

NetChoice

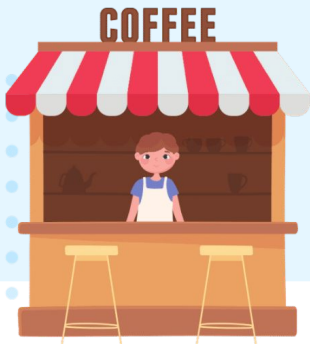
Biden's Executive Order Hurts Competition & Innovation

While President Biden's executive order on competition policy includes a few good ideas, most will harm American consumers by arming bureaucrats with power to regulate the entire economy, protecting certain businesses from competition, and stifling innovation. Here are just a few examples of how the executive order does all of this by misrepresenting digital market realities.



WHAT BIDEN'S EO SAYS:

"Too many small businesses across the economy depend on those platforms and a few online market for their survival"



WHAT'S ACTUALLY GOING ON:

Popular platforms empower small businesses to reach new customers everywhere and sell products on a global scale in a way that was previously unthinkable.

[83%](#) of people use Instagram to help them discover new products and services. Amazon provides a platform for [2 million](#) independent American businesses and small and medium-sized businesses sold [3.4 billion](#) products on Amazon in 2019. In 2020, over [17 million](#) American businesses connected with potential customers through Google Search.

WHAT BIDEN'S EO SAYS:

"The rate of new business formation has fallen by almost 50% since the 1970s as large businesses make it harder for Americans with good ideas to break into markets."



WHAT'S ACTUALLY GOING ON:

Since the 1970s, lots of things have impacted the rate of new business formation. But in recent years as online platforms have matured, they have made it even easier for American innovators and entrepreneurs to market and make successful businesses and products.

In July 2020, the number of [new business applications](#) reached a high of 551,657, a 95% increase from the year before. More Americans are becoming self-employed—[BLS](#) projects a 7.9% growth rate by 2026 meaning 10.3 million Americans will be working for themselves.

WHAT BIDEN'S EO SAYS:

“The American information technology sector has long been an engine of innovation and growth, but today a small number of dominant Internet platforms use their power to exclude market entrants.”



WHAT'S ACTUALLY GOING ON:

Innovative technology has found incredible success in providing new ideas and capabilities to users.

TikTok emerged as a major market player and recently surpassed over [3 billion downloads](#) with the novel idea of short-form content. Discord, has garnered over 100 million monthly active users since 2015 by providing an accessible platform for online communities to connect and communicate. Clubhouse—an app launched in March 2020—has gained [10 million weekly active users](#) in its first year, demonstrating that there is ample room for innovation in social media.

WHAT BIDEN'S EO SAYS:

“No more bad mergers that lead to mass layoffs, higher prices, fewer options for workers and consumers alike.”



WHAT'S ACTUALLY GOING ON:

Innovation is the driving factor behind economic growth and benefits the American consumer through lower prices and a wider range of new, innovative products to choose from.

Mergers help propel [innovation](#) by giving companies the resources to fund research and development while making sure they have the infrastructure to make innovative products accessible to consumers at affordable prices.

Biden's executive order relies on fear-mongering and misleading facts to justify aggressive government intervention across every sector of our economy. Left standing, the EO risks hurting American consumers, American innovation, and American competitiveness on the global stage.

The EO is a unilateral power grab by the executive branch to regulate the entire economy.

