

# Proposed bill would make monopolies pay “serious” fines



Enlarge / You can't send corporate “persons” directly to jail, but you can charge them a lot of money.

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The Federal Trade Commission's recent \$5 billion settlement with Facebook largely drew two responses. One holds that \$5 billion is objectively a large sum of money, while the other holds that, against Facebook's \$55 billion 2018 revenue, the penalty amounts to mere drops in the ocean that will go completely unnoticed within the mammoth company.

Both takes are true: a fine can be both a very large amount of money and yet also not “enough.” The FTC’s ability to penalize businesses, though, is limited under existing law. And so a group of Democratic senators has introduced a bill that could change the law in order to let the FTC fine a bad actor big bucks.

The proposed law basically seeks to deter anticompetitive and monopolistic behavior by charging great gobs of money against the companies that get caught doing it. Businesses found to be in violation of certain antitrust laws would owe the greater of either 15% of their annual US revenue or 30% of all revenue over the period of time the unlawful behavior took place.

Senators Amy Klobuchar (D-Minn.) and Richard Blumenthal (D-Conn.) introduced the bill, which was also cosponsored by senators Dianne Feinstein (D-Calif.) and Ed Markey (D-Mass.).

“We have a major monopoly problem in this country,” Klobuchar said. “Dominant companies need to be put on notice that there will be serious financial consequences for illegal monopolistic behavior.”

Any industry can have companies that abuse their outsized market power, companies that cheat or play unfairly to attain dominance, or companies that squeeze out competition through mergers—the cornerstones of US antitrust law. But here in 2019, “antitrust investigation” seems nearly synonymous with “tech investigation.”

The House in June launched a bipartisan antitrust investigation into big tech. In July, the US Department of Justice confirmed it was working on an antitrust investigation into “search, social media, and some retail services online,” which most folks read to mean Google, Facebook, and Amazon. And in that same week, Facebook said it was the target of an FTC antitrust investigation, separate from the FTC’s probes into its privacy practices.

Months or years will probably go by before those investigations make public any findings. But should this bill defy all current odds and somehow manage to become law, any violations could prove expensive.

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