January 11, 2023

Jonathan Kanter Assistant Attorney General for Antitrust Department of Justice 950 Pennsylvania Avenue, NW Washington, DC 20530 Lina Khan Chair Federal Trade Commission 600 Pennsylvania Avenue, NW Washington, DC 20580

Dear Assistant Attorney General Kanter and Chair Khan:

We have been watching with grave concern as the largest technology companies -- namely Alphabet (Google), Apple, Meta (Facebook), and Amazon -- continue their press into the automotive industry. These corporate giants have already shown that in every industry, they are committed to dominating at any cost: they will ignore plain-language laws and regulations designed to protect competition, circumvent consumer privacy laws, and use their considerable market weight to disadvantage smaller competitors.

Unfortunately, Big Tech is continuing to engage in aggressively anticompetitive behavior in the automotive sector, just as they have done in the other sectors they have entered. This threatens to turn an industry made up of a hundred large corporations and thousands of smaller ones -- and employing <u>four million Americans</u> -- into something more like an oligopoly. Economic history shows that when market power ends up concentrated in a few giant companies, the people pay the price. We pay more for what we buy, have less consumer choice, and see our privacy and other consumer protections degraded. That's already happening in every industry touched by Big Tech -- and if it continues to happen in the auto industry, ordinary Americans will be the losers.

As Senator Elizabeth Warren <u>observed in a letter to you in November</u>, "<u>Big Tech is setting itself</u> up to be a one-stop shop for automakers—for everything from data collection, cloud storage, and analytics to in-car navigation to voice assistants to autonomous driving capabilities." Tech companies are expanding laterally, through acquisition and new product and service lines. They aim to leverage their market dominance and operating experience in sectors they have long mastered to take a commanding position in a new one. As Rep. Jamie Raskin of Maryland <u>wrote along with 10 of his colleagues</u>, Big Tech is engaged in a "creeping capture and takeover" of the auto industry. "If we don't turn it around," <u>Raskin said</u>, "our privacy, labor rights, and economic health will be at risk."

Tech companies are already in automotive entertainment, manufacturing logistics, vehicle operations software, and other aspects of the business. They are buying up companies focused on autonomous driving technologies -- and developing technologies of their own. And as startups

innovate, coming up with new ideas and developing plans and prototypes, Big Tech money is right there to get a piece of the action -- or to take it over entirely.

Sometimes, Big Tech can outcompete and win through innovation. But quite often, as you are aware through your investigations of their anticompetitive behavior in other arenas, as these giant companies grow even larger, they bully their competitors into submission, sometimes pushing them out of business entirely. As market consolidation accelerates, remaining competitors lose what advantages they still have, and are increasingly swallowed up, kept small by being locked out of markets, or simply steamrolled.

And because companies like Apple and Google are the gatekeepers of the contemporary digital communications ecosystem, it is nearly impossible for either corporations or consumers to fully opt out of doing business with them. When we do deal with them, they bundle products together in anticompetitive ways, privileging their products over those of competitors, and making their customers (both businesses and individuals) pay extra for things we don't want or need.

In the course of business, they also collect an astonishing amount of data from us, often through means that violate the spirit, and arguably the letter, of regulatory privacy protections. They can leverage this wealth of data -- including real-time location data drawn from our phones and mapping applications -- not just to consolidate their position of market advantage, but also in other ways that verge on the dystopian.

In a <u>national poll</u> conducted earlier this year by Data for Progress, Americans made clear that they understand the extent of the danger. Across party lines, Americans expressed strongly that they are concerned about privacy and market consolidation in the auto industry, with 70% or more of those polled from every political party calling for the government to investigate Big Tech's acquisitions in the sector.

As you are aware, the Biden administration has made an <u>explicit commitment</u> to promoting competition in our economy. The Antitrust Division is <u>investigating Google</u> for locking out competitors by aggressively bundling services together. The FTC <u>is looking into</u> more than 600 corporate acquisitions made by Big Tech over the past decade that were exempted from federal review. And legal challenges of Big Tech's activities in the automotive sector are beginning to be filed by the private sector too, including a <u>class-action suit</u> charging that Google raised developer prices for its mapping services after acquiring Waze, its only full-suite competitor.

But we urge you to do even more. Americans need help from the Department of Justice to ensure that Big Tech doesn't use its weight to leave yet another American industry in ruins, and force a million or more workers into unemployment or retraining. Hundreds of thousands of workers are at risk already in every corner of the automotive and road logistics industries -- by one estimate,

the move to self-driving commercial vehicles alone could eliminate truck and bus driver jobs at the rate of 25,000 a month at the peak of the transition.

And given the grave privacy risk posed by Big Tech's encroachment into the automotive software products market in particular, Americans need <u>proactive regulatory help from the FTC</u> to ensure that inherently sensitive private information like location data is protected, and not used for surveillance or other harmful purposes.

The DOJ's Antitrust Division and the Federal Trade Commission are the two federal entities that can wield the greatest influence over the corporate organization of the U.S. economy. Americans depend on you to establish reasonable limits on market consolidation, and now that the automotive industry -- one that touches the lives of every American, every day -- is under threat of overconsolidation, we ask that you redouble your efforts to ensure that existing laws and regulations are enforced to maintain a healthy and competitive marketplace in the sector.

Thank you for your attention to this important matter.

Sincerely,

American Family Voices

Athena

Blue Future

**Demand Progress** 

Demos

Fight for the Future

Institute Local Self-Reliance

Jobs with Justice

Media Alliance

Open Markets Institute

Organic Consumers Association

Other 98%

Our Revolution

Presente.Org

**Progress America** 

Public Citizen

**Revolving Door Project** 

RootsAction.org

Social Security Works

Surveillance Technology Oversight Project

Tech Oversight Project