



Dear Members of the United States Senate:

We, the undersigned, are writing to reiterate and emphasize our concerns with Congress' proposals to regulate the tech sector. Recently filed amendments to S.2992, the American Innovation and Choice Online Act, fail to address significant problems posed by the bill, including those raised by fellow Democrat Senators Coons, Feinstein, and Leahy earlier this year. Specifically, the bill contains the following pitfalls:

- Roadblocks to the ability of companies to combat problematic and potentially harmful content;
- A concerning impact on data privacy and security through mandating that user data be shared with similarly situated businesses, including malicious foreign rivals and those that may be working to undermine a platform's cybersecurity protocols;
- The potential to disrupt free or low-priced integrated services essential for struggling small businesses, remote workers, students, those seeking employment opportunities, and consumers to function in a post pandemic world;
- Significant adverse effects on the startup ecosystem by banning cross-platform integration of acquisitions or investments. This will ultimately reduce venture funding, deter acquisitions, and slow the process of bringing new and better products and services to consumers.

As such, we are particularly worried about the bill's impact on consumers and small businesses that continue to rely on digital platforms to survive the current economic downturn and on investment in our local startups. According to [a recent analysis](#), this bill would cost the United States economy \$319 billion at a time when inflation, labor shortages, and supply chain issues are already straining businesses, consumers, and government budgets. The [same study](#) found that these efforts in Congress, as currently drafted, could reduce venture capital investment in startup firms by 12 percent.

Tech startups are a crucial component of the American economy as a whole. They develop new and better products and services while generating well-paying jobs. Preventing major companies from acquiring startups as proposed in S.2992 would reduce capital investments, discourage innovators from starting new companies, and ultimately delay innovative products from reaching consumers. Acquisitions are an important component of a healthy and competitive innovation ecosystem. Banning them would reduce competition rather than increase it as this bill's supporters would have you think.

Since the onset of the COVID-19 pandemic, digital tools and services have served as a lifeline for small businesses across New York. Delivery services and online sales platforms have helped retailers and restaurants continue serving their customers, while digital advertising and social media have enabled countless small businesses to reach new audiences. In its current form, S.2992 would hamper the tech companies' ability to provide these critical services, and due to the inherent ban on interoperability and acquisitions, they'll be less likely to offer new tools and services.

As we seek to recover from the far-reaching impacts of the COVID-19 pandemic, businesses of all sizes are struggling with rising costs and supply chain disruptions. The availability of innovative digital tools is paramount to the well-being of small businesses, and new technological advancements supported by a robust tech ecosystem will continue to help them grow in the face of economic challenges. Please rethink this poorly wrought piece of legislation and begin to address the concerns enumerated above and by your colleagues.

Thank you for your continued leadership and for considering our perspective on S.2992.

Sincerely,

Bronx Chamber of Commerce

Buffalo Niagara Partnership

Business Council of New York State

Business Council of Westchester

Capital Region Chamber of Commerce

Chamber Alliance of New York State

Commerce Chenango

Cortland Area Chamber of Commerce

Greater Binghamton Chamber of Commerce

Greater Rochester Chamber of Commerce

Greenwich Village – Chelsea Chamber of Commerce

Long Island African American Chamber of Commerce

Long Island Association

Sleepy Hollow – Tarrytown Chamber of Commerce