Antitrust Bills Would Cost U.S. Public Sector Workers Billions

S. 2992, H.R. 3816, and related bills in Congress led by Sen. Amy Klobuchar, Sen. Chuck Grassley, Rep. David Cicilline, and Rep. Ken Buck would require regulated firms to divest, discontinue, or fundamentally restructure numerous service offerings, increasing operating costs and reducing the market value of stocks held by investors and pension plans.

Key costs of the bills:

$109 BILLION

The bills would cost state and local government employee pension plans up to $109 billion by the 2030s, an average of $3,928 per plan member.

$1.02 TRILLION

The bills would regulate over 100 U.S. firms by the 2030s, increasing operating costs and reducing the market value of the firms by up to $1.02 trillion.

The bills will not stabilize prices or reduce inflation. The overwhelming consensus among economists is that regulatory measures in the proposed bills would be a poor substitute for fiscal and monetary policy, and unlikely to have any beneficial effect on inflation in the economy. Increasing operating costs for companies is counterproductive when the objective is reducing prices for consumers.

Additional harmful impacts of the bills:

- Impact at least 13 additional U.S. companies in the near term and over 100 companies by the 2030s. The near-term impacted companies include Berkshire Hathaway, Visa, JPMorgan Chase, Walmart, Mastercard, PayPal, Home Depot, Walt Disney, Bank of America, Comcast, Netflix, Cisco, and AT&T. These companies operate online platforms and marketplaces and are on track to exceed the inflation-adjusted market cap thresholds in the next 5 to 10 years.
- Hurt American companies more than foreign-based companies. The proposed bills would harm U.S. international competitiveness by applying U.S.-specific size thresholds that would cover U.S.-based online platforms and marketplaces long before they cover foreign competitors of a similar size.
- Reduce venture capital investment in startup firms by 12 percent. The proposed bills would jeopardize U.S. technological leadership and innovation as the bills would prohibit covered platforms from acquiring startups, eliminating viable exit options for many startups and reducing incentives to found or invest in startups.

On average, 86% of public sector worker pension plans count five companies that would be regulated under the bills upon enactment among their top 10 holdings. Nearly all other top 10 holdings would be regulated under the bills by the 2030s.

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