

The Honorable Maria Cantwell, Chair
The Honorable Roger F. Wicker, Ranking Member
U.S. Senate Committee on Commerce, Science, and Transportation
Hart Senate Office Building 420 A
Washington DC, 20510

April 14, 2021

To Chair Cantwell and Ranking Member Wicker:

I submit this letter to express the Institute for Local Self-Reliance's (ILSR) strong support of Lina Khan's nomination to the Federal Trade Commission (FTC). ILSR is a public interest research and advocacy organization that works to create thriving, equitable, and sustainable communities. Increasing concentration across the economy is a major obstacle to this vision. Our research has found that concentration is weakening the U.S. economy, stifling investment and innovation, and harming working people, small businesses, and communities. It is also threatening Americans' fundamental right to liberty and equality.

Corporate concentration has reached a level today not seen since years before the Great Depression, when industrial monopolies dominated the American landscape and the American economy.¹ We've lost 65,000 small independent retailers in the last decade. Walmart accounts for one in four dollars that Americans spend on groceries. One in three local banks has disappeared over the last ten years, leaving one-third of U.S. counties without a local financial institution. Two telecom corporations dominate Internet access. Meanwhile, Amazon, Google, and Facebook have become powerful online gatekeepers that control a growing share of our commerce, news, and information.

We believe Ms. Khan is especially well-qualified to help reinvigorate the FTC at a time when the agency's enforcement authority is critically important to addressing these market power problems and restoring healthy, competitive markets.

Ms. Khan is an obvious choice to join the FTC because of her extensive scholarship and deep expertise in antitrust law. Her groundbreaking Yale Law Journal article, *Amazon's Antitrust Paradox*,² pioneered a powerful legal and policy vision to address the anticompetitive and predatory market abuses small and independent businesses face in the digital marketplace. Her research is widely recognized for reshaping antitrust law in the U.S. and globally. Her

¹ See: <https://ilsr.org/fighting-monopoly-power/americas-monopoly-problem-and-why-it-matters/>

² See: <https://www.yalelawjournal.org/note/amazons-antitrust-paradox>

scholarship received several awards and is extensively celebrated in the press. Furthermore, Ms. Khan recognizes the ways concentration has undermined dynamism and new business formation, which in many cases makes it nearly impossible for independent businesses to enter the marketplace. She published research showing that new business formation in the U.S. has been declining for 40 years, challenging the then-prevailing view that entrepreneurs were thriving, and that new business formation was strong.

Ms. Khan also brings extensive government and policymaking experience, including a track record leading bipartisan efforts. She worked at the FTC as a legal advisor to FTC Commissioner Rohit Chopra. She is also widely respected in Congress, particularly for her leadership on the House Subcommittee on Antitrust, Commercial and Administrative Law bipartisan investigation into the monopoly power of Apple, Amazon, Facebook, and Google.³ Her deep expertise of the tech platforms business models and the ways in which monopolistic firms impact other industries was viewed as an invaluable asset for policymakers. The investigation's findings and its legislative and regulatory recommendations to rein in the power of these corporations garnered bipartisan support in large part because of her deep expertise and ability to work across the political aisle.

In our research, we have found concentrated market power is the biggest threat facing independent businesses. It has taken a particular toll on businesses in rural communities and businesses owned by people of color and women. For too long, federal antitrust enforcement agencies have failed to stop corporations from amassing outsize power and using it to block independent businesses from competing. The House investigation concluded that the antitrust authorities have repeatedly fallen down on the job—stating that “together with the DOJ, the FTC has chosen to stop enforcing certain antitrust laws entirely.”⁴

Ms. Khan is exceptionally well-qualified to revive antitrust enforcement, and to work with other FTC commissioners to do so. We trust she will use U.S. competition laws to enable independent businesses to compete in the marketplace.

ILSR strongly supports Ms. Khan's nomination to the FTC and we urge you to lead the members of the Committee on Commerce, Science, and Transportation committee in a swift confirmation process.

Sincerely,

Stacy Mitchell

³ See: https://judiciary.house.gov/uploadedfiles/competition_in_digital_markets.pdf

⁴ See: https://judiciary.house.gov/uploadedfiles/competition_in_digital_markets.pdf