NetChoice

The American Innovation & Choice Online Act Ruins What Makes prime So Great

Among its many problems, the Senate *American Innovation and Choice Online Act* will make consumer experience on Amazon services untenable.

Here are a few examples of how:



WHAT SEN. KLOBUCHAR CLAIMS:

"There is nothing in this bill that stops Amazon from continuing its Prime program."



THE FACTS:

The bill would eliminate bundled services like free Prime Video with Prime Shipping.

Section 2(b)(2) makes it illegal for a covered platform to "condition access" or give "preferred status or placement" on the use of a platform's services, so Amazon cannot bundle Prime Video along with Prime.

The bill also gives the DOJ and the FTC the <u>power to ban</u> services they believe harm competition. In her academic work, FTC Chair Lina Khan has harshly criticized the business models of Amazon and other platforms.

WHAT SEN. GRASSLEY CLAIMS:

"Nothing in this bill require a business to shut down their marketplace or... [sell]their own branded [products]."



THE FACTS:

Consumers could no longer easily and effectively compare products.

Section 2(b)(6) makes it illegal to treat a platform's own services more favorably in search and ranking results. By severely limiting how digital platforms offer their services, consumers would lose out on useful tools like price-shop.

This bill would make it <u>impossible</u> for Amazon to provide buy boxes with lower-priced, generic products like AmazonBasics.

WHAT SEN. DURBIN CLAIMS:

"This new bill will fight strong arm tactics used by Big Tech to disadvantage their consumers."



THE FACTS:

This bill compels online marketplaces to host potentially dangerous products.

Section 2(a)(2) makes it illegal for a platform to "unfairly limit" competitors and "materially harm competition." This harms American consumers by forcing services to host potentially dangerous or poor-quality products.

Online marketplaces would be **forced to host products where they cannot promise quality and safety** for fear of potentially devastating liability.

WHAT SEN. GRASSLEY CLAIMS:

"Big tech is making it more difficult for small businesses to realize success on these dominant platforms."



THE FACTS:

This bill would make it harder for small businesses to find new customers online.

Section 2(a)(3) makes it illegal to "discriminate" in the enforcement of a platform's terms of service, relative to similarly situated businesses. So platforms could be charged with discrimination when promoting some businesses more than others.

The bill makes it <u>harder</u> for platforms to help veteran, LGBTQ, and black-owned small businesses find loyal audiences online through targeted promotion campaigns.

It's clear the Senate American Innovation and Choice Online Act will take away what makes today's online marketplaces so valuable.

Don't let the Senate pass the radical Klobuchar antitrust bill.

Don't let the Senate break prime

