Biden signs sweeping order aimed at curbing power of big companies

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Biden signs sweeping order aimed at curbing power of big companies Business groups have pushed back against a sweeping order from Joe Biden intended to curb the power of big business by stamping out anti-competitive practices. Signed on Friday by the US president, the order is part of the Biden administration’s broader strategy to tackle concentrations of corporate power in several sectors. Biden promised it would help restore fair competition to the US economy. “Capitalism without competition isn’t capitalism,” he said. “It’s exploitation.” But technology, telecoms, banking and manufacturing groups issued blunt criticisms, a sign of the range of corporate interests the administration is confronting. “Some of the actions announced today are solutions in search of a problem; they threaten to undo our progress by undermining free markets,” said Jay Timmons, the chief executive of the National Association of Manufacturers. Jonathan Spalter, the chief executive of the US Telecom Association, said the president’s order looked like it had been “exhumed from some time capsule in an alternate universe”. The order contained 72 separate measures, which span industries from technology and transportation to healthcare and banking. Biden also called for stronger enforcement of existing US antitrust laws, which could trigger greater scrutiny of mergers and acquisitions activity. Lina Khan, chair of the Federal Trade Commission, and Richard Powers, the acting head of antitrust at the justice department, said in a joint statement: “The current [merger] guidelines deserve a hard look to determine whether they are overly permissive”. Recommended The FT ViewThe editorial board Lina Khan brings a chance to reshape antitrust policy The order also includes a provision to “encourage” the FTC to “ban or limit” non-compete clauses in order to make it “easier to change jobs and help raise wages”. “The incredible number of non-compete clauses for ordinary people were done for one reason: to keep wages low,” Biden said. Other measures include a plan to curb the ability of manufacturers to prevent customers from seeking their own repairs on certain products, and a ban on excessive termination fees on internet bills. Hearing aids would be allowed to be sold over-the-counter at pharmacies, while airlines customers would find it easier to get refunds, and banking clients could carry their data to other providers with less difficulty than they do currently. The order directs the US Food and Drug Administration to work with states and tribes to import prescription drugs from Canada, the latest bid to lower the costs of medicine. Aurelien Portuese, a director at the Information Technology and Innovation Foundation, a tech industry-backed think-tank, said on Friday: “Instead of changing antitrust rules, the White House should ensure that agencies properly enforce existing antitrust laws. For everything else, the White House should defer to Congress.” The order also encourages the Federal Communications Commission to restore so-called net neutrality rules to stop broadband companies from favouring certain types of internet traffic over others, which the agency repealed during the Trump administration. The Biden administration has faced criticism from Republicans who say its $1.9tn stimulus plan has stoked inflation and driven up the cost of living for consumers. Trade Secrets The FT has revamped Trade Secrets, its must-read daily briefing on the changing face of international trade and globalisation. Sign up here to understand which countries, companies and technologies are shaping the new global economy. The executive order is consistent with the president’s efforts to shift the balance of power in the economy away from corporations and big business towards smaller businesses and lower and middle-class households. The technology industry has been a particular focus. Both Google and Facebook have been charged by federal prosecutors with anti-competitive behaviour, and Congress is debating antitrust legislation aimed at Big Tech. It is unclear, however, how much of Biden’s plan will actually be implemented in the manner the White House hopes. Many of the provisions are encouraged but not mandated, and would be more powerful if enacted into law.