

Advocacy Work January 1, 2023 to September 30, 2023

Summary: ABA's Advocacy Division's key focus in the fourth quarter FY2023 was antitrust, the Credit Card Competition Act, as well as promoting the third white paper. This update does NOT include ABA's free expression work. To view ABFE's quarterly update, [click here](#).

ABA's ADVOCACY WORK

4th quarter FY2023

4th Quarter Summation. Antitrust and swipe fee reform was the focus of our third quarter advocacy efforts. ABA had an in-person meeting with the Federal Trade Commission before announcing its antitrust suit against Amazon. ABA and four independent booksellers also participated in a Fly-In in support of swipe fee reform, and ABA's Advocacy team had in-person meetings in support of legislation to strengthen antitrust laws.

Legislative Outreach Summation. For the 4th quarter, Advocacy had 23 actions, which included in-person meetings, email to lawmakers, advocacy campaigns and informational broadcasts, and virtual legislator meetings.

FTC Files Antitrust Suit Against Amazon. In late September, the FTC and 17 state Attorneys General filed an antitrust lawsuit against Amazon, charging them with antitrust violations in the third-party marketplace and first-party retail marketplaces. For over five years, ABA has lobbied the FTC and state AGs to investigate Amazon for anticompetitive practices. While the FTC complaint is extensive, much of the First-Party Retail portions of the complaint are currently redacted. The same week, ABA was among a few organizations invited to an off-the-record meeting with FTC Lina Khan.

ABA Meets with the FTC. The suit came a week after ABA staff met with the FTC several times, including an in-person meeting on September 19, 2023, and a virtual meeting in late 2022.

ABA Writes FTC. In a letter to FTC Chair Lina Khan, ABA CEO Allison K Hill cautioned the FTC that Amazon's desire for an eleventh hour meeting is likely to swing a deal to avoid real punishment for its anticompetitive behavior. In the letter, ABA noted that it firmly believes that the only solution to stop the Amazon monopoly is to break up the company up. ABA strongly asserted that it's the FTC's responsibility to fully investigate before making a determination.

ABA Joins with Authors Guild and Open Markets Calling for Amazon Investigation. In August, ABA, along with the Authors Guild and Open Markets, wrote the Federal Trade Commission, urging they open an investigation into how Amazon used and continues to use unfair methods of competition to gain and maintain a monopoly in its role as a seller of books to the public and a monopsony in its role as a buyer of books from publishers.

Letter in support of FTC Chair Lina Khan. In July, ABA with a number of organizations and wrote congressional leadership in support of FTC Chair Lina Khan. The letter noted that the FTC's work under Chair Khan's leadership "has been crucial for fostering a fair and competitive marketplace and safeguarding the right of small and independent businesses to compete and serve the needs of their communities."

White Paper. Printed a bound version of the latest white paper, *The Stepping Stone to Monopoly*, and provided the copies to members of the FTC's Bureau of Competition at an in-person meeting and several lawmakers. In addition, mailed the white paper, along with Danny Caine's book, *How to Resist Amazon and Why*, the Civic Economics study, *Unfulfilled: Amazon and the American Retail Landscape*, and other materials regarding antitrust, to key elected officials.

Swipe Fee Reform. During the 4th quarter, the advocacy division was focused heavily on swipe fee reform. Advocacy launched several campaigns in support of the Credit Card Competition Act, which would require card issuing banks to allow more than one network option to route financial data, with the goal that this would lower credit card swipe fees. Senate leadership has promised to add the bill to a larger legislative package before the end of the year. ABA and four booksellers also participated in a Fly-In in support of the bill, which included meetings with the two Mississippi and two Virginia Senate offices.

American Innovation and Choice Online Act (AICOA). Launched a reminder campaign in August, urging bookstores to write their lawmakers in support of AICOA. The bill was introduced into the Senate in late June. The American Innovation and Choice Online Act would protect competition by prohibiting gatekeeper platforms from preferencing their own products and services at the expense of smaller online businesses, or making businesses buy other services as a condition of getting good search ranking or placement on their platforms. The bill also provides government enforcers — including the Department of Justice (DOJ), Federal Trade Commission (FTC), and state attorneys general (AGs) — tools to deter violations and hold dominant platforms accountable when they cross the line into illegal behavior. ABA joined with 12 other businesses as part of Small Business Rising in releasing a statement in support of AICOA. An advocacy campaign was also sent to booksellers urging them to contact their lawmakers, asking them to cosponsor the antitrust legislation.

Hired Philomena Polefrone as the new Advocacy Associate Manager. Significant portions of late June and July were spent interviewing candidates for the new Advocacy Associate Manager position. This position will primarily be focused on free expression work, though it will entail general advocacy work as needed.

Small Business Rising. Participated in regular meetings with [Small Business Rising](#), a coalition of independent organizations working in support of stronger antitrust enforcement in the face of Amazon's anticompetitive behavior.

LIG Partnership. Provided booksellers with regular updates and emails during the Open Enrollment period, offering information on ABA’s health insurance partnership with LIG Solutions.

3rd quarter FY2023

White Paper. Released our latest white paper, *The Stepping Stone to Monopoly*, this one focusing on the bookselling and publishing industries. Sent a copy to key FTC members.

Credit Card Competition Act. The Credit Card Competition Act of 2023 (CCCA) was introduced in the Senate and House in late June. Under the bipartisan CCCA, a credit card would be required to have more than one network option to route financial data, with the goal that this would lower credit card swipe fees. In response to the bill's introduction, ABA launched an advocacy campaign to its bookstore members.

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LIG. In April and June, ABA members sent communications to update them on health insurance through ABA’s partnership with LIG Solutions.

Advocated for Debt Ceiling Raise. In a letter sent to congressional leadership in late May, the American Booksellers Association joined 12 other small-business organizations, including the Small Business Majority, urging congress to “identify a path forward to raise the debt ceiling for the good of our nation’s entrepreneurs.” The organizations outlined the ways in which small businesses are already being impacted and how they will be affected if nothing is done. [To read the letter in full, visit the Small Business Majority’s website.](#)

New Assistance Program for COVID Economic Injury Disaster Loan (EIDL) Borrowers. Provided booksellers with information on a new assistance program for COVID EIDL borrowers. The U.S. Small Business Administration (SBA) is providing additional measures to accommodate COVID Economic Injury Disaster Loan (EIDL) borrowers who are experiencing short-term financial difficulties. The program, known as the Hardship Accommodation Plan, allows eligible borrowers to make reduced loan payments for six months. However, it’s

important to note that interest on these loans will continue to accrue, which may increase or create a balloon payment at the end of the loan term.

Opposed Library Licensing Laws in States. Worked with AAP in opposing licensing laws that would have taken sales from independent bookstores. Defeated bills in Hawaii and Connecticut, and submitted testimony in opposition to HI HB 1412. The bills would allow libraries to purchase e-books at below market prices. The bills regulate how and when authors make their works available and it requires the sale of those works at below-market pricing. The below-market pricing would also allow libraries to buy more licenses for e-books than previously, meaning it would take away sales from a local bookstore.

Small Business Rising. Attended regular meeting with [Small Business Rising](#), a coalition of independent organizations working in support of stronger antitrust enforcement in the face of Amazon's anticompetitive behavior.

BTW. Provided weekly updates on Advocacy's work in *Bookselling This Week*.

FiscalNote. Used FiscalNote advocacy software daily to review legislation and reach out to lawmakers.

Communications Team. Advocacy attended weekly meetings with ABA's Communications team.

2nd Quarter FY2023

ABA Outreach Summation. In the second quarter, Advocacy had 26 actions, which include email to lawmakers, advocacy campaigns, legislator meetings, and submitting testimony at both the state and federal level. Nineteen of these actions focused around small business issues, seven focused on COVID-19, four focused on tax regulations, and one focused on antitrust.

LIG Partnership. Provided booksellers with regular updates and emails during the Open Enrollment period, offering information on ABA's health insurance partnership with LIG Solutions.

Antitrust. In March, Advocacy met with Klobuchar's office, who noted that the Senator plans to reintroduce this important antitrust bill in the current congressional session "when the timing is right." The American Innovation and Choice Online Act would protect competition by prohibiting gatekeeper platforms from preferencing their own products and services at the expense of smaller online businesses, or making businesses buy other services as a condition of getting good search ranking or placement on their platforms. The bill also provides government enforcers — including the Department of Justice (DOJ), Federal Trade Commission (FTC), and state attorneys general (AGs) — tools to deter violations and hold dominant platforms accountable when they cross the line into illegal

behavior. ABA still believes this bill is crucial to reign in the anticompetitive behavior of online platforms. Chipping away at Amazon's dominance at this stage must start with its marketplace. We believe this bill would ultimately help booksellers because it is another step toward leveling the playing field and punishing Amazon's anticompetitive behavior, which is crucial at this stage. Just as our successful sales tax fight was a step forward in removing Amazon's unfair advantage over independent retailers, this would be an even bigger step forward.

Credit Card Competition Act. In March, ABA sent an informational "blast" to every legislative director and chief of staff in support of the Credit Card Competition Act. Under the bipartisan Credit Card Competition Act of 2022 (S.4674/H.R.8874), a credit card would be required to have more than one network option to route financial data.

Key State Advocacy Efforts.

- **Arizona:** Wrote to the sponsor of Arizona SB 1433 in opposition to a bill that would hold an employer liable for damages of anywhere from \$1 million or more if they deny a religious exemption and require an employee to receive a COVID-19 vaccination. Also launched an advocacy campaign urging booksellers to write their state lawmakers in opposition to the bill. The bill passed the Senate Republican Caucus, but there has been no action on the bill since February 21.
- **Missouri, Nevada & Wyoming:** Launched an advocacy campaign urging Missouri, Nevada, and Wyoming booksellers to reach out to their federal legislators in support of the Credit Card Competition Act.
- **Maryland:** Submitted testimony in support of HB 936, which would authorize a credit against Maryland state income tax for small businesses with 50 or fewer employees, in regards to costs incurred for certain cybersecurity measures undertaken by the small business. The bill is still in the House.
- **Iowa:** Submitted testimony in opposition to Iowa HF 369, which would allow an employee to bring a civil claim against an employer in a court of competent jurisdiction for damages for injury, illness, or adverse effects resulting from a COVID-19 vaccine if the employer required the employee to receive the COVID-19 vaccine as a condition of employment. Also, wrote booksellers in Iowa and urged them to contact their lawmakers in opposition to Iowa HF 369. The bill has not moved out of the House Labor and Workforce Committee.

Outreach to New Lawmakers: In March, ABA's Advocacy division wrote an introductory letter to the new federal lawmakers and described some of the challenges facing independent bookstores.

White Paper. Advocacy is currently finishing off its third white paper, this one focusing on Amazon's destructive impact on the bookselling and publishing industry. The White Paper should be out by the end of April.

Coalition Building. Throughout the second quarter, ABA met regularly with two coalitions: The [Main Street Competition Coalition](#), a business coalition organized to push for reviving and enforcing the Robinson-Patman Act, and the [Merchants Payments Coalition](#), a coalition of retail merchants organized to push for lower card acceptance costs. MPC is focused on passing the Credit Card Competition Act, a bill that would enable merchants to choose between two unaffiliated networks over which to route credit cards. It would create competition for routing thus lower credit card fees. Advocacy attended weekly meetings with both coalitions, beginning in November 2022.

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