitions-c10e273e-576a-4bc7-9491-5708cd498f9a.html
The big picture: Google Cloud is a third-place competitor to Amazon's AWS and Microsoft's Azure in the cloud market, and it's very likely this acquisition was in the works long before the antitrust rumblings in Washington.

Edward W. Younkins, 12-21-2002, "ANTITRUST LAWS HARM CONSUMERS AND STIFLE COMPETITION," No Publication, http://www.quebecoislibre.org/021221-15.htm
Antitrust is largely a failed and discredited policy. Laws allegedly passed to protect customers have been used to punish efficient companies that have increased output and lowered prices. Rather than protect consumers, it is possible that antitrust laws are enacted to subsidize and protect less-efficient firms from the rigors of the competitive process. Antitrust enforcement can be used as a war against the competitive practices that businessmen can employ to better serve customers. Antitrust laws thus discourage abler firms from operating to the best of their abilities. In essence, the effects of antitrust laws are like those of a cartel – maintaining the status quo by stabilizing prices and assuring each firm that its profits and market position are secure.

Whereas the government argues that antitrust laws protect consumers, they actually serve as a smokescreen for an immoral method of attacking these firms which have found strategies for best satisfying consumers' wants and needs. Therefore, it follows that antitrust laws are a bad shortcut that should be abolished in favor of market competition.

Print Edition, xx-xx-xxxx, "Technology firms are both the friend and the foe of competition," Economist, https://www.economist.com/special-report/2018/11/15/technology-firms-are-both-the-friend-and-the-foe-of-competition?utm_source=headtopics&utm_medium=news&utm_campaign=2018-11-20
The tech firms can be a powerful source of competition. Think of Amazon threatening to take on America's rotten drug-distribution industry, or Netflix's detonation of the cable-tv racket in

America. The danger of digital disrupters is forcing comfortable incumbents to raise their game, from Germany's car firms to Walmart. Meanwhile, the perception that big tech is entrenched is itself new. Facebook almost missed the mobile revolution: in 2012 it had fewer than 20 staff working on its core mobile team. Today Apple, Facebook and Google still depend on one main source of revenue. If they ever face a serious threat they could crumble.

A2 Innovation spam

1. Autor of MIT in 2017 quantifies that industries with big players like tech that are the most concentrated have the most innovation. The Census Bureau in 2011 confirms this, finding both R&D spending and productivity increase with size. Unfortunately, Day of Columbia quantifies in a study spanning 1963 to 2015 that whenever the government beings to leverage monopolization claims, the companies in question cut back their innovation. Zoffer concludes big tech's innovation factor cannot be replaced by smaller firms.

https://www2.census.gov/ces/wp/2016/CES-WP-16-20.pdf

> Since Schumpeter, there has been a long-standing debate regarding the optimal firm size for innovation. Empirical results have settled into a puzzle: R&D spending increasing with scale while R&D productivity decreases with scale. Thus large firms appear irrational. We propose the puzzle stems from the fact that product and patent counts undercount large firm innovation. To test that proposition we use recently available NSF BRDIS survey data of firms R&D practices as well as a broader measure of R&D productivity. Using the broader measure, we find that both R&D spending and R&D productivity increase with scale—thus resolving the puzzle. We further find that while large firms and small firms differ in the types of R&D they conduct, there is no type whose returns decrease in scale—there are merely types for which the small firm penalty is less severe.

A2 Startups

1. Delink their card - Buchanan of INC in 2015 explains the dip in startups in the 2000s can be attributed to recession anxiety and that the number of startups has risen as the economy has gotten better.
2. Delink - The number of startups are actually on the rise. Buchanan of INC in 2015 explains startup studies are miscounting who's actually started a business by undercounting those who have a startup on the side or those who have begun a startup by themselves, as companies with only one employee aren't officially counted by the government. When incorporating these categories, entrepreneurship has actually been on the rise since 2011.

3. Turn - Essential services. Bercovici of INC in 2018 explains that though clout-computing power, cost-effective marketing, and app stores and Amazon have allowed early-stage ideas to take form earlier and at a lower cost than ever before.
4. Turn - Buyouts. Bhargava of UC Davis in 2019 explains small startups receive millions in venture funding contingent on getting bought out by companies like Google or Facebook. Without that promise, Bhargava concludes these companies would never develop the ambitious product in the first place.
    a. Murray of the CEI in 2019 further elaborates that due to financial regulation, it's extremely difficult for a firm to raise capital by going public with an IPO, and concludes that without tech buyouts, innovation would simply not happen.

5. Altcausal - Holly of Forbes in 2019 explains startup rates are only positively correlated with innovation in countries that put money into the R&D of small companies, something the US doesn't currently do.

Tech giants provide essential services that help small businesses grow.
Bercovici, Jeff. "Apple, Amazon, and Google want to help small businesses succeed – but not too much. Inc. 5/18. https://www**.inc.**com/magazine/201805/jeff-bercovici/big-tech-monopoly-startup-competition.html
These days, what can founders do but hope? Starting a business now invariably means going through one or more of the biggest tech companies: Amazon, Apple, Facebook, Google. Those giants say they give startups what they crave--instant access to vast markets, efficient ads, cheap and reliable infrastructure.
This isn't a fiction. Tech startups once bought servers; now they rent Amazon's and Google's cloud-computing power. Facebook is the most cost-effective marketing tool in history. Apple's and Google's app stores let developers reach hundreds of millions of customers overnight; Amazon Marketplace does the same for makers of physical products. "You can get wind in the sails for an early-stage idea much faster, and at lower cost, than ever before," says Justin Hendrix, executive director of NYC Media Lab.

Robert D. Atkinson and Michael Lind, 7-25-2018, "The Number of New Startups Is Down," Entrepreneur, https://www.entrepreneur.com/article/316871
What really matters is how high-growth, innovation-based startups are doing (think: biotech or robotics startups, not owner-operated pizza parlors). And here, things are healthy. When MIT professors Jorge Guzman and Scott Stern looked at trends in high-growth entrepreneurship for 15 large states from 1988 to 2014, they found that even after controlling for the size of the U.S. economy, the second-highest rate of high-growth entrepreneurship occurred in 2014. And when

the Information Technology and Innovation Foundation examined data on more than 5 million technology-based startups in the United States, it found that the number had grown 47 percent over the last decade.

Leigh Buchananeditor-At-Large, Inc. Magazine@Leighebuchanan, xx-xx-xxxx, "American Entrepreneurship Is Actually Vanishing. Here's Why," Inc, https://www.inc.com/magazine/201505/leigh-buchanan/the-vanishing-startups-in-decline.html
One hopeful sign is that all who have identified the decline are optimistic about its correction. Stangler says he expects to see a "huge rebound" as the economy improves. He is particularly upbeat about changing demographics, viewing young people as founders-in-waiting rather than as missing in action. "I'm pinning a lot of hope on the Millennials," he says. "Ten years from now, we'll have more people in their 30s than ever before in history. I would expect that to bode well for business formation."
Entrepreneurship has actually been on the rise since 2011, according to GEM, which surveys individuals and national experts rather than the government data that Kauffman and Brookings rely on. As a result, GEM turns up not just new businesses but also people in the embryonic stages of starting businesses. Kelley calls them nascents. Nascents "may identify in the Census as 'I am employed by somebody else.' But they are actually entrepreneurs and getting started," says Kelley. The rate of nascent entrepreneurship has almost doubled since 2010, from 4.8 to 9.7 percent. (How many of those will result in new companies, though, is anybody's guess.)

Nascents aren't the only founders traveling subradar. Brookings research indicating a declining number of new businesses counts only startups with more than one employee, "on the theory that these are at least potentially going to be real businesses," says Litan. Given our reliance on young companies for new jobs, that decision is justifiable. But it overlooks the tens of millions of soloists (more than 40 percent of the U.S. work force by 2020, predicts Intuit), whose holiday parties fit in a coat closet. In the game of entrepreneurship, they are the wild cards.

Krisztina "Z" Holly, xx-xx-xxxx, "Seven Reasons Why Startups Won't Save The Economy," Forbes, https://www.forbes.com/sites/krisztinaholly/2013/09/20/seven-reasons-why-startups-wont-save-the-economy/#3dbae9c15ec0
Contrary to popular opinion, startups primarily drive innovation and economic growth in certain circumstances. A 2012 study by Sergey Anokhin and Joakim Wincent discovered that startup rates were positively correlated with innovation in only those countries that invested in research and development. So evangelizing entrepreneurship in a place that isn't ready for it might

actually do more harm than good; we must also promote research and development in these places.

Iain Murray, 3-12-2019, "Breaking Up Platforms Has Sickening Implications," Competitive Enterprise Institute, https://cei.org/content/breaking-platforms-has-sickening-implications
Warren's plan would also forbid mergers and buyouts that "reduce competition." Yet, buyouts by large tech firms offer a way for innovators to realize a return on their initial investment that is often part of their business plan. That's because financial regulation, of which Senator Warren is a leading champion in Congress, has made it extremely difficult for a firm to raise capital by going public via IPO, as entrepreneurs did in years past. Without the potential of a lucrative buyout, entrepreneurs will find it harder to attract venture capital; some innovations simply will not happen.

Bhargava of UC Davis in 2019
Mar 26, 2019, 3-26-2019, "Why Breaking Up Big Tech Could Do More Harm Than Good," Knowledge@Wharton,
https://knowledge.wharton.upenn.edu/article/why-breaking-up-big-tech-could-do-more-harm-than-good/
But Bhargava said restricting big tech companies from buying smaller startups can be harmful. For many startups, the initial, say, $100 million they get from venture capitalists is given with the expectation that they will be bought by a Google or Facebook. "For many of these firms, the only way out is to get acquired by these big tech companies," he said. "If you somehow tell them that is not going to happen, then they may never reach the point of developing that ambitious product."

Moreover, unwinding the transactions cited above would be "an extraordinarily difficult undertaking. Not impossible, but you are going to have to go into a federal court and explain a theory of competitive harm," Kovacic said. The tech giants would sue, and it would be tough for regulators to win in court. "The U.S. jurisprudence allows you to provide evidence of consumer benefits, and to emphasize those benefits."

A2 Patents

1. No solvency - Even if smaller companies can get patents, it's still nets big companies money to infringe. ProMarket in 2018 explains that the America Invents Act in 2011 made it way harder for small companies to get patents and it's cheaper for big companies to infringe on existing patents than pay royalties. Morinville of IPWatchdog in 2019 explains when a large competitor infringes a startup's patent, the patent creator has no incentive to take it to court due to the scarce resources that must be diverted further. As a result, most startups ignore infringement.

2. Turn - Incentivizes better innovation. If companies want to patent something, they can't patent say the same motherboard with like one circuit switched, they need to make something truly innovative/boundary-pushing which is where we say you get the most benefits to jobs/growth.

Asher Schechter, 5-25-2018, "Google and Facebook's "Kill Zone": "We've Taken the Focus Off of Rewarding Genius and Innovation to Rewarding Capital and Scale" -," No Publication, https://promarket.org/google-facebooks-kill-zone-weve-taken-focus-off-rewarding-genius-innovation-rewarding-capital-scale/
Historically, he noted, large companies used to abuse the patent system to entrench their position. But the patent system also served an important function: it provided small innovators with an effective tool to fight big firms that tried to infringe on their patents. Recent changes in US patent laws, however—in particular the America Invents Act (AIA) that was signed into law by President Obama in 2011—have created a situation where "small companies no longer have access to patent protection." In order to deal with patent trolls, he said, the AIA has "eviscerated" the ability of small companies to enjoy patent protection, making it lucrative for big tech firms to be on the side of anti-patent enforcement.

"You have nothing to lose. You're better off just infringing. As a matter of fact, it might be less expensive to infringe than it might be to pay royalties, given how the current case law is set up," said Causevic. "Throughout my career, it was always the patents that made the big difference when the little guys [fought] against the big guys. Now you don't have that." It's not only small companies that are affected by this, contended Causevic—even middle-market firms are at risk.

Paul Morinville, 3-29-2019, "'Bad Patents' Are Just Another Big Tech False Narrative," IPWatchdog, https://www.ipwatchdog.com/2019/03/29/bad-patents-are-just-another-big-tech-false-narrative/id=107819/
That means that if a patent is litigated within the scope of its claims against an infringing product, the infringer knew (or should have known) the patent existed and that their product was infringing. Therefore, the infringer caused litigation by the act of infringing, thus the negative economic effects must be attributed to the infringer.

When a large competitor infringes a startup's patent, the startup has no good choices. It can sue the infringer, but that means it must divert already scarce resources into litigation and away from business activities like engineering, marketing, sales, etc. Resources burned in litigation may

never be recovered because loss rates for patent holders are unreasonably high. Since eBay v MercExchange, injunctive relief is now restricted, so in the unlikely event the startup wins the infringement suit, the court will grant a compulsory license, not an injunction. The resource-starved startup will be forced to compete with the resource-rich infringer. Due to resource asymmetry and a very real risk that the infringer will use their deep pockets and existing market power to take the market and kill the startup, the startup will have difficulty attracting investment. When a startup sues an infringer, the startup may very well fail, whether it wins the infringement case or loses.

Many startups ignore infringement. They accept that they are forced to compete against a large infringer. At least they won't have to divert resources to litigation. But for the same asymmetrical reasons, the startup will have difficulty attracting investment and is at risk of being run out of business.

A2 LT Econ growth

1. Need to win the internal link into innovation - Colombelli of IZA in 2016 explains startups that are formed and are fragile and short-lived don't contribute toward the long run economic growth and employment of the economy, instead, they have to be innovative ("to be born is not enough")

"To be born is not enough", Colombelli of IZA in 2016
https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2731996
file:///Users/19kselig/Downloads/SSRN-id2731996.pdf
On the whole, entry and exit rates are positively and significantly correlated and market 'churning', characterized by a large contingent of revolving door firms, emerges as a common feature of industrial dynamics across different sectors and different countries (for a comprehensive survey, also covering the developing countries, see Quatraro and Vivarelli 2015). This uncontroversial empirical evidence supports a view where entry as such is likely to feed a fringe of marginal, fragile and short-living firms and casts severe doubts on the alternative view that put forwards the alleged role of entry as a vehicle for technological upgrading, productivity growth and employment generation.

A2 Wages

1. Turn - Lu, an ex-engineer, calculates that big company compensation has increased much faster than compensation at the median startup, which combined with job stability means working for big tech is a safer, higher paying way to make money if you're not the initial founder of a company, which even then, has something like a .5% chance of paying off.

Joining A, xx-xx-xxxx, "Big companies v. startups," No Publication, https://danluu.com/startup-tradeoffs/
At a big company, we have a career's worth of income in six years with high probability once you get your foot in the door. This isn't quite as good as the claim that you'll be able to do that in three or four years at a startup, but the risk at a big company is very low once you land the job. In startup land, we have a lottery ticket that appears to have something like a 0.5% chance of paying off for very early employees. Startups might have had a substantially better expected value when Paul wrote about this in 2004, but big company compensation has increased much faster than compensation at the median startup. We're currently in the best job market the world has ever seen for programmers. That's likely to change at some point. The relative returns on going the startup route will probably look a lot better once things change, but for now, saving up some cash while big companies hand it out like candy doesn't seem like a bad idea.

A2 Small businesses

1. Nonunique - Hovenkamp of UPenn in 2019 explains for every company hurt by big tech, another is helped, giving the example of Amazon where many small businesses have benefited from Amazon acting as a platform for sales and marketing they would have lacked on their own.

Likewise, Apple has long been positioning itself as a privacy-friendly alternative, while Amazon's investment in satellites and drones isn't new.
And Facebook sees an enormous opportunity to seamlessly bundle mobile payments into social media apps.

Hovenkamp of UPenn in 2019
Mar 26, 2019, 3-26-2019, "Why Breaking Up Big Tech Could Do More Harm Than Good," Knowledge@Wharton, https://knowledge.wharton.upenn.edu/article/why-breaking-up-big-tech-could-do-more-harm-than-good/
Warren contends that Big Tech hurts small firms. “There are plenty of small businesses who are injured by Amazon,” Hovenkamp said, “but there are at least as many small businesses who are benefiting because Amazon acts as their broker” for sales and marketing they may not have had the resources to do on their own. “You’ve got to start with the question, who is getting hurt? And then decide whether that group is worthy of being your constituency,” he added.

A2 Job creation

1. Delink - Tech startups are no longer job creators. Forrest of TechRepublic in 2015 explains the growth of distribution channels and easier access to tech development, no longer requiring massive teams like in the 1990s. Simply put, tech companies require fewer people to build their products. Indeed, Buchanan of INC quantifies that startups today have only ⅓ the employees they used to, not to mention an unprecedented rise in soloists - people going into the startup industry by themselves, due to the rewards and increased flexibility of solo or small ownership.
2. Delink - The Economist in 2018 writes that the five big tech firms have almost 1 million in staff and are investing most of their profits back into the economy to the tune of 137 billion in 2017, creating a multiplier effect of more jobs.
    a. Can't look at loss numbers alone - Schlosser of GeekWire in 2017 quantifies that Amaon created 113,500 net new jobs last year alone, a number higher than the job growth in 46 states. That's more than enough to offset the 30,000 jobs lost in traditional retail.
3. Weighing - Innovation is the better, big-picture link into jobs. Chowdhry of Forbes in 2018 explains the development of AI will create 58 million new jobs on net, which is a project big tech companies are largely behind the creation of. Similar to how creation of email didn't create net loss of jobs via destruction of post offices, created more jobs in ways we didn't anticipate.
    a. But also faster-than-average job growth in many occupations that AI is expected to impact: accountants, forensic scientists, geological technicians, technical writers, MRI operators, dietitians, financial specialists, web developers, loan officers, medical secretaries, and customer service representatives, to name a very few.

Leigh Buchananeditor-At-Large, Inc. Magazine@Leighebuchanan, xx-xx-xxxx, "American Entrepreneurship Is Actually Vanishing. Here's Why," Inc, https://www.inc.com/magazine/201505/leigh-buchanan/the-vanishing-startups-in-decline.html
Soloists are an extreme example of a trend: startups losing not just steam but also scale. In terms of employees, the average startup was a third smaller in 2011 than in 2001, according to research by Gary Kunkle, an economist and founder of research firm Outlier. Many of these businesses lack resources or ambitions to grow. But some stay small by choice, because technology makes it possible and the rewards of being nimble make it desirable.

Conner Forrest, 12-8-2015, "Are startups creating jobs? It's complicated," TechRepublic, https://www.techrepublic.com/article/are-startups-creating-jobs-its-complicated/
The success of these giants cannot be understated, but it is worth noting the landscape for building a tech company has changed. Trends like open source, and new cloud options have

lowered the barrier to entry. Simply put, tech companies require fewer people to build their products.
"Creating an application in 1999 required hiring large development teams, paying expensive licensing fees, and springing for costly hosting services," said Eric Jackson, CEO and cofounder of secure enterprise sharing company CapLinked. "Now, apps can be built and hosted in a faster, cheaper manner."

At the same time, Jackson pointed out, there are new distribution channels like mobile that are creating even more opportunities for entrepreneurs to build a company.

"There's a vast infrastructure of digital and mobile technologies that tie us all together today that entrepreneurs can build on," said Larry Augustin, CEO SugarCRM. "It sets the stage for even more accelerated innovation."

Geoffrey Jamescontributing Editor, Inc, xx-xx-xxxx, "Can Uber Become the Amazon of the Gig Economy?," Inc,
https://www.inc.com/geoffrey-james/can-uber-become-amazon-of-gig-economy.html
Uber is today focused on transportation services, similar to how Amazon originally focused on selling books. But Uber certainly could expand into other service categories. If so, the company's "Uber Eats" service is a sign of things to come.

If that's Uber's plan, it better move fast because if Uber doesn't become the Amazon of the gig economy, another company is sure to do so eventually: Amazon. Unless Uber moves quickly, it may find itself in the same position as eBay--a niche provider at best.

Amazon is already edging into the gig economy with its package delivery service. Once the infrastructure is built, Amazon could easily expand in services beyond delivery. Amazon could easily do to the gig economy what it did for e-commerce.

Kurt Schlosser On September 27, 2017 At 12, 9-27-2017, "USAmazon! Report says that the tech giant created more jobs last year than 46 states," GeekWire,
https://www.geekwire.com/2017/usamazon-report-says-tech-giant-created-jobs-last-year-46-states/
Every few days, it seems, a new Amazon announcement heralds the creation of 1,000 jobs here or 2,000 jobs there — or the quest to put 50,000 jobs somewhere — as the tech giant hires more and more people for more and more tasks.

A new report from Yahoo! Finance puts the numbers in interesting context when it comes to the job-creating power of the Seattle-based company and the rest of the United States as a whole.

Yahoo says that as of June, Amazon employed 382,400, up from 268,900 the year before, according to its quarterly financial reports. That translates into roughly 113,500 net new hires in the past 12 months.

Amit Chowdhry, xx-xx-xxxx, "Artificial Intelligence To Create 58 Million New Jobs By 2022, Says Report," Forbes,
https://www.forbes.com/sites/amitchowdhry/2018/09/18/artificial-intelligence-to-create-58-million-new-jobs-by-2022-says-report/#7ff11bbf4d4b
Machines and algorithms in the workplace are expected to create 133 million new roles, but cause 75 million jobs to be displaced by 2022 according to a new report from the World Economic Forum (WEF) called “The Future of Jobs 2018.” This means that the growth of artificial intelligence could create 58 million net new jobs in the next few years.

With this net positive job growth, there is expected to be a major shift in quality, location and permanency for the new roles. And companies are expected to expand the use of contractors doing specialized work and utilize remote staffing.

Print Edition, xx-xx-xxxx, "Technology firms are both the friend and the foe of competition," Economist,
https://www.economist.com/special-report/2018/11/15/technology-firms-are-both-the-friend-and-the-foe-of-competition?utm_source=headtopics&utm_medium=news&utm_campaign=2018-11-20
Their effect on the economy has been positive in many ways. Online inflation is running at one percentage point below official inflation, reflecting the bargains available on the web. Economists have criticised the firms for employing only a few tech bros and creating no assets apart from executive Koi carp aquariums. But this view is out of date. The big five tech firms have almost 1m staff, not far off the 1.5m Walmart has in America. They are investing at a massive pace: some $137bn in 2017. As a result their combined hoarding rate (their free cashflow) actually fell from a peak of 0.66% of gdp 2015 to 0.61% last year.

A2 Democracy

1. Disad - Political enforcement bad. Szabo of the Seattle Times in 2018 explains politically-motivated FTC and DOJ could attack companies for "threats to liberty" based off of political-motivations. Already, Harsanyi of the Federalist in 2019 reports the Department of Justice, a potential antitrust enforcer, has been hijacked by Trump to hurt CNN, while the Obama administration has been accused of selectively blocked mergers to punish Republican CEOs. Overall, Pecman of the CFO finds issues like data are better suited by privacy laws for a solution.

John Pecman, xx-xx-xxxx, "Don't Break Up Big Tech Firms: Former Antitrust Regulator," CFO, https://www.cfo.com/regulation/2019/04/dont-break-up-big-tech-firms-former-antitrust-regulator/

Expropriating the property rights of a successful company is a veritable "nuclear option" in antitrust law, especially when less intrusive remedies exist. The more dramatic approach would cause significant damage to the economy if it were to use antitrust law to break up large companies in an effort to remedy broad public-interest concerns.

Restricting successful companies reduces incentives to innovate, invest, and compete. Competition-enforcement agencies must be empowered to make evidence-based decisions using economic analysis to deal with antitrust issues.

Theories and the quest for political wins should not drive policymakers to take hasty actions in the shaping of our markets. Let's exercise care in wielding our regulatory hammers.

Harsanyi of the Federalist in 2019, "5 Reasons Warren's Plan To Break Up Big Tech Is Bad For America," Federalist, https://thefederalist.com/2019/03/13/five-reasons-elizabeth-warrens-plan-to-break-up-big-tech-is-bad-for-america/

Last week, a New Yorker story alleged that President Donald Trump asked White House aides to ask the Justice Department to stop AT&T from purchasing Time Warner to hurt the liberal cable news network CNN. Whether this story was true or not—and since the byline read Jane Mayer, it might not be—accusations of partisan influence aren't new. Even without direct instructions from the president, partisan officials can intuit which mergers are politically unhelpful. The Obama administration was accused of selectively blocking mergers to punish Republican CEOs for years, as well.

Carl Szabo, 7-8-2018, "Don't damage our democracy by breaking up big tech," Seattle Times, https://www.seattletimes.com/opinion/dont-damage-our-democracy-by-breaking-up-big-tech/

Suppose now we had a politically-motivated FTC and DOJ no longer restrained by the "consumer welfare" standard. Corporate political speech, protected by the First Amendment and permitted by the "consumer welfare" standard, could be attacked if the FTC regarded it against the administration's current concept of liberty.

Likewise, many Democrats see most actions by Republicans as "dangers to liberty," and vice-versa. How would a politically motivated DOJ or FTC deal with "threats to liberty" based on political actions or speech?

Ironically, the Open Markets Institute, a leading advocate for the "dangers to liberty," worried about this injection of politics into antitrust enforcement. In the institute's blog, the Koch brothers were the ones doing the injecting, but any partisan group could wield the same weapon.

The nation's top antitrust enforcer, Assistant Attorney General Makan Delrahim, also warned of this political "dangers to liberty" standard: "The message for enforcers is that in the zealous pursuit of justice through prosecution, we risk prosecuting unjustly."

A2 Free speech

1. Delink - No current harms to warrant enforcement. Stephen of the Hill in 2018 explains that given the multitude of prominent sites on the internet disseminating news compared to social media just nullifies the idea that social media has a monopolistic role in disseminating the news in the first place. Furthermore, he elaborates that the first amendment protects the right of even newspaper monopolies to operate free of government intimidation or intrusion.
2. Turn - Politicized enforcement. Jamison of the AEI explains in 2019 that given almost all political persuasions in the US have considered opposing views to be fake news, any enforcement would inherently be politicized and suppress content contrary to the dominant political leanings.

Mark Jamison@Drj_policy, 4-2-2019, "A dark(er) side of Elizabeth Warren's war on tech?," AEI, http://www.aei.org/publication/a-darker-side-of-elizabeth-warrens-war-on-tech/
The BPC wouldn't improve the participation and filtering procedures, but it would change them. Almost all political persuasions in the US have at times considered opposing views to be fake news. The BPC would be called on to suppress content that is contrary to dominant political leanings and to disconnect people who develop the content.

How confident can we be that a hypothetical government platform regulator would be misused? We have numerous examples of administrations using tax laws and tax authorities, government

surveillance, and business regulations for political and personal ends. So the desire is there. The BPC would make bad behavior easier, so there would be more of it.

Stephen D., 10-3-2018, "Antitrust law does not Trump the right to free speech," TheHill, https://thehill.com/blogs/congress-blog/politics/409670-antitrust-law-does-not-trump-the-right-to-free-speech

The suggestion that any social media company has a monopoly on the dissemination of news is ludicrous. **On the internet alone, there are innumerable websites disseminating news,** including aggregators like Google News and Yahoo News, subscription websites like the New York Times and the Wall Street Journal, free general news websites like Fox News and CBS News, and websites that explicitly cater to the right or left like Breitbart News and Mother Jones. In addition, of course, people get news from traditional sources like hometown newspapers, magazines and radio. **Moreover, even a cursory sampling of the websites criticized by the president demonstrates the absence of bias, regardless of how and by whom that subjective term is defined.** For example, on the morning I composed this op-ed, the top three news stories featured on Google News were articles from the New York Times on Deputy Attorney General Rod Rosenstein, from Fox News on Judge Kavanaugh and from the New York Post on a teen who had survived 49 days at sea on a floating fish shack. And the source of the next three articles about Rod Rosenstein, after the New York Times piece, were Fox News and the Washington Examiner. **In short, any claim of monopoly or bias does not even pass the sniff test. And even if a website had a monopoly and was biased, it is protected by the First Amendment in the political news it chooses to disseminate.** The freedoms of speech and press guaranteed by the First Amendment underpin our democracy and assure that even newspapers that have monopolies in local markets or websites that avowedly promote conservative or liberal causes can operate free of government intimidation or intrusion.

A2 News aggregators

1. Disad - Lever of Phys in 2019 reports that Facebook will invest 300 million over three years to help hard-hit local news organizations.
2. Turn - News aggregators increase traffic. Athey of Stanford in 2017 quantifies when news aggregators shut down, traditional news sites see 10% less traffic, which translates into less ad revenue. The logic is simple - news aggregators get consumers who wouldn't traditionally read newspapers to pay attention to the news and ultimately help traditional papers.
3. Turn - News aggregators increase journalism consumption in the long run. Halliday of the Guardian in 2010 explains that as consumers continue to want increasingly bite-sized information, innovating to provide them this content while still linking back to the original sites is the best way to generate long-term subscription revenue growth. Indeed, Seale of the INMA in 2019 corroborates that news aggregators help increase content distribution on the internet, something traditional media companies don't do effectively on their own.

Shelley Seale, 8-1-2019, "4 ways content aggregators offer value for news media companies," International News Media Association (INMA),
https://www.inma.org/blogs/conference/post.cfm/4-ways-content-aggregators-offer-value-for-news-media-companies
"I think the way I would look at aggregators is if they can provide me with four things: reach, revenue, recognition, and insights," Shukla said. "If I get all of these, or at least three out of four of them, I would partner with the aggregator."

The reach value she sees is that the aggregators help increase the distribution of the content — which may be something that traditional media companies cannot do as effectively themselves.

"This distribution happens on mobile, not a Web site; and for mobile there are many platforms. Maintaining and creating many versions of apps is very challenging. It requires a lot of technical staff, which some media houses may have, but not all."

This is where an aggregator that is strong in technology can come in and help a media company to create a sustainable app. Shukla pointed out that revenue is something else that everyone is looking at: "Until it makes a financially viable relationship nobody will continue with it."

Josh Halliday, 7-22-2010, "Google: FTC's proposals to help newspapers would hurt journalism," Guardian,
https://www.theguardian.com/media/pda/2010/jul/22/google-ftc-proposals-hurt-journalism
The future of US online news could be stifled by proposals put forward by the Federal Trade Commission to protect journalism, Google has warned.

In its 20-page response to the FTC's discussion draft, the search giant argues that the proposals, far from working towards a sustainable future for the future of news and online journalism, "not only hurt free expression, but also the very profession of journalism".

"Innovating to create products and services that consumers want to pay for is the only way to guarantee long-term subscription revenue growth, and none of the policy proposals are designed to foster that kind of innovation," it says.

The FTC began examining the impact of the internet on journalism in May 2009, hosting discussions with publishing executives, professors and internet companies. It issued its 47-page draft report for discussion a year later. Final recommendations are likely to follow.

Athey of Stanford in 2017
https://siepr.stanford.edu/sites/default/files/publications/17-034.pdf
A policy debate centers around the question whether news aggregators such as Google News decrease or increase traffic to online news sites. One side of the debate, typically espoused by publishers, views aggregators as substitutes for traditional news consumption because aggregators' landing pages provide snippets of news stories and therefore reduce the incentive to click on the linked articles. Defendants of aggregators, on the other hand, view aggregators as complements because they make it easier to discover news and therefore drive traffic to publishers. This debate has received particular attention in the European Union where two countries, Germany and Spain, enacted copyright reforms that allow newspapers to charge aggregators for linking to news snippets. In this paper, we use Spain as a natural experiment because Google News shut down all together in response to the reform in December 2014. We compare the news consumption of a large number of Google News users with a synthetic control group of similar non-Google News users. We find that the shutdown of Google News reduces overall news consumption by about 20% for treatment users, and it reduces page views on publishers other than Google News by 10%.

Rob Lever, 1-15-2019, "Facebook follows Google with funds to support journalism," No Publication, https://phys.org/news/2019-01-facebook-invest-million-local-journalism.html
Facebook announced Tuesday that it will invest $300 million over three years to support journalism, with an emphasis on promoting hard-hit local news organizations.

The move, on the heels of a similar initiative by Google last year, comes with online platforms dominating the internet advertising ecosystem, making it harder for legacy news organizations to make a transition to digital.

"People want more local news, and local newsrooms are looking for more support," Campbell Brown, Facebook's vice president in charge of global news partnerships, said in a blog post.

A2 Data privacy

1. No solvency - Vincent of the Verge in 2019 reports that antitrust law has historically not been applied to data privacy cases. Indeed, during the AT&T/Time Warner antitrust merger case, the federal government literally allowed one massive company to continue hanging onto the data of all consumers. The reasoning comes from Sokol in 2017 who explains big data doesn't empirically have the "feedback loops" that would tie consumers unfairly to a platform, resulting in big data not undermining market competition

2. No one cares - Stretfield of the New York Times in 2019 reports that more than half of consumers would not pay extra to avoid data collection and 21% said they would pay $1 a month and no more for the right. People complain but don't put their money where their mouth is.
    a. Indeed, other platforms exist where data is more protected (DuckDuckGo for Google or even just buying a VPN), but consumers don't do it because it costs more than zero which is the max price most are willing to pay.
3. Turn - Alternative is a bunch of small companies having data, comparatively worse, better to have one big company own everything than a million small ones with their own vulnerabilities and decreased funding to actively protect that data
4. Turn - Data good for consumers.
    a. Product innovation. Chennapragada of Google in 2019 explains data makes amazing things possible, like text-to-speech, consumer vision, translation services, and more - data allows companies to make consumers' lives easier.
    b. Free services. Sokol continues that without monetizing big data, companies wouldn't be able to fund the free parts of their services.

D. Daniel Sokol1 & Roisin Comerford, Professor of Law, 2017, University of Florida and Senior Of Counsel Wilson, Sonisini Goodrich & Rosati, Does Antitrust Have A Role to Play in Regulating Big Data?, https://awa2017.concurrences.com/IMG/pdf/ssrn-id2723693.pdf
Perhaps the most obvious and pervasive benefit to be realized in the Big Data era has been the ability of firms to offer heavily subsidized, often free, services to consumers as consumers give those firms permission to monetize consumer data on the other side of their business (Evans and Schmalensee 2014). In a competition law regime where lower prices for consumers are deemed highly desirable, this is undoubtedly a benefit to consumers. **The monetization of the data in the form of targeted advertising sales for antitrust purposes is not suspect or harmful, but rather "economically-rational, profit-maximizing behavior," that results in obvious consumer benefit (Lerner 2015). Were online platforms prevented or restricted from collecting and monetizing consumer data, competition for users would be inhibited, and harm to consumers would result, in the form of higher prices for services.**

D. Daniel Sokol1 & Roisin Comerford, Professor of Law, 2017, University of Florida and Senior Of Counsel Wilson, Sonisini Goodrich & Rosati, Does Antitrust Have A Role to Play in Regulating Big Data?, **https://awa2017.concurrences.com/IMG/pdf/ssrn-id2723693.pdf**
Andres Lerner (2014) argues that **claims of Big Data presenting competitive concerns are unsupported by real world evidence. In particular, Lerner argues that in practice the oft-cited "feedback loops" do not have the strong effects with which they are commonly credited**. Lerner discusses the procompetitive rationales for collection and use of consumer data

online, including the potential for improved services, and the ability of firms to monetize effectively on the paid side so as to provide better services at lower prices or for free. He dismisses the idea that firms' may have the incentive or ability to use data to entrench their dominant position (e.g., user data is non-rivalrous and no one firm controls a significant share of data) citing similar attributes of data as Ohlhausen and Okuliar. **Lerner maintains that there is a complete lack of evidence that online markets have "tipped" to dominant firms, due in most part to the differentiated nature of online offerings**.

Vincent
https://www.theverge.com/2019/2/7/18215143/facebook-whatsapp-instagram-third-party-user-data-combined-banned-germany-fco-competition

This example speaks to an important question: Where does antitrust law fit in when consumer privacy is at stake? As a recent merger case in the U.S. suggests, while competition can play an important role when it comes to safeguarding privacy, on its own, the very nature of antitrust law can impede the vigorous enforcement that would also protect online privacy, because it addresses only a narrow set of factors in merger review. When AT&T and Time Warner first announced their merger in 2016, there was unease around how this combination would violate antitrust laws because of data concerns. The merger, upheld by a federal appeals court on Tuesday after an unsuccessful lawsuit by the Department of Justice to block it, will now allow a single company to have access to valuable data on consumer habits gathered from AT&T's broadband customers and Time Warner's content subscribers. This will result in what some have called a surveillance tax. Using this data, the merged company hopes to create a new targeted advertising platform for Turner's channels.

Stretfield, 2019
https://www.nytimes.com/2019/03/17/technology/google-facebook-amazon-antitrust.html
The headline finding was that "a growing majority now views our online privacy as a crisis." But deeper in the survey was the revelation that more than half the respondents said they were unwilling to pay to keep from being tracked by a service they were using. Twenty-one percent said they would pay less than $1 a month, and no more, for the right.
Users, it seems, want it both ways: privacy and free services. This is the contradiction at the heart of the internet.

Ben Thompson, 6-6-2019, "Stratechery by Ben Thompson," Stratechery by Ben Thompson, https://stratechery.com/
The implicit message was clear: "Yes, we have all of your data, but the fact we have all of your data is a good thing, because it allows us to make your life easier."

Notice that Aparna Chennapragada, the Vice President of Google's AR, VR, and Vision-based Products whose video I opened with, makes the same point:

What you are seeing here is text-to-speech, computer vision, the power of translate, and 20 years of language understanding from search, all coming together.

To put it more succinctly: "Yes, we collect a lot of data. But that data makes amazing things possible."

A2 Company-specific arguments
A2 Google - Preinstallation

1. Not really a problem. Stewart of the New York Times in 2018 explains that unlike in the 2001 Microsoft case, adding rival apps to an Android phone can be done in seconds, which is why inferior Google apps like Google photos has struggled to compete against Instagram and Snap. Stewart concludes the dominance Google has doesn't come from an anticompetitive conduct, it's just a better app. Even Apple, for instance, makes Google the default search engine on the Safari browser.
    a. Also, where's the consumer harm?
    b. [A2A2 Bing preinstallation = 75% of searches] Windows only accounts for .15% of sales, the data is irrelevant, alt-causal most people who buy a Windows phone in 2019 love Microsoft products A Lot.

James B. Stewart, 7-26-2018, "Why Trump Is Right About the E.U.'s Penalty Against Google," No Publication, https://www.nytimes.com/2018/07/26/business/google-european-union-antitrust-trump.html
Unlike adding a rival media player to the Windows operating system, which at the time was a slow and cumbersome process, adding rival apps to an Android-based phone can be done "in seconds," said Ms. Akman, an antitrust expert. "The commission put a lot of emphasis on the value of preinstallation. But just because an app is preinstalled doesn't mean consumers are going to use it. It's very easy to download a rival app."

Google's photo app, for example, has struggled to compete against Instagram and Snap, even though it comes preinstalled on Android-based phones as part of the Google suite.

Christopher L. Sagers, an antitrust professor at Cleveland-Marshall College of Law, agreed that if installing a rival app is as easy as Google claims, “it would make for a pretty solid argument that whatever dominance Google has retained in mobile search has nothing to do with anticompetitive conduct, and rather just reflects its superiority as a product.”
The commission argues that when a phone comes with a single search engine preinstalled, it confers an enormous competitive advantage on that product. To support the theory, the commission said that on phones using Windows operating systems, which come with Bing preinstalled, 75 percent of searches are conducted using that engine.

But Windows-based phones accounted for only 0.15 percent of the global market at the end of last year. That renders the data irrelevant, Ms. Akman said.

A closer analogy, though not one cited by the commission, can be found in Russia. Last April, Google reached a settlement with a rival search engine based there, Yandex, under which it agreed that phone makers could preinstall Yandex on Android devices and let consumers decide which app would be their default search engine.

A2 Google - Vertical search

1. Abbott of Heritage in 2018 cites the 2001 Microsoft Case as establishing that Google needed to have harmed the competitive process, not just harming one or more competitors. This example doesn’t constitute a current antitrust regulation violation, even if we enforced regulation in your world, it wouldn’t stop targeted acts like these.
2. Also sort of unclear how this was a reasonable complaint - if I search for a product, why do I need to see a link to a shopping comparison site instead of the product itself? Consumers choose Google over visiting those other websites directly since that’s easier.
3. No solvency - Lowry of POLITICO explains in 2019 that no government regulation is going to make Google’s searches even more efficient or is qualified to try.

Rich Lowry, 3-13-2019, "Don’t Break Up Big Tech," POLITICO Magazine,
https://www.politico.com/magazine/story/2019/03/13/dont-break-up-big-tech-225808
She calls out Google for allegedly killing off its competitors by burying them in its searches. It’s not obvious that Google actually does this, although its search business inherently involves constantly making choices to try to best serve what people want to see. No government regulator is going to make Google’s searches better, or is qualified to even try.

Author By Ben Thompson, 3-12-2019, "Where Warren's Wrong," Stratechery by Ben Thompson, https://stratechery.com/2019/where-warrens-wrong/
If I search for a specific product, why would I not want to be shown that specific product? It frankly seems bizarre to argue that I would prefer to see links to shopping comparison sites; if that is what I wanted I would search for "Shopping Comparison Sites", a request that Google is more than happy to fulfill: The European Commission is effectively arguing that Google is wrong by virtue of fulfilling my search request explicitly; apparently they should read my mind and serve up an answer (a shopping comparison site) that is in fact different from what I am requesting (a product)? There is certainly an argument to be made that Google, not only in Shopping but also in verticals like local search, is choking off the websites on which Search relies by increasingly offering its own results. At the same time, there is absolutely nothing stopping customers from visiting those websites directly, or downloading their apps, bypassing Google completely. That consumers choose not to is not because Google is somehow restricting them — that is impossible! — but because they don't want to. Is it really the purview of regulators to correct consumer choices willingly made?

Alden Abbott, 1-23-2018, "Antitrust and the Winner-Take-All Economy," Heritage Foundation, https://www.heritage.org/government-regulation/report/antitrust-and-the-winner-take-all-economy
"Bad acts"—called exclusionary conduct in the case law—remain a key prerequisite (along with monopoly power) for illegal monopolization under U.S. antitrust.8
"The law of monopolization requires a showing that the defendant has monopoly power and has engaged in impermissible 'exclusionary' practices with the design or effect of protecting or enhancing its monopoly position." Hovencamp, supra note 6, at 32
In other words, illegal monopolization requires actions by the dominant firm that undermine the process of competing. The mere fact that individual competitors are harmed is irrelevant. Nevertheless, harm imposed on competitors due to conduct that has no conceivable procompetitive business justification is highly problematic. As the leading American antitrust treatise writer, Professor Herbert Hovenkamp, has explained, "[E]xclusionary conduct consists of acts that are reasonably capable of creating, enlarging, or prolonging monopoly power by impairing the opportunities of rivals" and that impose harm disproportionate to any benefits.11 See Hovencamp, supra note 6, at 363

A2 Amazon - Worker abuse

1. Amazon is working to create a higher minimum wage, $15, and is working to lobby Washington to raise the federal minimum wage, currently set at $7.25

SEATTLE — Amazon said on Tuesday that it would raise the minimum wage to $15 an hour for its United States employees, a rare acknowledgment that it was feeling

squeezed by political pressure and a tight labor market. The raises apply for part-time workers and those hired through temporary agencies.

The company said it would also lobby Washington to raise the federal minimum wage, which has been set at $7.25 for almost a decade.

The new wages will apply to more than 250,000 Amazon employees, including those at the grocery chain Whole Foods, as well as the more than 100,000 seasonal employees it plans to hire for the holiday season. The change will not apply to contract workers. It goes into effect on Nov. 1.

“We listened to our critics, thought hard about what we wanted to do, and decided we want to lead,” Amazon’s chief executive, Jeff Bezos, said in a statement. “We’re excited about this change and encourage our competitors and other large employers to join us.”

A2 Amazon - Climate change

1. Mitigate - Atkin of the New Republic explains that a breakup would still leave the retail and web services divisions intact, the majority of climate change consequences from Amazon would remain intact.
2. Alt Solvency - Amazon is under a lot of internal pressure to create an immediate company-wide plan on climate change. Indeed, German of Axios in 2019 reports Amazon is aiming to make 50% of it’s deliveries net-zero emissions by 2030 and increase their renewables via 3 new wind farms. At the end of the day, thanks to Amazon’s huge revenue stream, they have the most resources to be sustainable compared to whatever company steps in to replace it like Walmart or something.

Numbers, xx-xx-xxxx, "Big Tech's place in the fight against climate change defies easy labels," Axios,
https://www.axios.com/apple-big-tech-climate-change-renewable-energy-f98bc503-9909-4743-b3dd-41724e113e53.html
What they're saying: Amazon defended its wide constellation of climate and clean energy programs.

"Amazon’s sustainability team is using a science-based approach to develop data and strategies to ensure a rigorous approach to our sustainability work," Amazon said.
They cite efforts including Shipment Zero, which aims to make 50% of deliveries with net-zero emissions by 2030, and a boost in their renewables procurement via 3 new wind farms announced this week.

https://newrepublic.com/article/153660/breaking-amazon-wont-solve-climate-problem
While breaking up the company might benefit its customers and smaller competitors, it would do little to reduce the company's massive carbon footprint. Amazon's retail division would still control half of the e-commerce market, and thus depend on just as many trucks, trains, and airplanes for deliveries; Amazon Web Services (AWS) would still controlhalf of the cloud computing market, and thus require just as much electricity to power its server farms.
But if we're to prevent some of the most irreversible, catastrophic effects of global warming, the company is going to have to make drastic changes to business model—under pressure, most likely. That was the message sent by more than 6,700 of Amazon's 65,000 corporate and tech employees in the U.S. earlier this month, when they signed a letter calling on CEO Jeff Bezos and the Board of Directors to create "an immediate company-wide plan" on climate change.

A2 Amazon - Whole Foods

1. How is buying whole foods a monopoly??
2. Turn - Made more competition. Lowry of POLITICO in 2019 explains Amazon's acquisition spurred companies like Kroger and Target to invest in sales growth and automation.

Rich Lowry, 3-13-2019, "Don't Break Up Big Tech," POLITICO Magazine,
https://www.politico.com/magazine/story/2019/03/13/dont-break-up-big-tech-225808
Under what theory is something untoward? Amazon doesn't have anything close to a monopoly in food retail. Rather than taking over the sector, it's spurring investment and innovation. The nation's largest supermarket chain, Kroger was founded in 1883. It was slated to increase its spending on investment 200 percent in 2018, developing a self-checkout app and robot delivery, precisely because the space is so competitive.

We've seen the same effect in retail. Falling behind Amazon, Target invested massively on improving across the board, and in one quarter in 2018, had its best sales growth in more than a decade. This past holiday season it sought to one-up Amazon by offering free two-day shipping. This is the market working, not getting short-circuited.

A2 Amazon - Military tech

1. Breaking off like AmazonBasics doesn't solve this for two reasons.
    a. 1) The tech already exists. Rekognition software is built by Amazon Web Services and would thus stay in an arm of the company even if other parts of Amazon were partitioned off.

b. 2) It has a ton of internal AWS support. For instance, in a recent shareholder vote at Amazon, only 2% of stakeholders supported banning the sales of facial recognition technology.

Jeffrey Dastin, 5-25-2019, "Amazon facial recognition ban won just 2% of shareholder vote," U.S., https://www.reuters.com/article/us-amazon-com-facial-recognition/at-amazon-facial-recognition-ban-won-just-2-of-shareholder-vote-idUSKCN1SU2H5
Some 2.4% of votes were in favor of the ban. A second proposal that called for a study of the extent to which Amazon's "Rekognition" service harmed civil rights and privacy garnered 27.5% support.

Amazon's sale of the technology to law enforcement in Oregon and Florida has put the company at the center of a growing U.S. debate over facial recognition, with critics warning of false matches and arrests and proponents arguing it keeps the public safe.

A2 FB - Instagram

1. Not an anticompetitive merger - Brown of the Hill in 2019 explains that at the time, Instagram had only 30 mil users, nearly no revenue, and heavy competition from other photo-sharing sites, and that Facebook was critical for actually growing the company.

Joshua Brown,, 3-15-2019, "Actually, consumers love Big Tech, even if they say they don't," TheHill, https://thehill.com/opinion/finance/434200-actually-consumers-love-big-tech-even-if-they-say-they-dont
Instagram had only 30 million users, no revenue and a handful of employees when it was acquired by Facebook seven years ago. The takeover was an audacious move by Facebook founder Mark Zuckerberg, given that his firm was on the eve of going public itself and trying to convince Wall Street that he would be a responsible steward of investors' cash.
The price tag he was paying ($1 billion) for the unprofitable photo-sharing app still had shock value in those days, despite the fact that in hindsight, we all now acknowledge that Instagram was a steal.

There are some analysts on The Street who currently project that Instagram will bring in as much as $14 billion in revenue this year thanks to its robust, targeted advertising platform.

This is important to understand because although we now look at Instagram as a giant social media platform in its own right, it wasn't a slam dunk that it would become quite so dominant when it originally launched.
And had it not accepted a buyout from Facebook, there isn't any guarantee that it would have ever gotten to over a billion users as it had by last summer. The integration of Instagram onto Facebook's social graph almost certainly had a major impact on its adoption curve.
When it was acquired, there were many other photo-sharing sites and apps offering similar features. To hear the anti-monopolists tell it, Facebook had acquired a competing social platform and thus took over a market. In reality, Facebook built Instagram into what it is today.

A2 FB - Genocide (Myanmar)

1. Not really solvency for other companies. The Economist in 2018 writes that while the US might be able to separate Facebook from Instagram on American soil, abroad, tech break-ups would be hard to enforce.
2. Ugh this is an awful response. Facebook has taken steps to reduce future genocide risks. Woody of Business Insider in 2018 writes that in most countries, Facebook uses third-party fact checkers to regulate content, but Myanmar slipped through the cracks since there were no domestic groups to fill the role. Wong of the Guardian in 2019 further explains that Facebook has published an independent Human Rights IMpact Assesment on it's role in the genocide, banned public figures, and has hired 100 native Burmese speakers to do content moderation.

Print Edition, xx-xx-xxxx, "Technology firms are both the friend and the foe of competition," Economist, https://www.economist.com/special-report/2018/11/15/technology-firms-are-both-the-friend-and-the-foe-of-competition?utm_source=headtopics&utm_medium=news&utm_campaign=2018-11-20

The first is to break the firms up. In some cases this could be done without huge damage. For example aws, Amazon's cloud division, could survive happily as an independent company, eliminating the danger of data about third parties gathered from it being used to influence Amazon's e-commerce arm. But for many firms break-ups would also eliminate the benefit that customers say they get from participating in a network. It is possible that one of the dismembered parts of Facebook or Google would grow quickly to become as dominant as the erstwhile parent. For governments in all but two countries in the world, America and China, break-up would be hard since the big firms are not headquartered there.

Julia Carrie Wong, 2-7-2019, "'Overreacting to failure': Facebook's new Myanmar strategy baffles local activists," Guardian, https://www.theguardian.com/technology/2019/feb/07/facebook-myanmar-genocide-violence-hate-speech

It took until August 2018 – a year after 25,000 Rohingya were killed by Myanmar's army and allied Buddhist militias and 700,000 Rohingya were forced to flee the country – for Facebook to ban Tatmadaw leaders from its platform. Facing growing public pressure, the company also commissioned and published an independent Human Rights Impact Assessment on the role its services were playing in the country and committed to hiring 100 native Burmese speakers as content moderators.

Christopher Woody, 3-22-2018, "Facebook official who oversees the news feed says his team loses sleep over the site's alleged role in Myanmar 'ethnic cleansing'," Business Insider, https://www.businessinsider.com/adam-mosseri-facebook-myanmar-genocide-rohingya-lose-sleep-2018-3
"It's important for us to remember that technology isn't naturally a good or a bad thing. It's sort of agnostic and it's how technology's used that can be either good or bad," Mosseri said.

Facebook typically works with third-party fact-checkers, but that approach doesn't work in Myanmar because, as far as the company is aware, there are no groups to fill that role in the country, Mosseri said. The company has instead focused on identifying "bad actors" and enforcing its community standards and terms of service to "address the proliferation of some problematic content."

A2 FB - Polarization

1. Delink - Antitrust enforcement wouldn't change the aspects of Facebook that contribute to polarization. For instance, separating Facebook from Instagram or regionally dividing Facebook wouldn't fundamentally change the way Facebook delivers news or ads.
2. Delink - No decrease in polarization. In a study conducted NYU and Stanford in 2019 of almost 3,000 Facebook users, completely quitting Facebook resulted in a reduction of participants' exposure to "news that made them better understand the point of view of the other political party," and resulted in no change in affect users' negative feelings about the opposite political party.

NYU and Stanford in 2019
Stephen L. Carter, 3-14-2019, "Facebook's Outages Reveal Its Value to Society," Bloomberg, https://www.bloomberg.com/opinion/articles/2019-03-14/facebook-outages-without-it-users-are-less-informed
On average, by avoiding Facebook, the treatment group gained about one additional hour of free time each day. What did they do with those extra minutes? Members of the group, the paper says, "actually spent less time on both non-Facebook social media and other online activities, while devoting more time to a range of offline activities such as watching television alone and spending time with friends and family." (And, yes, happily, some also reported reading more books, although the study doesn't provide the numbers. 1)
Then there's politics. There is a widespread view that social media increases polarization. The results of the experiment were consistent with that hypothesis. The treatment group saw a reduction in "polarization of views on policy issues." On the other hand, there was also a reduction in participants' exposure to "news that made them better understand the point of view of the other political party." Moreover, quitting Facebook did not affect users' negative feelings

about those in the opposite political party. Maybe some chunk of America's political polarization is unfixable.

A2 CON
A2 Implementation arguments
A2 Data regulation solves

1. No probability analysis here and the two aren't mutually exclusive. Perm!
2. IPWatchdog in 2019 reports legislative efforts to protect data privacy undermine the ability of tech startups to compete against big tech companies who can get around such regulations.

Ipwatchdog, 5-20-2019, "This Week on Capitol Hill: Data Privacy and Competition, Building the Cybersecurity Workforce, and Reducing Algorithmic Bias," IPWatchdog, https://www.ipwatchdog.com/2019/05/20/week-capitol-hill-building-cybersecurity-workforce-technology-aging-disabled-persons-reducing-algorithmic-bias/id=109408/
Consumer data privacy has increasingly moved into the sphere of legislation with new laws in the European Union and the state of California. However, there are concerns that legislative efforts to protect data privacy could undermine the ability of tech startups to compete against big tech companies who might become more entrenched thanks to their ability to maneuver around new laws. The witness panel for this hearing will include Avi Goldfarb, Ellison Professor of Marketing, Rotman School of Management, University of Toronto; Dr. Fiona Scott Morgan, Theodore Nierenberg Professor of Economics, Yale School of Management; Brian O'Kelley, Founder and Former CEO, AppNexus Inc.; Dr. Johnny Ryan, Chief Policy and Industry Relations Officer, Brave; Jan Rybnicek, Counsel, Freshfields Bruckhaus Deringer LLP.

A2 Expanded company enforcement

1. In the squo, no one's interpreting it that way. The government rn is not planning to take up arms against like Walmart or Snapchat or whatever since they're also large businesses. If we're enforcing against "big tech," we're probably going to focus on Apple, Amazon, Facebook, and Google, just like the government is doing in the squo.

New York Times, 6-3-2019, "Big Tech Shares Slide as Prospect of Antitrust Scrutiny Mounts," No Publication, https://www.nytimes.com/2019/06/03/business/stock-market-activity.html
Google, Amazon, Facebook and Apple were all lower, following reports that the tech giants are facing greater scrutiny from antitrust regulators in the Justice Department and Federal Trade Commission. The technology-heavy Nasdaq index fell by 1.6 percent, bringing its decline from an early May record to 10 percent.

Regulators appear to be splitting up oversight of the four companies. The Justice Department is exploring an investigation of Google's advertising and search business, and will oversee antitrust complaints over Apple. The F.T.C. will look into anticompetitive practices at Amazon and Facebook.

A2 Restrict to consumer welfare

1. This whole point sort of doesn't matter. If enforcing antitrust will result in better outcomes for consumers, we have a moral obligation to enforce it (util?). Right now, consumer welfare is being hurt by consumers not receiving the full potential of technological gains that they could potentially have access to.
2. Momentum has shifted. Peterson of the Wall Street Journal in 2019 reports that the antitrust chief at the DOJ has confirmed antitrust enforcers are now looking at harms to competition in their expanded definition of consumer welfare. / During Standard Oil lawsuit, consumers saw a decrease in price, but they still went and sued.
3. Momentum is shifting. Kang of the New York Times in June explains both the executive and legislative branches are gearing up for increased scrutiny of antitrust regulation on tech giants and their anti-competitive behavior (Clayton act), which could potentially lead to an overhaul of antitrust rules in order to keep up with the industry.
    a. Definition expansion also solves. Khan of NPR in 2019 explains that if consumer welfare is expanded to paying in data, the largest tech companies have begun to exploit consumers. Indeed, the Economist in 2018 writes that as big tech accumulates more data, artificial intelligence, and data mining, platforms will manipulate users even further.
4. In the long term, consumer welfare is harmed, as identified by the EU. Thompson of Stratechery in 2016 explains in aggregation-based industries like tech, once competitors die after one company controls the majority of the market, instead of more consumers leading to more suppliers, consumers are forced to accept one company in charge that has no incentive to provide a superior user experience, thus leading to consumer harm which US antitrust regulations were designed to target.

Lauren Feiner, xx-xx-xxxx, "The DOJ's antitrust chief just telegraphed exactly how it could go after Google, Apple and other big tech companies," CNBC, https://www.cnbc.com/2019/06/11/makan-delrahim-speech-lays-groundwork-for-antitrust-versus-big-tech.html

Delrahim said the concept regulating companies outside of price competition would not be a new approach. During the peak of Standard Oil's dominance, he said, consumers saw lower prices.

“This was likely due to, among other things, a combination of economies of scale, superior bargaining power, and overall declining input prices,” he said. “It nonetheless demonstrates that price effects are not the sole measure of harm to competition under the U.S. antitrust laws.”

https://www.wsj.com/articles/doj-antitrust-chief-stresses-role-of-competition-in-digital-economy-11560269903?shareToken=st47f0e3de6a184262b3696e97d56947c0
Some markets, he said, have few firms “for reasons having nothing to do with a failure of competition. Even so, digital markets are not impervious to anticompetitive transactions, illegal restraints and unlawfully obtained or exercised monopoly power.”
“Price effects alone do not provide a complete picture of market dynamics, especially in digital markets in which the profit-maximizing price is zero,” he said.
Antitrust enforcers are concerned about harms to innovation, product quality and privacy, the DOJ antitrust chief said. He compared today’s tech giants to the Standard Oil monopoly of the late 19th and early 20th century.
“Like today’s tech giants, Standard Oil was pioneering and generated a number of important patents. Scholars have noted, however, that Standard Oil’s innovation slowed as it became an entrenched monopolist,” Mr. Delrahim said.

Author By Ben Thompson, 4-26-2016, "Antitrust and Aggregation," Stratechery by Ben Thompson, https://stratechery.com/2016/antitrust-and-aggregation/
That last line seems like an invitation to slam “Europe’s anti-tech thinking”, but actually I have a lot of sympathy for the Commission’s approach. One more implication of aggregation-based monopolies is that once competitors die the aggregators become monopsonies — i.e. the only buyer for modularized suppliers. And this, by extension, turns the virtuous cycle on its head: instead of more consumers leading to more suppliers, a dominant hold over suppliers means that consumers can never leave, rendering a superior user experience less important than a monopoly that looks an awful lot like the ones our antitrust laws were designed to eliminate.

Print Edition, xx-xx-xxxx, "Technology firms are both the friend and the foe of competition," Economist,
https://www.economist.com/special-report/2018/11/15/technology-firms-are-both-the-friend-and-the-foe-of-competition?utm_source=headtopics&utm_medium=news&utm_campaign=2018-11-20
Seen in this light, tech firms are becoming the conduit through which people interact with the world. Their business model is to impose a levy, either by charging users subscriptions and commissions, or by manipulating their buying decisions, or by charging other firms that want to access the platforms’ captive customers through advertising. The tech sector becomes a layer that

sits across the entire consumer economy. Network effects mean that big firms are hard to dislodge. As they accumulate data on their users they become more enmeshed in their lives, making it expensive for customers to switch. And as artificial intelligence and data mining get cleverer, the platforms will manipulate their users even more, until eventually it is not clear who is in charge.

Lina Khan A Judge, 2-22-2019, "Antitrust 3: Big Tech," NPR.org, https://www.npr.org/templates/transcript/transcript.php?storyId=697060225
KHAN: So the reason I've been focusing on big technology companies is because I think some of the blind spots of the current antitrust approach are most significant in the context of these tech companies, in part because in many instances, they're offering products or services that are nominally free, right? We're paying in data, and so that complicates how antitrust looks at these issues.

MALONE: Think of Google and Facebook. You don't have to pay money to use those services, so the current antitrust approach - consumer welfare standard, which focuses largely on price - just isn't going to work very well.

Also, she says there's just this fundamental nature of a few key tech sectors. They just tend to be winner-take-all. Everybody's going to tend to end up using one search engine, one social network. Everybody who wants to buy or sell online is going to wind up at the one online store with the most buyers and sellers.

Cecilia Kang, David Streitfeld and Annie Karni, 6-3-2019, "Antitrust Troubles Snowball for Tech Giants as Lawmakers Join In," No Publication, https://www.nytimes.com/2019/06/03/technology/facebook-ftc-antitrust.html?action=click&module=Top%20Stories&pgtype=Homepage
WASHINGTON — The federal government is stepping up its scrutiny of the world's biggest tech companies, leaving them vulnerable to new rules and federal lawsuits. Regulators are divvying up antitrust oversight of the Silicon Valley giants and lawmakers are investigating whether they have stifled competition and hurt consumers.

After a spate of unusual negotiations, the Justice Department has agreed to handle potential antitrust investigations related to Apple and Google, while the Federal Trade Commission will take on Facebook and Amazon.

Lawmakers in the House said on Monday that they were looking into the tech giants' possible anti-competitive behavior. That could lead to the first overhaul of antitrust rules in many decades, an effort to keep up with an industry that didn't exist when antitrust laws were written.

The question of whether tech companies violate antitrust laws has long been the subject of academic debates and industry griping. But now the industry is in the sights of President Trump, Democrats running for president, Congress and consumers. Silicon Valley has faced fierce criticism over disinformation, privacy breaches and political bias.

A2 General arguments

A2 Spreading internet

1. Delink - Castillo of CNBC in 2018, Facebook turned the service from free to with a price to access the internet.
2. Delink - Sample of the Guardian in 2018 explains most places where the internet isn't right now are too costly or too difficult to put internet in and Hern of the Guardian in 2018 further ads that big backers of growth like FB/Google are spooked by the increased blame the global community is putting on them for the downsides of connectivity, which is why growth in global internet access dropped from 19% in 2007 to less than 6% last year.
    a. Hempel of WIRED - Facebook has mostly given up on it's Internet.org push to spread internet as of May 2018.
3. Turn - Increased incentive.
    a. 1) PR. Look to Microsoft where Bill/Melinda Gates started the Gates foundation directly during the lawsuit. Companies don't want further enforcement and can prevent it by bolstering their image.
    b. 2) Money. If you're cutting down the revenue of these companies, they have an even greater incentive to spread the internet.
4. When big tech spreads internet doesn't go too hot - Hern of the Guardian in 2018 explains that for instance, when Facebook selectively blocks websites to put Facebook first on the internet it spreads, resulting in ethnic violence in Myanmar to vicious rumors and deaths due to religious violence in India.
    a. Hempel of WIRED in 2018 - 67 human rights groups have accused FB of "building a walled garden in which the world's poorest people will only be able to access a limited set of insecure websites and services." Turn - "These new users could get stuck on a separate and unequal path to Internet connectivity, which will serve to widen the digital divide." Overall, Hempel concludes local actors who are already working to spread internet would be better off left alone.

“A look inside Facebook’s efforts to expand Wi-Fi in developing countries,” AUG 28 2018, Michelle Castillo, CNBC

https://www.cnbc.com/2018/08/28/a-look-at-facebooks-efforts-to-expand-wi-fi-in-developing-countries.html

Express Wi-Fi started in 2015, and is currently available in five countries: India, Indonesia, Kenya, Nigeria and Tanzania. Facebook provides funding to companies who work on improving the country’s Wi-Fi infrastructure. **Then, selected businesses agree to host Wi-Fi hotspots, and sell access to the internet through prepaid cards. The offering is similar to buying pay-as-you-go cellphone services, but for the web instead.** “We started talking to vendors and found a lot of excitement around solving and addressing these problems,” said Guy Mordecai, Facebook product lead for Express Wi-Fi. “What got us primarily excited that this is actually great is that a) we could improve the experience b) leverage staff to **get involved in markets** c) it **creates a lot of added value socially and economically**.”**Fees are low, and users are allowed to access the entire internet through their device and are not limited to Facebook platforms. The company settled on this paid model after noticing people stopped using the service if they were required to go through a registration landing page in order to get access for free.**

Alex Hern, 10-18-2018, "Almost 50% of the world is online. What about the other 50%?," Guardian,
https://www.theguardian.com/technology/2018/oct/18/almost-50-of-the-world-is-online-what-about-the-other-50
In 2014, when quizzed, almost every internet user in Nigeria and Indonesia said they had also used Facebook the past month. Some said they had used Facebook, but not the internet itself.

Now, Facebook is having to grapple with the results of that. From ethnic violence in Myanmar, where the UN found that Facebook-spread misinformation played a significant role in exacerbating the situation, to religious violence in India, where Facebook-owned WhatsApp is used to forward vicious rumours faster than the truth can keep up, the company has found that replacing the internet comes with downsides as well as positives.

Alex Hern, 10-18-2018, "Almost 50% of the world is online. What about the other 50%?," Guardian,

https://www.theguardian.com/technology/2018/oct/18/almost-50-of-the-world-is-online-what-about-the-other-50
It's not yet clear what lies behind the slowdown in internet growth. It may be that the low-hanging fruit has been picked, leaving regions and demographics that are increasingly hard to access; it may be that the big backers of growth, like Facebook and Google, are spooked by the chance that they will be blamed for the downsides of connectivity, not praised for its upsides. But whatever the reason, simply being online isn't the end of the process: for many, it's just the beginning.

Hempel of WIRED in 2018
https://outline.com/k5YuSa
But from the start, critics were skeptical of Zuckerberg's intentions. The company's peers, like Google and Microsoft, never signed on as partners, preferring instead to pursue their own strategies for getting people online. Skeptics questioned the hubris of an American boy-billionaire who believed the world needed his help and posited that existing businesses and governments are better positioned to spread connectivity. They criticized Facebook's app for allowing free access only to a Facebook-sanctioned set of services. At one point, 67 human rights groups signed an open letter to Zuckerberg that accused Facebook of "building a walled garden in which the world's poorest people will only be able to access a limited set of insecure websites and services."
Not long after Mobile World Congress, in that May 2015 letter signed by 67 human rights groups, activists accused the company of promoting and attempting to build a two-tiered internet, saying: "These new users could get stuck on a separate and unequal path to Internet connectivity, which will serve to widen—not narrow—the digital divide."
But there are people who believe these countries would have been better served by allowing the internet to spread locally. Nikhil Pahwa, the journalist-turned-digital-rights-activist who led the successful effort to shut down Free Basics in India, points to the current state of connectivity there as proof the world would be better off without Facebook's app. He says the number of people who have internet access in India has grown to 500 million from just 160 million when Facebook tried to introduce Free Basics in the country. He attributed the growth to free data plans offered by Indian telecom company Reliance. "FB was creating this false choice between access and net neutrality. That's essentially bullshit," he says now. "Free Basics needs to be banned across the globe."
My story was published in January 2016, a month before India banned Facebook's app altogether. Shortly after that, Facebook stopped talking about Internet.org. While bits of news about the company's drone project or new connectivity efforts still emerge, Facebook hasn't updated the press releases on the Internet.org website in a year. That led me to wonder, what exactly happened to Internet.org?

Sample, The Guardian, October 2018

https://www.theguardian.com/technology/2018/oct/18/exclusive-dramatic-slowdown-in-global-growth-of-the-internet

The slowdown is described in an analysis of UN data that will be published next month by the Web Foundation, an organisation set up by the inventor of the world wide web, Sir Tim Berners-Lee. The data shows that **growth in global internet access dropped from 19% in 2007 to less than 6% last year**. "We underestimated the slowdown and the growth rate is now really worrying ," said Dhanaraj Thakur, research director at the Web Foundation. "The problem with having some people online and others not is that you increase the existing inequalities. If you're not part of it, you tend to lose out." In 2014 the UN predicted that half the world would be online by 2017, but the slowdown means that line will not be crossed until May 2019, only months before the UN sustainable development goal of affordable internet access for all by 2020. The UN defines being online as having used the internet from any device in any location at least once in the past three months. Had growth rates held steady near the 11% average for 2005 to 2017, more than half a billion extra people would now be online. Of the 3.8 billion who remain unconnected, an alarming proportion are women. In poor urban areas, men can outnumber women on the internet as much as two to one. Beyond missing out on economic opportunities, people who are unconnected are cut off from online public debates, education, social groups and the means to access digital government services such as filing taxes and applying for ID cards. "As our daily lives become increasingly digital, these offline populations will continue to be pushed farther to the margins of society," the report states. Malcolm Johnson, deputy secretary general of the UN's International Telecommunication Union, said 2018 data to be released in December is expected to show the slowdown continuing. "Something different has to happen to change the trend," he said. "We need much cheaper connectivity and there has to be more work done on content to attract people." A number of studies have found evidence that internet access drives economic growth. A 2012 report from the University of California, Berkeley, linked a 10% rise in broadband access to a 1.35% increase in GDP in developing countries. A Deloitte report the same year claimed that a doubling in mobile data use boosted GDP per capita by half a percentage point. Other benefits appear to be borne out on the ground. An October survey by the Pew Research Center in Washington DC found that the public in six sub-Saharan countries saw widespread advantages in being online. Across Ghana, Kenya, Nigeria, Senegal, South Africa and Tanzania, 79% felt that increasing internet access improved education, and more than half believed it benefited the economy, politics and even personal relationships. There was less agreement on morality: **only 45% [in six Sub-Saharan countries] believed internet access had a positive impact**. **Many of those offline are in areas that are difficult, and therefore costly, to hook up to the internet. The expense puts telecoms providers off because the communities are those least able to afford the high prices they must charge to get a return on the investment. At the same time, the internet may have little appeal for people in the world's most remote regions. Even if they can afford the mobile phone and data costs, they may lack the skills to go online, and find little of interest in a language they know if they do. "It's not just about connectivity," said Johnson. "You have to make it worthwhile for people to pay to connect. There has to be content they can understand and is of benefit to them."** He said efforts to provide internet access through new satellite constellations or high-altitude balloons could make a "huge difference". The persistent wage gap between men and women plays a large part in the digital gender divide but is far from the only factor. "Women are more likely to be left out because of economic inequalities and to a great extent social norms," said Nanjira Sambuli, who leads the Web Foundation's efforts to promote equal access to the web. "In some communities the whole idea of women owning anything of their own, even a mobile phone, is frowned upon." She added: "It's a stark reminder that **technology is not a silver bullet that is going to solve inequalities that exist and have continued to exist because of real factors that need to be addressed**. These are challenges that have been kicked down the road."

A2 Economy

1. Turn - Increases probability of a recession. Millard of the Outline in 2018 reports big tech has created hollow economic growth with stocks that have outsize potential to affect the trajectory of the entire stock market, meaning if they go down, they could push the economy into a recession (impact - World Bank 64 million into poverty)

a. Aff has better solvency - Millard goes on to explain a lot of stock dips are due to the public's mounting distrust of big tech, antitrust would help restore that confidence in the long term by creating companies that are actually ethical

Drew Millard, xx-xx-xxxx, "Tech companies won't save your local economy," Outline, https://theoutline.com/post/6672/tech-companies-dont-help-the-economy-but-they-may-very-well-sink-it

Still, the myth of huge tech companies driving economic growth is a pervasive one. This may have to do with the fact that from 2009 until this August, just four stocks — Facebook, Amazon, Netflix, and Google — provided, per the finance publication The Motley Fool, "half of the S&P 500's year-to-date-gains." In other words, tech companies have played a massive role in creating the sort of hollow economic growth that is post-Recession America's specialty, and have found themselves in the too-big-to-fail position of being the only thing standing between us and another recession.

While my model is slightly imprecise, the alignment is alarming — especially when you dig into the actual dates. Amazon stock hit its peak in late September, after which it declined and has yet to recover. Google, meanwhile, began sinking in early October. The S&P, meanwhile, began declining along with Google before all three started dropping precipitously on October 9. Given the public's mounting distate for Big Tech, it's unsurprising that such companies' stock prices have declined and dragged the S&P along with them. (If it's the S&P that's actually dragging them down, that would be a good thing — it would mean that four companies aren't holding the entire economy hostage.)

A2 Recession (tech bubble)

1. Past precedent - Wu of the NYTimes in 2018 explains that past splits, such as that of Standard Oil and AT&T actually helped the growth of the economy. Specifically in the tech sector with Microsoft, the innovation that resulted allowed new markets to open and growth to continue in the tech world.

Wu New York Times 2018
https://www.nytimes.com/2018/05/18/opinion/microsoft-antitrust-case.html
Innovation surged in the newly opened markets and the United States continued to spearhead growth in the technological world. The enduring lesson of the Microsoft case was that keeping markets open can require a trustbuster's courage to take decisive action against even a very popular monopolist. Imagine a world in which Microsoft had been allowed to monopolize the browser business. Holding a triple monopoly (operating system, major applications and the browser), **Microsoft would have controlled the future of the web. Google, the tiny start-up, would have faced an unfair fight against Bing. Microsoft-Myspace might have become the default social network instead of Facebook. And who knows whether Netflix or any other online video service would have been started?** It took the power of law enforcement to rebut Microsoft's claims that everything it was doing was pro-competitive, innovative and innocent. The discovery of candid internal company memos, a famously revealing deposition of Bill Gates and a full trial made it clear that Microsoft saw the internet as a major threat to its monopoly rule and was seeking to tame it. The presiding judge, Thomas Penfield Jackson of the United States District Court for the District of Columbia, was right to propose that Microsoft be broken into two companies — one for the Windows operating system, one for other products. In the end, unfortunately, Microsoft was kept whole. Some limitations were placed on Microsoft's behavior, such as a requirement that it share certain programming information with third-party companies. The appropriateness of that remedy is still debated. But what we do know is that **the remedy pushed Microsoft to act with more caution, creating an essential opening for a new generation of firms. It might seem like a cruel irony that the immediate beneficiaries of the Microsoft antitrust case — namely, Google, Facebook and Amazon — have now become behemoths themselves. But this is how the innovation cycle works: It creates room for saplings to grow into giants, but then prevents the new giants from squashing the next generation of saplings.**

A2 Stock market

1. Hughes of the New York Times writes in 2019 that "Facebook shareholders would probably benefit, as shareholders often do in the years after a company's split." Historically this is true as he continues "The value of the companies that made up Standard Oil doubled within a year of it being dismantled and had increased by fivefold a few years later. Ten years after the 1984 breakup of AT&T, the value of its successor companies had tripled

Chris Hughes, 5-9-2019, "Opinion," No Publication,
https://www.nytimes.com/2019/05/09/opinion/sunday/chris-hughes-facebook-zuckerberg.html?action=click&module=Opinion&pgtype=Homepage

Even Facebook shareholders would probably benefit, as shareholders often do in the years after a company's split. The value of the companies that made up Standard Oil doubled within a year of its being dismantled and had increased by fivefold a few years later. Ten years after the 1984 breakup of AT&T, the value of its successor companies had tripled.

But the biggest winners would be the American people. Imagine a competitive market in which they could choose among one network that offered higher privacy standards, another that cost a fee to join but had little advertising and another that would allow users to customize and tweak their feeds as they saw fit. No one knows exactly what Facebook's competitors would offer to differentiate themselves. That's exactly the point.

A2 Low prices

1. Delink - Feiner of CNBC reports in June that the DOJ's antitrust chief has telegraphed exactly how it will crack down on big tech giants, namely, with a focus on preventing mergers and acquisitions that are aimed at harming competition. This isn't going to affect your low prices, just mergers and acquisitions.
2. Turn - Price volatility has gone up. Cavallo of the HBR in 2018 reports that the rise of online retailers has made prices at both online and traditional stores more sensitive to aggregate nationwide shocks like those of gas prices. Fuel prices, exchange-rate fluctuations, or any other shock that may enter the pricing algorithms used by large retailers are more likely to have a larger impact on retail prices that in the past (impact - World Bank 64 million into poverty)
3. Weighing - Mims of the Wall Street Journal in 2019 concludes that tech companies have caused disastrous outcomes throughout the world. For instance, Google has, via Youtube, promoted material the denies the Holocaust, Sandy Hook, and other tragedies. Facebook has also bourne responsibility for the genocide in Myanmar and recorded global democracy through fake news. Is all this really worth your two day shipping?

http://ftp.iza.org/dp4934.pdf

without seeing much of the returns from the exports. The 2007-2008 food and energy price shocks appears to have pushed more than 100 million people in the developing world into transient episodes of poverty.[15] In comparison, the World Bank estimates that the Great Recession of 2008-2009 has resulted in an increase in poverty of 64 million people (by 2010) (World Bank 2010). The food and oil crisis was (and is), therefore, arguably a much greater

[14] See World Bank/IMF (2009) Global Monitoring Report, Washington DC, p.1. As the report puts it: 'For poor countries, this is a crisis upon crisis. It comes on the heels of the food and fuel crises. The triple jeopardy of the food, fuel, and financial crises is pushing many poor countries into a danger zone, imposing rising human costs and imperilling development prospects'. See also Islam, R and Buckley (2009).
[15] See the statement of the World Bank's President in April 2008, http://go.worldbank.org/5W9U9WTJB0

Cavallo, HBR, September 2018
https://www.hbs.edu/faculty/Publication%20Files/Amazon%20Effect_Cavallo_Final_c7010621-5a57-4ee7-8877-37912dcb187a.pdf //JF

Online competition can influence retail markets in many ways. An important and often overlooked mechanism is the way it changes retail pricing behaviors, which can have long-lasting effects on inflation dynamics. **This paper studies pricing behaviors for large multi-channel retailers in the U.S. over the past 10 years and shows how online competition increases both the frequency and the extent of uniform prices across locations. When combined, these factors tend to make prices more sensitive to aggregate nationwide shocks, which I document by finding increasing levels of gas-price and nominal exchange-rate pass-through**. For policy-makers and anyone interested in inflation dynamics, **these findings imply that retail prices are becoming less "insulated" from nationwide shocks. Fuel prices, exchange-rate fluctuations, or any other shock that may enter the pricing algorithms used by large retailers are more likely to have a larger impact on retail prices that in the past**. In terms of cost shocks, a natural extension of my work would be to measure the retail pass-through from the recent increase in U.S. tariffs. Demand-side shocks, not addressed here, also provide a promising area for future research. Gorodnichenko et al. (2018b) find no evidence of a high-frequency price response to macroeconomic policy announcements that do not affect firm-level demand. More research on the specific metrics and mechanisms used by online firms in their pricing algorithms could give macroeconomists a better understanding of what type of demand shocks are likely to have the greatest impact on aggregate inflation dynamics.29 For monetary models and empirical work, my findings suggest that the focus needs to move beyond traditional nominal rigidities: labor costs, limited information, and even "decision costs" –related to inattention and the limited capacity to process data– will tend to disappear as more retailers use algorithms to make pricing decisions. One of the few remaining costs for pricesetters may soon be "fairness concerns," as in the work by Rotemberg (1982) and Kahneman et al. (1986). This topic has received relatively little attention in the economic literature as an additional reason for price stickiness.30 The evidence in this paper suggests that fairness is currently more important to understand price differences between locations than for price changes over time. However, what people consider to be "fair" in terms of pricing can change across countries, sectors, and time periods. More work connecting pricing technologies, web transparency, and fairness will be needed to understand how pricing behaviors and inflation dynamics are likely to evolve in the future

A2 Job creation

1. Turn - On net, consolidation cuts jobs. Galloway of Esquire in 2018 writes that destruction of jobs by big tech is significant, with companies adding maybe 20,000 new

jobs through growth while cutting perhaps 200,000 jobs through advertising consolidation.

Scott Galloway, 2-8-2018, "Why Amazon, Apple, Facebook, and Google Need to Be Disrupted," Esquire, https://www.esquire.com/news-politics/a15895746/bust-big-tech-silicon-valley/
he destruction of jobs by the Four is significant, even frightening. Facebook and Google likely added $29 billion in revenue in 2017. To execute and service this additional business, they will create twenty thousand new, high-paying jobs.

The other side of the coin is less shiny. Advertising—whether digital or analog—is a low-growth (increasingly flat) business, meaning that the sector is largely zero-sum. Google doesn't earn an extra dollar by growing the market; it takes a dollar from another firm. If we use the five largest media-services firms (WPP, Omnicom, Publicis, IPG, and Dentsu) as a proxy for their industry, we can estimate that $29 billion in revenue would have required about 219,000 traditional advertising professionals to service. That translates to 199,000 creative directors, copywriters, and agency executives deciding to "spend more time with their families" each year—nearly four Yankee Stadiums filled with people dressed in black holding pink slips.

A2 Natural progression solves

1. Desjardins of Business Insider in 2018 explains that big tech has enough power now to fend off potential competitors via acquisitions. Small companies no longer have the chance to grow big and challenge established giants.
    a. Indeed, Galloway of Esquire in 2018 finds that the only reason Google, the most recent example of a small company usurping an established giant, had the chance to surpass Microsoft's browser was via threats from the DOJ of anti-monopoly enforcement.

Scott Galloway, 2-8-2018, "Why Amazon, Apple, Facebook, and Google Need to Be Disrupted," Esquire, https://www.esquire.com/news-politics/a15895746/bust-big-tech-silicon-valley/
Maybe the consumer is better off with these "natural" monopolies. The Department of Justice didn't think so. In 1998, the federal government filed suit against Microsoft, alleging anticompetitive practices. During the trial, one witness reported that Microsoft executives had said they wanted to "cut off Netscape's air supply" by giving away Internet Explorer for free.

In November 1999, a district court found that Microsoft had violated antitrust laws and subsequently ordered the company to be broken into two. (One company would sell Windows; the other would sell applications for Windows.) The breakup order was overruled by an appeals

court, and ultimately Microsoft agreed to a settlement with the government that sought to curb the company's monopolistic practices by less stringent means.

The settlement was criticized by some for being too lenient, but it's worth asking whether Google—today worth $770 billion and the object of affection for any free-market evangelist—would exist if the DOJ hadn't put Microsoft on notice regarding the infanticide of promising upstarts. In the absence of the antitrust case, Microsoft likely would have leveraged its market dominance to favor Bing over Google, just as it had used Windows to euthanize Netscape.

Jeff Desjardins, 3-4-2018, "The biggest tech companies in the world have bought up a lot of smaller startups," Business Insider,
https://www.businessinsider.com/big-tech-companies-buying-smaller-startups-2018-3
One of the ways the mega-tech companies grow is acquiring smaller startups.
Those acquisitions tend to be done either to fend off potential competitors by absorbing them, or to add new capabilities that complement what a company already does.
In the brick and mortar world, decades of consolidation has led certain conglomerates to wield massive amounts of control in the banking, consumer goods, alcohol, and auto sectors.

And although the internet is incredibly vast in scale and much newer, it's also heading in a similar direction.

A2 Alternative is brick-and-mortar

1. Not lower quality. With Amazon for instance, Green of Business Insider in 2019 explains other companies like Walmart and Target, which now have sometimes cheaper and faster options without the anti-competitive practices of Amazon, could serve as a replacement.
2. Also, probably not the case. Startups more likely because

Dennis Green, 4-4-2019, "12 devices and services that could help you ditch Amazon completely," Business Insider,
https://www.businessinsider.com/replace-amazon-with-devices-services-2018-10
Amazon.com is the first URL many online shoppers type into their browser.
But Amazon is not always the cheapest or fastest option, despite its sterling reputation. Other general merchandise sellers like Walmart and Target have caught up after years of online investment, and they both have low prices and a similar two-day shipping promise.

A2 Spotify!

1. Not really - Galloway of Esquire in 2018 finds that Apple has made Spotify's life very hard via denying Spotify updates on the Apple Store and imposing a 30% tax on profits made by the company, still allowing Apple to profit at Spotify's expense.

Scott Galloway, 2-8-2018, "Why Amazon, Apple, Facebook, and Google Need to Be Disrupted," Esquire, https://www.esquire.com/news-politics/a15895746/bust-big-tech-silicon-valley/
Apple uses its privileged place in consumers' lives to instill monopoly-like powers in its approach to competitors like Spotify. In 2016, the firm denied an update to the iOS Spotify app, essentially blocking iPhone users' access to the latest version of the music-streaming service. While Spotify has double the subscribers of Apple Music, Apple makes up the discrepancy by placing a 30 percent tax on its competition.

A2 Innovation

1. Turn - Duhigg of the New York Times in 2018 explains antitrust laws are a tool society uses to allow innovative start-ups to build past an established company without being crushed by the monopolist and without them, today we would happily be using Bing, unaware that a better alternative once existed.
2. Turn - Pecman, a former antitrust enforcer, explains that proposals to unwind already completed mergers or prohibit platform owners from participating in their own platforms severely restricts successful companies and reduces their incentives to innovate, invest, and compete.

1. Smith of Bloomberg in 2018 writes that big tech has formed a kill zone where startups are prevented from growing by preventing companies from entering. The kill zone isn't new - used to exist around Microsoft, before US did antitrust, which scared Microsoft into laying low and giving time for Google to take over. Otto concludes empirically that products from startups exhibit more characteristics of innovation than those developed by incumbents. The reason for this is that they have less bureaucratic inertia and benefit more directly from their work.
    a. Today, antitrust can save the day again - In the squo, the DOJ is doing what we're doing right now - trying to decide whether or not the actions of the big tech companies warrants enforcement of antitrust regulation. And what the DOJ says is if they were to enforce antitrust, they would do it by shutting down these mergers and acquisitions. That would give startups more breathing room to innovate.

i. And if we have a choice between big tech and small tech innovating, you should always choose the startups.

1. They're citing a study that measures innovation by the number of citations a patent gets, which actually just measures -
    a. 1) How old the patent is
    b. 2) How notable the engineer/the company putting forth the patent is
2. Weighing - Prefer our Otto study because it evaluates innovation using actually useful markers of innovation, quantifying improvements in functionality, architecture, external interactions, user interactions, and cost - actually evaluating the patent instead of looking toward citations.

Charles Duhigg, 2-20-2018, "The Case Against Google," No Publication, https://www.nytimes.com/2018/02/20/magazine/the-case-against-google.html

Some legal theorists think that Google might have a point. "To what extent are consumers, rather than competitors, being harmed by Google?" says Hovenkamp, the antitrust scholar. "If the answer is 'not much,' then I'm suspicious of an antitrust remedy." Others say the risks are too high. "There are very real costs associated with suing a company like Google," says Geoffrey Manne, executive director of the International Center for Law & Economics, a nonpartisan research center. **"You're potentially impairing a firm that provides vital services to millions of people, and potentially benefiting competitors who don't deserve that support."** Those are fair arguments. But they are also, in some ways, beside the point. Antitrust has never been just about costs and benefits or fairness. It's never been about whether we love the monopolist. People loved Standard Oil a century ago, and Microsoft in the 1990s, just as they love Google today. Rather, antitrust has always been about progress. Antitrust prosecutions are part of how technology grows. **Antitrust laws ultimately aren't about justice, as if success were something to be condemned; instead, they are a tool that society uses to help start-ups build on a monopolist's breakthroughs without, in the process, being crushed by the monopolist.** And then, if those start-ups prosper and make discoveries of their own, they eventually become monopolies themselves, and the cycle starts anew. If Microsoft had crushed Google two decades ago, no one would have noticed. **Today we would happily be using Bing, unaware that a better alternative once existed.** Instead, we're lucky a quixotic antitrust lawsuit helped to stop that from happening. We're lucky that antitrust lawyers unintentionally guaranteed that Google would thrive.

3.

John Pecman, xx-xx-xxxx, "Don't Break Up Big Tech Firms: Former Antitrust Regulator," CFO, https://www.cfo.com/regulation/2019/04/dont-break-up-big-tech-firms-former-antitrust-regulator/

The proposal to dismantle large technology companies by unwinding already completed mergers and to prohibit platform owners from participating on their own platforms is flawed. A respect for property rights and the freedom of contract are fundamental tenets of a free-market economy. So is competition policy that enables long-term economic growth benefiting businesses and consumers alike.

Expropriating the property rights of a successful company is a veritable "nuclear option" in antitrust law, especially when less intrusive remedies exist. The more dramatic approach would

cause significant damage to the economy if it were to use antitrust law to break up large companies in an effort to remedy broad public-interest concerns.

Restricting successful companies reduces incentives to innovate, invest, and compete. Competition-enforcement agencies must be empowered to make evidence-based decisions using economic analysis to deal with antitrust issues.

Theories and the quest for political wins should not drive policymakers to take hasty actions in the shaping of our markets. Let's exercise care in wielding our regulatory hammers.

A2 Biotech

1. In general, big tech invests in biotech, it doesn't buy it out, so that doesn't really get touched by the DOJ blocking mergers and acquisitions.
2. Mitigate - Brookings in 2017 furthers that the science required to produce new breakthroughs is harder than a decade previously due to all the low hanging fruit being picked. Second, differentiated competition drives excessive entry and duplication of R&D effort, resulting in overinvestment in certain clinical areas. Biotech isn't bound for the big innovations my opponents claim will happen, especially as it isn't clear what the brighline of investment needs to be to trigger their impacts.

Richard Frank and Paul Ginsburg, 11-17-2017, "Pharmaceutical industry profits and research and development," Brookings,
https://www.brookings.edu/blog/up-front/2017/11/17/pharmaceutical-industry-profits-and-research-and-development/
Together, these conclusions are consistent with a couple of interpretations. One is that the science required to produce new drugs in 2017 is harder than it was a decade or two previously and so the "low hanging fruit" has been picked. A second interpretation, mentioned earlier, is that differentiated competition drives excessive entry and duplication of R&D effort, resulting in overinvestment in certain clinical areas. Both forces can be at work.

Ben Hirschler, 6-15-2017, "Google bets on European biotech drugs, backs new fund," U.S.,
https://www.reuters.com/article/us-biotech-google/google-bets-on-european-biotech-drugs-backs-new-fund-idUSKBN1953A2
LONDON (Reuters) - Google is betting on the potential of European biotech companies to deliver life-changing drugs by investing alongside Swiss company Novartis (NOVN.S) in a new $300 million fund run by leading life sciences investment firm Medicxi.

A2 Buyouts good

1. Delink - If it were true that they just bought them up and that was an incentive for innovation then we'd see more startups being created, especially as the rate at which these big companies engage in M+As going up, but that's just not the case. In the squo, the number of startups is actually going down because massive companies just steal the ideas of the small companies.
2. [A2 VC wants buyout] VentureBeat in 2018 writes that because technologies have become cheaper, starting a business "no longer requiring major capital outlays for their development." That's why she concludes that in the current economy "Venture capital has become less relevant than ever to startup founders."

3. Turn - Big tech uses power to stifle competition.
    a. Disincentivizing entry. Galloway continues that the mere mention a tech giant is entering an industry, like Amazon with Whole Foods or sporting goods or dental equipment, plunges stocks of potential competitors, stifling an incentive to enter the market. Khan of NPR in 2019 further explains that companies like Amazon steal products from small start-ups and put them out of business, third parties are less likely to invest in products that take risk to bring to the market, as Amazon would simply appropriate the value of that reward.
    b. Disincentivizing growth. Murray of the CEI in 2019 explains that startups have no incentive to become big companies as by doing so, they open themselves up to destruction by larger tech giants.
    c. Crushing competition. The Economist in 2018 writes that tech giants squash startups by scaring venture capitalists off of innovative companies and then copying the undeveloped technology themselves. This manifests itself in real life with, according to WIRED, companies like Facebook stealing features from companies like Foursquare, resulting in the death of the startup platform. Holland of Medium in 2018 implicates these actions as harmful as consumers don't reap the benefits of new and innovative technology. Indeed, Galloway of Esquire in 2018 finds that startups are increasingly forced to pitch themselves as not direct competitors to tech giants in order to survive to acquisition and not get crushed.

https://venturebeat.com/2018/08/07/what-silicon-valley-still-gets-wrong-about-innovation/
Many would-be entrepreneurs believe they can't start a company without VC funding. That reflected reality a few years ago, when capital costs for technology were in the millions of dollars. But it is no longer the case.

A $500 laptop has more computing power today than a Cray 2 supercomputer, costing $17.5 million, did in 1985. For storage, back then, you needed server farms and racks of hard disks, which cost hundreds of thousands of dollars and required air-conditioned data centers. Today, one can use cloud computing and cloud storage, costing practically nothing.

With the advances in robotics, artificial intelligence, and 3D printing, the technologies are becoming cheaper, no longer requiring major capital outlays for their development. And if entrepreneurs develop new technologies that customers need or love, money will come to them, because venture capital always follows innovation.

Venture capital has become less relevant than ever to startup founders.

Author, 10-25-2017, "Will Facebook Kill All Future Facebooks?," WIRED,
https://www.wired.com/story/facebooks-aggressive-moves-on-startups-threaten-innovation/
But Facebook had other plans. That year the company introduced a feature that allowed users to "check in" at any location, a copy of the main feature of Foursquare's app. In response, Selvadurai conceived an "anti-Facebook alliance" of up-and-coming social-media Davids taking on their industry's Goliath. At a minimum, they could share survival tactics. Selvadurai had informal discussions with friends at Path, Instagram and Twitter, all of which had faced threats of Facebook copying key features. "It was common knowledge, even back then, that Facebook would just approach a company and say something to the effect of, 'Join us or we will copy you,' " he says. More broadly, they believed that Facebook's closed-off "walled garden," was hurting the thing they loved most about the open Internet—the fact that anyone could build something that could reach millions of people.

A Judge, 2-22-2019, "Antitrust 3: Big Tech," NPR.org,
https://www.npr.org/templates/transcript/transcript.php?storyId=697060225
MALONE: And then, if the dog hats sit on the shelves and don't sell, that's not really our problem, at least not in the short run. The retail store paid us money for our hats. We have the money. The store took the risk that the hats might not sell.

GOLDSTEIN: Amazon does not work that way. Amazon is not going to buy the dog hats from us. We can post our dog hats for sale on Amazon, and if they don't sell, we go out of business, and it did not cost Amazon anything.

If the dog hats do sell, then we pay Amazon a chunk of our revenue. And if our dog hats sell like crazy, if the world suddenly goes bananas for dog hats, then Amazon is free to start selling their own line of dog hats, AmazonBasics dog hats.

KHAN: There are merchants that bring all sorts of niche products - right...

GOLDSTEIN: Sure.

KHAN: ...That are not guaranteed to sell. They're - it's these third parties that are undertaking the original risk to invest in a product and see, hey, is this going to succeed?

What's troubling is that in some instances, when a product does start doing well, Amazon observes it and then takes that idea, produces it itself, knocks out the third party from the top search listings. And so suddenly, you know, it's Amazon that's reaping the reward of the risk that somebody else took. I think the long-term consequence will be that third parties will be more reluctant to invest in products to take risks to bring them to market, the idea being that even if this product succeeds, there's a good chance that Amazon will appropriate the value of that reward, and they'll just be left hanging.

Iain Murray, 3-13-2019, "CEI Releases New Video: How Antitrust Harms Consumers by Stifling Innovation and Competition," Competitive Enterprise Institute, https://cei.org/content/cei-releases-new-video-how-antitrust-harms-consumers-stifling-innovation-and-competition
(Iain) "If what you're saying to a startup is, if you become big, we will dismember you, then those startups have no real incentive to become big."

NARRATOR: The problem is, there are no limits to the internet. There is nothing concrete to control—it can forever be added to, changed, innovated, and built. Tech giants can rise and fall virtually overnight, if there are no barriers to entry created by government.

If antitrust teaches us anything, it's that history repeats itself. In a market free of government protections and controls, it is next to impossible to achieve "monopoly," and old solutions to new so-called problems rarely change outcomes.

Scott Galloway, 2-8-2018, "Why Amazon, Apple, Facebook, and Google Need to Be Disrupted," Esquire, https://www.esquire.com/news-politics/a15895746/bust-big-tech-silicon-valley/
The Four's unchecked power manifests most often as a restraint of competition. Consider: Amazon has become such a dominant force that it's now able to perform Jedi mind tricks and inflict pain on potential competitors before it enters the market. Consumer stocks used to trade on two key signals: the underlying performance of the firm (Pottery Barn's sales per square foot

are up 10 percent) and the economic macro-climate (more housing starts). Now, however, private and public investors have added a third key signal: what Amazon may or may not do in the respective sector. Some recent examples: The day Amazon announced it would enter the dental-supply business, dental-supply companies' stock fell 4 to 5 percent. When Amazon reported it would sell prescription drugs, pharmacy stocks fell 3 to 5 percent.

Scott Galloway, 2-8-2018, "Why Amazon, Apple, Facebook, and Google Need to Be Disrupted," Esquire, https://www.esquire.com/news-politics/a15895746/bust-big-tech-silicon-valley/
Indeed, the DOJ's case against Microsoft may have been one of the most market-oxygenating acts in business history, one that unleashed trillions of dollars in shareholder value. The concentration of power achieved by the Four has created a market desperate for oxygen. I've sat in dozens of VC pitches by small firms. The narrative has become universal and static: "We don't compete directly with the Four but would be great acquisition candidates." Companies thread this needle or are denied the requisite oxygen (capital) to survive infancy. IPOs and the number of VC-funded firms have been in steady decline over the past few years.

Caroline Holland, 1-26-2018, "Taking on Big Tech Through Merger Enforcement – Read, Write, Participate – Medium," Medium,
https://medium.com/read-write-participate/taking-on-big-tech-through-merger-enforcement-f15b7973e37
To the extent merging firms are rival innovators either presently or in the development of future products, the loss of that competition from a merger could mean that consumers would not reap the benefits of new and innovative technology. For example, in 2015, the DOJ praised the abandonment of a merger a based on its concern that competition would have been lost for the "development of equipment for next-generation semiconductors." The European Commission took the innovation theory of harm a step further when it required divestitures in the Dow/DuPont merger based on non-specific product innovation.

The Economist in 2018
Print Edition, xx-xx-xxxx, "American tech giants are making life tough for startups," Economist,
https://www.economist.com/business/2018/06/02/american-tech-giants-are-making-life-tough-for-startups
IT IS a classic startup story, but with a twist. Three 20-somethings launched a firm out of a dorm room at the Massachusetts Institute of Technology in 2016, with the goal of using algorithms to predict the reply to an e-mail. In May they were fundraising for their startup, EasyEmail, when Google held its annual conference for software developers and announced a tool similar to

EasyEmail's. Filip Twarowski, its boss, sees Google's incursion as "incredible confirmation" they are working on something worthwhile. **But he also admits that it came as "a little bit of a shock". The giant has scared off at least one prospective backer of EasyEmail, because venture capitalists try to dodge spaces where the tech giants might step.** The behemoths' annual conferences, held to announce new tools, features, and acquisitions, always "send shock waves of fear through entrepreneurs", says Mike Driscoll, a partner at Data Collective, an investment firm. "Venture capitalists attend to see which of their companies are going to get killed next." But anxiety about the tech giants on the part of startups and their investors goes much deeper than such events. Venture capitalists, such as Albert Wenger of Union Square Ventures, who was an early investor in Twitter, now talk of a "kill-zone" around the giants. Once a young firm enters, it can be extremely difficult to survive. Tech giants try to squash startups by copying them, or they pay to scoop them up early to eliminate a threat.

Hearn of Quartz in 2018
Buying Advertising, xx-xx-xxxx, "Google, Facebook, and Amazon benefit from an outdated definition of "monopoly"," Quartz at Work,
https://qz.com/work/1460402/google-facebook-and-amazon-benefit-from-an-outdated-definition-of-monopoly/
Google, Facebook, and Amazon have great technology, but much of their current status and financial success comes from what I believe are regulatory and antitrust mistakes. Amazon was allowed to buy dozens of ecommerce rivals and online booksellers to give it a monopsony position in the book industry. Google was able to buy its main competitor, DoubleClick, and vertically integrate online ad markets by buying advertising exchanges. Facebook was able to buy Instagram and WhatsApp with no regulatory challenges.

Google, Amazon, Apple, Facebook, and Microsoft have together acquired more than 500 companies in the past decade. Many new tech startups never get the chance to compete with the established companies, because as soon as they prove their technologies, they are acquired.

A2 National security
A2 Chinese company takeover

1. Delink - Americans don't trust China. Engadget in 2018 explains tech giants like Huawei and Xiaomi (Show-me) face distrust from consumers and Congress that prevent their adoption. And honestly, the idea that Americans are going to start buying from Wish and using WeChat if we enforce antitrust regulation on Amazon and Facebook is absurd.
2. Delink - Different business models. The Economist in 2018 writes that corporations like Alibaba and Tencent make profit off of price wars in highly contested economic sectors where they disrupt new industries whereas American tech giants prefer to monopolize established markets. They can't really fill in for each other.

3. Turn - Competition good. Chopra of the Federal Trade Commission in 2019 explains America only suffers by propping up politically connected tech companies as opposed to getting the best ideas from anywhere and anybody. Wu of Columbia Law School further explains that regulation of IBM, AT&T, and Microsoft in the 90s gave America a legup in 2000s tech, and countries that didn't take on monopolists ended up losing technological ground in the long run, concluding that to take on China, the US needs to regulate monopolies.

Print Edition, xx-xx-xxxx, "Technology firms are both the friend and the foe of competition," Economist,
https://www.economist.com/special-report/2018/11/15/technology-firms-are-both-the-friend-and-the-foe-of-competition?utm_source=headtopics&utm_medium=news&utm_campaign=2018-11-20
As they expand, the West's tech firms have the capacity to disrupt new industries. But one test of their limited appetite for competition is to compare them with China's two big tech platforms. Alibaba and Tencent are pouring money into a wild, economy-wide price war that has escalated to include digital payments, video, retail, games, travel, home delivery, cloud computing and music. Most of these areas are also contested by speculative upstarts that are losing billions of dollars a year subsidising customers. Compared with this violent scrum, America's tech sector looks like a genteel game of badminton. During 2018 the two Chinese firms' combined operating margin is forecast to fall by eight percentage points as price battles and new investments weigh. For the five American firms margins will stay roughly flat.

Engadget, 1-17-2018, "Huawei and its peers won't win over the US without trust,"
https://www.engadget.com/2018/01/17/huawei-china-us-tech-trade-relations/
But it's not just language and cultural differences that get in the way. Chinese companies simply don't have a good reputation in the US. Right after Yu's press conference at CES, Congress quickly proposed a bill to ban government agencies from working with Huawei and ZTE. These two companies were also the subject of a 2012 report from Congress claiming they "cannot be trusted."

Huawei writes in its official statement that "privacy and security are always our first priority. We are compliant with the world's most stringent privacy protection frameworks, including all GAPP and GDPR privacy protection requirements." Both ZTE and Huawei also stated back in 2012 that they felt they were being unfairly singled out in Congress' inquiry.

Tiku, 5-23-2019, "Big Tech: Breaking Us Up Will Only Help China," WIRED,
https://www.wired.com/story/big-tech-breaking-will-only-help-china/

Some US antitrust officials sound unmoved by the China card. “America doesn’t become competitive by propping up politically connected tech companies, we compete by making sure the best ideas can come from anywhere and anybody,” Rohit Chopra, a commissioner of the Federal Trade Commission, told WIRED. Makan Delrahim, head of the Justice Department’s Antitrust Division, recently spoke out against the idea of “national champions.” In March he congratulated the EU for blocking a rail-manufacturing merger. “Obviously there’s national security and other considerations that factor in, but with respect to that [merger], creating a national champion even if you would harm consumers is not the way to do it,” Delrahim said. Economic policies that seek to prop up homegrown companies as “national champions” have a bad track record, says Columbia Law School professor Tim Wu, author of The Curse of Bigness: Antitrust in the New Gilded Age. The fact that regulators did not hold back on IBM, AT&T, and Microsoft “helped us ensure a generation of American supremacy in tech. Frankly, the fact that Japan never took on their monopolists ended up hurting them,” Wu told American Conservative last year. “I do accept and understand that there are advantages to scale, but there is a point where the advantages of scale run out. There are disadvantages to scale, and I think there’s a difference between scale and monopoly.”

A2 5G networks

1. Nontopical - Generally, when the US talks about cracking down on tech giants, they’re referring t Amazon, Apple, Google, and Facebook, which is exactly who Kang of the New York Times in 2019 writes that the federal government is currently investigating. None of these companies create 5G networks - that’s done by networks like AT&T, which typically aren’t classified as tech giants.
2. Nonunique - China already has a leg up. Gingrich of the National Review in 2019 writes that Huawei already has dozens of international contracts to build 5G networks while the US has zero. Woyke of MIT in 2018 furthers that the Chinese government has given Chinese operators large freedom over use of the network spectrum to use for 5G, giving them room to provide superfast speeds with wide swaths of bandwidth to millions, which companies in the US currently just don’t have governmental access to.
3. Delink - US is never going to switch over. The Heritage Foundation in 2019 reports that Huawei, the Chinese corporation behind the spread of 5G, has made it so that only Huawei phones work on Huawei’s 4G and 5G networks, which post the most recent Huawei scandal, isn’t something American consumers are going to buy into en-masse. Furthermore, Warren of the Verge in 2018 reports the US government has banned use of Huawei and ZTE technology from the US government or government contractors. Thus, Finley of WIRED in 2018 concludes US buyers will almost certainly continue to shun Chinese tech for US and European tech.

4. [A2 Impact - Jobs] Delink - Finley of WIRED in 2018 explains it won't make a big difference if the US is second or third to 5G due to the dependence of China's economy on the US and past precedent that the US lagging in rollout of 2G and 3G didn't prevent Apple and Google from dominating the smartphone market and creating jobs.

Author, 6-6-2018, "Does It Matter If China Beats the US to Build a 5G Network?," WIRED, https://www.wired.com/story/does-it-matter-if-china-beats-the-us-to-build-a-5g-network/
US buyers will almost certainly continue to shun Huawei products in favor of equipment from US companies such as Cisco and Juniper, or Europe's Ericsson and Nokia. But that won't do much to challenge Huawei's role globally.

Author, 6-6-2018, "Does It Matter If China Beats the US to Build a 5G Network?," WIRED, https://www.wired.com/story/does-it-matter-if-china-beats-the-us-to-build-a-5g-network/
Telecommunications industry analyst Jeff Kagan says the competition between the US and China keeps the US motivated to push 5G forward, but he doesn't believe that it will make a big difference to the US economy in the long term if the US is second or third. "I don't think it's ever been more than a battle over the ego over which country is first," he says.

For one thing, the two countries' economies remain dependent on one another. Chinese telecommunications company ZTE nearly collapsed after the US barred American companies from selling components to it. Even if China "wins," US companies will benefit by selling technology to China.

Roger Entner, a founder of Recon Analytics and coauthor of the CTIA report, concedes that it might not matter much if the US introduces 5G a few months later than China. Europe was quicker to roll out 2G, and Japan was the first with 3G, but that hardly deterred Apple and Google from dominating the smartphone market. But Entner argues that if China beats the US by a year or two, it could damage the US's ability to compete in the global technology market.

Elizabeth Woyke, 12-18-2018, "China is racing ahead in 5G. Here's what that means.," MIT Technology Review,
https://www.technologyreview.com/s/612617/china-is-racing-ahead-in-5g-heres-what-it-means/
Beijing has also committed to giving Chinese operators large chunks of spectrum for 5G. That's a far cushier arrangement than operators enjoy in the US and many other countries, where they pay regulators billions of dollars for the right to use slivers of spectrum. These radio frequencies carry wireless signals and are critical to cellular service, especially 5G, which will need wide swaths of bandwidth to provide users with superfast speeds.

Jacob Kastrenakes@Jake_k, 8-13-2018, "Trump signs bill banning government use of Huawei and ZTE tech," Verge,
https://www.theverge.com/2018/8/13/17686310/huawei-zte-us-government-contractor-ban-trump
Huawei and ZTE technology will largely be banned from use by the US government and government contractors. The ban was signed into placed by President Trump today as a component of the much larger Defense Authorization Act.

This caps off months of will-they-won't-they from Republicans, many of whom view the two major Chinese telecoms as national security threats. In June, the Senate overwhelmingly passed an amendment that would have reinstated a trade ban on ZTE, potentially shutting down the company. The House, however, did not, and the big question was how the two chambers would find a compromise — or if they would drop the matter entirely.

In the end, Congress decided on a measure that will essentially ban the US government or anyone that wants to work with the US government from using components from Huawei, ZTE, or a number of other Chinese communications companies. The ban goes into effect over the next two years.

Steven Bucci, 4-24-2019, "The Threat Isn't Coming, It's Here: Security Dangers Imminent If China Controls 5G," Heritage Foundation,
https://www.heritage.org/asia/commentary/the-threat-isnt-coming-its-here-security-dangers-imminent-if-china-controls-5g
For years, Huawei worked to integrate its telecommunications equipment into the networks of countries across Europe and Africa–often offering its services at lower costs than its competitors. Today, Huawei's proprietary equipment is integrated in 4G wireless networks throughout the world. The equipment, available at below market cost (subsidized by the Chinese government), is the entry drug of choice into Huawei's domain, and now large parts of the world are addicted and locked into Huawei. This presents an enormous risk, as Huawei's 4G equipment does not interoperate with another vendor's equipment. Meaning that for now, if you chose Huawei to build your 4G network, then your only choice for 5G is Huawei.

Cecilia Kang, David Streitfeld and Annie Karni, 6-3-2019, "Antitrust Troubles Snowball for Tech Giants as Lawmakers Join In," No Publication,
https://www.nytimes.com/2019/06/03/technology/facebook-ftc-antitrust.html

WASHINGTON — The federal government is stepping up its scrutiny of the world's biggest tech companies, leaving them vulnerable to new rules and federal lawsuits. Regulators are divvying up antitrust oversight of the Silicon Valley giants and lawmakers are investigating whether they have stifled competition and hurt consumers.

After a spate of unusual negotiations, the Justice Department has agreed to handle potential antitrust investigations related to Apple and Google, while the Federal Trade Commission will take on Facebook and Amazon.

Lawmakers in the House said on Monday that they were looking into the tech giants' possible anti-competitive behavior. That could lead to the first overhaul of antitrust rules in many decades, an effort to keep up with an industry that didn't exist when antitrust laws were written.

Newt Gingrich, 3-12-2019, "To Win in 5G, We Must Break Government Monopolies," National Review,
https://www.nationalreview.com/2019/03/5g-market-competition-regulations-spectrum-allocation/
Now, we can see the current system has prevented these companies from leading in 5G — and allowed China's ZTE and Huawei to get a tremendous head start globally. The easy way to prove that the current system has failed domestically is to drive across the United States and note every time you don't have cell-phone service. The evidence of our failure internationally is clear in the fact that American carriers picked up no international clients for 5G deployment at the annual Mobile World Congress in Barcelona, Spain, this month. Meanwhile, Huawei has landed more than two dozen international contracts to build 5G networks across the world.

A2 Company-specific arguments
A2 Subsidiaries/private labels create competition

1. Turn - When corporations also control the platform that these products are sold or advertised on, they have undue ability to restrict competition. Khan of NPR in 2019 gives the example of Amazon and AmazonBasics, where Amazon would have a conflict of interest that incentivizes it to promote their products over those of other companies. Indeed, Creswell of the NYTimes in 2018 points out that Amazon is already using tools like algorithms to direct consumers toward their products, resulting in quote, "a company that has conspired … to destroy brands."

Julie Creswell, 6-23-2018, "How Amazon Steers Shoppers to Its Own Products," No Publication,
https://www.nytimes.com/2018/06/23/business/amazon-the-brand-buster.html

Amazon is utilizing its knowledge of its powerful marketplace machine — from optimizing word-search algorithms to analyzing competitors' sales data to using its customer-review networks — to steer shoppers toward its in-house brands and away from its competitors, say analysts.

And as consumers increasingly shop using voice technology, the playing field becomes even more tilted. For instance, consumers asking Amazon's Alexa to "buy batteries" get only one option: AmazonBasics.

The emerging private label threat from Amazon presents a quandary for small vendors and big, national brands alike. Even as Amazon takes away market share and eats into their profit margins, they have little choice but to continue to sell on Amazon's platform in order to get themselves in front of millions of potential customers. "I think, effectively, you have a company that has conspired with about a billion consumers and technology to destroy brands," argued Scott Galloway, a founder of business research firm now called Gartner L2 and a professor of marketing at New York University Stern School of Business, in a presentation last year. "Their attitude is that brands have, for a long time, earned an unearned price premium that screws consumers."

A Judge, 2-22-2019, "Antitrust 3: Big Tech," NPR.org,
https://www.npr.org/templates/transcript/transcript.php?storyId=697060225
MALONE: Now, you could argue, and a lot of people do, that these Amazon store brands are good for competition. Amazon is one more competitor in the market. But Khan argues, in the long run, Amazon selling Amazon brand stuff on Amazon may be bad for competition.

KHAN: So that, I think, can create a conflict of interest. And so far as Amazon owns the platform, it runs the platform, it decides who comes up where in the search rankings. But it's also competing with all the merchants that are now dependent on the platform.

GOLDSTEIN: So this problem - I mean, this seems like a fundamental, like, store brand problem, right? Like, there, you know - whatever. Walmart is a bigger retailer than Amazon, and they have store brands. And they can, you know, put the Purina dog food on the bottom shelf...

A2 Amazon - Platform for small businesses

1. Proposal to split off Amazon from Amazonbasics would allow companies to continue selling on Amazon without risking their products being stolen by Amazonbasics.

Jack Nicas and Karen Weise, 6-10-2019, "Anger at Big Tech Unites Noodle Pullers and Code Writers. Washington Is All Ears.," No Publication, https://www.nytimes.com/2019/06/10/technology/big-tech-antitrust-scrutiny.html?action=click&module=News&pgtype=Homepage
Some companies that sell goods on Amazon have argued that they have to be on its site to reach customers. Yet they fret that Amazon can use data about their sales to develop its own competing products. The trade group for major shoe brands, including Nike, Crocs and Dr. Martens, asked the F.T.C. to look into the "dual role" of platforms like Amazon.

An Amazon executive, Jeff Wilke, said at an event last week that those in-house brands were "a tiny fraction" of Amazon sales. "We do not allow anyone inside Amazon to have access to individual sellers' data in order to build a private-label product," he said.

A2 Amazon - Not a monopoly

1. Untrue - Galloway of Esquire in 2018 writes that Amazon controls 34% of the global cloud business, 44% of US online commerce, 64% of American households have a Prime subscription, and 71% of in-home devices are controlled by it. Amazon has significant market control.

Scott Galloway, 2-8-2018, "Why Amazon, Apple, Facebook, and Google Need to Be Disrupted," Esquire, https://www.esquire.com/news-politics/a15895746/bust-big-tech-silicon-valley/
When the subject of monopolistic behavior comes up, Amazon's public-relations team is quick to cite its favorite number: 4 percent—the share of U. S. retail (online and offline) Amazon controls, only half of Walmart's market share. It's a powerful defense against the call to break up the behemoth. But there are other numbers. Numbers you typically won't see in an Amazon press release: • 34 percent: Amazon's share of the worldwide cloud business

• 44 percent: Amazon's share of U. S. online commerce

• 64 percent: U. S. households with Amazon Prime

• 71 percent: Amazon's share of in-home voice devices