

21057 Lawmakers call for breakup of Big Tech, citing abuse of power

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Democratic lawmakers are calling for Congress to rein in Big Tech, possibly forcing Facebook, Google, Amazon, and Apple to break up their businesses, while making it harder for them to acquire others and imposing new rules to safeguard competition.

This would be a radical step for Congress to take toward a powerful industry. The tech giants have come under intensifying scrutiny and derision over issues of competition, consumer privacy, and hate speech.

Joe Biden has said that company breakups should be considered. If such steps were mandated, they could bring the biggest changes to the tech industry since the federal government's landmark case against Microsoft almost 20 years ago.

Google has monopoly power in the market for search, while Facebook has monopoly power in the social networking market. Amazon and Apple have significant and durable market power in the US online retail market, and in mobile operating systems and mobile app stores, respectively.

Some critics of the companies have singled out Facebook's Instagram and WhatsApp services, and Google's YouTube and Android cellphone operating system as among the businesses that should be considered for divestiture. The four companies are believed to have abused their market power by charging excessive fees, imposing tough contract terms, and extracting valuable data from individuals and businesses that rely on them.

The platforms are required to offer equal terms for equal products and services for all users. Laws should be changed to impose a higher bar for approving future tech industry mergers and acquisitions.

Republicans called for "targeted" enforcement of existing antitrust laws rather than "burdensome regulation that kills industry innovation."

The effort aimed to answer a key question: whether existing competition policies and century-old antitrust laws are adequate for overseeing the tech giants, or if new legislation and enforcement powers for regulators are needed. Both Republicans and Democrats have accelerated their criticism of Big Tech in recent months, though sometimes for different reasons.

Google has argued that although its businesses are large, they are useful and beneficial to consumers. It maintains that its services face ample competition and have unleashed innovations that help people manage their lives. Most of its services are offered for free in exchange for personal information that helps sell ads. Facebook, Amazon, and Apple also have been targets of sweeping antitrust investigations by the Justice Department and the Federal Trade Commission.