

The new FTC chairwoman is drawing criticism from Big Tech

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Lina Khan only recently took over as chairwoman of the Federal Trade Commission, yet her appointment is already drawing criticism from some of the biggest tech firms in the country.

Facebook and Amazon filed petitions asking that she recuse herself from any decisions related to their companies.

Before her role at the FTC, the 32-year-old was an associate professor of law at Columbia University. Before that, Khan worked as legal director at the Open Markets Institute, an antimonopoly organization in Washington, D.C. She also worked with a House antitrust committee, helping to author a report that accused Facebook, Amazon, Google, and Apple of abusing their dominance and calling for reforms. Khan originally came to prominence while a law student at Yale and published the article "Amazon's Antitrust Paradox." She advocated for redefining the meaning of "monopoly" in the high-tech world.

At Columbia, Khan focused her research on antitrust law and competition policy, focusing on digital platforms. Her work garnered support from the FTC and some other roles consulting politicians and experts. Most notable were Khan's interactions with Sens. Elizabeth Warren and Amy Klobuchar, who consulted Khan on antitrust conduct.

In the petition Facebook filed, the company highlighted a paper Khan wrote for the Columbia Law Review titled "The Separation of Platforms and Commerce." She claims that Big Tech companies have integrated their businesses across multiple platforms to the point they represent a dominant part of the digital economy.

While Democrats, notably Warren, have received Khan's views favorably, others have said her views are out of touch.

"Yes, the nature of technologies and markets can result in one firm enjoying large market share, sometimes persistently." writes Ryan Bourne, R. Evan Scharf Chair for the Public Understanding of Economics at Cato. "But this does not mean that the firm's dominant position will endure, nor that the firm's dominance is bad for consumers—either now or in the future."

Instead, Bourne believes that innovations on a free market level alongside changing product lines will play an integral part in allowing other competitors to breach the market and potentially upend Big Tech giants. However, Bourne also notes that predicting "future harms" is often an unwise and misleading practice. That is why, while he supports pushing back against anti-competitive behavior, he would push for less antitrust policy overusing lawsuits to break up corporations.

In comments made to the New York Times, Robert Bork Jr. (son of the late Supreme Court nominee and legal scholar, Judge Robert Bork), president of the Antitrust Education Project, a group that advocates for a traditional interpretation of antitrust law, said Khan is a "celebrity scholar recasting antitrust law into a tool to enable government to control capitalism."

Bork said Khan's criticism of the consumer welfare standard, the measure of competition based on whether prices for consumers rise, could be harmful to businesses and consumers.

"When standards are vague, and the law ambiguous, the Biden administration and its regulators will have the means to arbitrarily crack down on any business," he said.