

Nov 17, 2023

Hon. Lina M. Khan, Chair
Federal Trade Commission
600 Pennsylvania Avenue NW
Washington, D.C. 20580

Hon. Jonathan Kanter, Assistant Attorney General
Antitrust Division
U.S. Department of Justice
950 Pennsylvania Avenue NW
Washington, D.C. 20530

Dear Chair Khan and Assistant Attorney General Kanter:

We are encouraged by your ongoing efforts in enforcing antitrust law and reining in Big Tech. As you are aware, President Biden has made it a priority of his administration to [promote competition](#) and protect consumers from anti-competitive corporate behavior, and we appreciate the leadership each of you has demonstrated in this critical area. And more recently, President Biden announced his [Executive Order on Artificial Intelligence](#) (AI) which includes the explicit intention of promoting innovation and competition within the AI field.

We write to highlight an emerging concern about Big Tech companies acquiring stakes in the AI space. We encourage you to open investigations to determine if these acquisitions violate antitrust laws.

The Big Five tech giants, including Meta, Apple, Google, Microsoft, and Amazon, are focused on taking substantial ownership stakes in some, and in [rolling up other, AI firms](#), in order to consolidate their power, minimize the chance of being displaced by start-ups that deploy new technology, and seek dominance over this evolving and increasingly potent — technological domain.

Last month, Amazon announced that it would invest up to \$4 billion in Anthropic, a prominent generative AI start-up. Microsoft has reportedly invested \$13 billion in OpenAI, the company behind the prominent ChatGPT chatbot, which Microsoft is integrating with its [word processing, spreadsheet, search](#), and other products. Google —which is seeking to leverage its online dominance to advantage itself in the AI space, for instance by integrating its LLM Bard with its search engine — has also acquired [at least a 10% stake in Antropic](#).

We believe that the growing investment in AI may be more than just a strategic choice — it potentially serves as an attempt to evade antitrust scrutiny. Recent increased antitrust

accountability efforts, spearheaded by your offices, has made the mergers and acquisitions process [more challenging for Big Tech companies](#), prompting them to invest in minority stakes in AI startups as an alternative. This shift in behavior may be aimed at finding ways to profit off of AI startups instead of merging with them directly.

The draft new merger guidelines from the FTC and DOJ underscore the potential anti-competitive impacts of such deals: “When an acquisition involves partial ownership or minority interests, the agencies examine its impact on competition.”

These recent investments sit atop a foundation of Big Tech dominance in the AI space. The Big Five firms have been actively acquiring AI startups for decades, during eras of limited scrutiny, [and have rolled up 70 companies since 1989](#). Continuing this acquisition spree might have been their preferred means of achieving or maintaining dominance in the AI space — but for the heightened enforcement climate under your watch.

Apple stands out as the leading purchaser of AI startups, with [21 acquisitions since 2017](#), and 32 overall since 2010. Google follows closely with [21 AI startup acquisitions since 2010](#), emphasizing its commitment to making AI a [core of its services](#). Meta, with [18 AI startup acquisitions since 2010](#), is increasingly [relying on AI technologies](#) to target ads, curate user feeds, and remove unwanted content. Microsoft has acquired [17 AI startups since 2010](#) to make [Cortana and chatbots](#) sound more like real humans. And Amazon has acquired [10 AI startups since 2010](#), highlighting their interest in [enhancing its podcast features](#) with acquisitions like Snackable AI.

It is deeply troubling that such an important emerging field as AI development is already concentrated in just a few of the world’s very largest corporations. We respectfully urge you to continue leading on antitrust enforcement and carefully investigate concentration in the AI space — with particular attention to Big Tech’s more recent investments in the leading newer AI firms.

Thank you for your leadership and consideration of this important matter. We look forward to your response and future actions to address these critical concerns.

Sincerely,

Athena
Blue Future
Demand Progress Education Fund
Economic Security Project
Friends of the Earth
Institute for Local Self-Reliance
Main Street Alliance

MoveOn
National Employment Law Project
NextGen Competition
Oil Change International
Other 98%
P Street
Presente Action
Progress America
Revolving Door Project
RootsAction.org
Social Security Works
UltraViolet Action
United We Dream
X-Lab

