October 6, 2023

The Honorable Patrick McHenry Speaker Pro Tempore of the U.S. House U.S. House of Representatives H-232, United States Capitol Washington, DC 20515 The Honorable Mitch McConnell Republican Leader United States Senate S-230, Capitol Building Washington, DC 20510

The Honorable Steve Scalise
Majority Leader
U.S. House of Representatives
2049 Rayburn House Office Building
Washington, DC 20515

The Honorable Tom Emmer Majority Whip U.S. House of Representatives H-107, United States Capitol Washington, DC 20515

The Honorable Elise Stefanik
Republican Conference Chair
U.S. House of Representatives
2211 Rayburn House Office Building
Washington, DC 20515

Dear Speaker Pro Tempore McHenry, Leader Scalise, Majority Whip Emmer, Conference Chair Stefanik and Leader McConnell,

As American families tighten their budgets amid soaring borrowing costs and higher prices of everyday goods, we urge your respective caucuses to scrutinize the actions of the Federal Trade Commission (FTC).

Under the leadership of the Biden-appointed chair, Lina Khan, the FTC has launched numerous misguided and unwarranted lawsuits against American companies. These lawsuits have wasted taxpayer resources and imposed hefty legal costs on these businesses. Most recently, it has filed an antitrust suit against Amazon, specifically targeting its retail marketplace. This legal action threatens consumers by limiting Amazon's ability to operate in a competitive market and sell affordable goods and services.

While she has displayed contempt for many American companies, Chair Khan's past extensive work on Amazon specifically is problematic in her current role acting as investigator, litigator, and judiciary within the FTC. Amazon has been in the crosshairs of Khan dating back to her *Yale Law Journal* paper, calling into question her ability to serve as an impartial arbiter. While many public officials would recuse themselves from such proceedings, the Chair has refused to

do so. Not surprisingly or coincidentally, Chair Khan has <u>come under fire</u> for potential violations of federal ethics standards.

As Americans struggle with persistently high inflation, this suit is part of an anti-free enterprise agenda that will make the problem even worse. It should come as no surprise that while the Biden Administration touts its antitrust agenda as widely popular, a recent NetChoice survey found 77 percent of Republicans and 62 percent of suburban respondents said this lawsuit against Amazon is "big government overreach" and more likely to harm consumers than benefit them.

Such a suit also highlights whether going to court is a worthy use of taxpayer dollars and agency resources, particularly after the FTC dispatched taxpayer-funded staff to Brussels this summer to implement the Digital Markets Act, the new EU law governing American companies. Furthermore, the Biden Administration has won only 30 percent of its antitrust cases, far below the historical average of 65 percent.

The suit also takes direct aim at "Fulfillment by Amazon," a service that provides storage, packaging, and shipping assistance to sellers. This service has helped thousands of small businesses with their storing, handling, and shipping needs, relieving them of time-consuming and costly services. For entrepreneurs already battling high inflation and supply chain challenges, these services have been a lifeline amid choppy economic waters.

The Commission's timing on its latest case coincides with the makings of a financial crises duo: an already fragile economy and the unprecedented auto workers strike. According to a recent Survey, nearly 70 percent of Americans believe the economy is getting worse, and nearly one out of three reported they were forced to cut into their savings to pay bills. In a poll conducted by our Coalition of Republican primary voters in New Hampshire, 72 percent oppose establishing new regulations that would break up large technology companies such as Amazon, Apple, and Google, including 47 percent who are strongly opposed.

We hope you will continue your commendable work to create a pro-job-growth environment, back small businesses and stop government bureaucrats from getting in the way of a healthy economy. The FTC must be held to an account, and we encourage your colleagues to exercise Congress' oversight function to provide sunshine surrounding the rogue agency's decision to repeatedly launch unmerited lawsuits. Now, more than ever, Americans deserve more economic certainty. Middle class families and small business owners who are being squeezed do not deserve to be further burdened by progressive regulators and their antitrust agenda.

We ask that your House and Senate committees provide the necessary oversight and examination into the Commission's activities in the lead-up and filing of this lawsuit against Amazon, as well as for its previous, similarly doomed suits. Further, as Congress considers funding levels for fiscal year 2024 across the federal government, we caution against increasing the FTC's budget in light of its recent actions and already well-publicized plans to micromanage our economy to the detriment of all Americans.

Thank you for your attention to this important matter.

Sincerely,

Scott Brown

Chair, Competitiveness Coalition

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Senior Policy Analyst, Americans for Prosperity

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CC:

House Committee on the Judiciary
House Committee on Appropriations
House Committee on Oversight and Accountability
Senate Committee on Commerce, Science, and Transportation
Senate Committee on Appropriations
Senate Committee on the Judiciary