

December 4, 2023

Isabel Guzman  
Secretary of the U.S. Small Business Administration  
409 3rd St., SW  
Washington, DC 20416

Major L. Clark  
Deputy Chief Counsel for Advocacy  
U.S. Small Business Administration, Office of the Advocacy  
409 3rd St., SW  
Washington, DC 20416

Dear Secretary Guzman and Deputy Chief Clark,

We write to you to express concern about the U.S. Small Business Administration's (SBA) partnerships with monopolistic corporations in 2023, including Amazon, Google, Meta, and Visa during National Small Business Week (NSBW), and to urge the SBA not to partner with these corporations or other monopolists again in the future. We believe the SBA's decision to seek out sponsorships from these monopolists<sup>1</sup> runs directly contrary to President Biden's Executive Order On Promoting Competition, which called for a "whole-of-government" approach to monopolization and anti-competitive conduct.<sup>2</sup>

We urge the SBA to refrain in 2024 from partnering with corporations that have faced federal action from other agencies for their monopolistic business practices, particularly when those potentially illegal practices harm American small businesses. In partnering with these corporations, we believe the SBA is lending unwarranted legitimacy to these corporations and undermining the work of other agencies confronting anti-competitive practices that harm small businesses.

The Federal Trade Commission (FTC), along with 17 state attorneys general, are suing Amazon for alleged anti-competitive and unfair practices in their online marketplace.<sup>3</sup> The Department of Justice, along with 8 state attorneys general, is suing Google for monopolizing the digital advertising market.<sup>4</sup> The FTC previously sued Meta, alleging that its acquisition of virtual reality company Within constituted harm to competition and innovation.<sup>5</sup> Furthermore, Visa is one of the targets of the 2023 Credit Card Competition Act attempting to increase competition in credit card processing in order to create more choice for businesses.<sup>6</sup>

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<sup>1</sup><http://therevolvingdoorproject.org/wp-content/uploads/2023/11/SBA-Email-To-Potential-Cosponsors.pdf>

<sup>2</sup><https://www.whitehouse.gov/briefing-room/presidential-actions/2021/07/09/executive-order-on-promoting-competition-in-the-american-economy/>

<sup>3</sup>

<https://www.ftc.gov/news-events/news/press-releases/2023/09/ftc-sues-amazon-illegally-maintaining-monopoly-power>

<sup>4</sup> <https://www.justice.gov/opa/pr/justice-department-sues-google-monopolizing-digital-advertising-technologies>

<sup>5</sup> <https://www.ftc.gov/legal-library/browse/cases-proceedings/221-0040-metazuckerbergwithin-matter>

<sup>6</sup>

<https://www.durbin.senate.gov/newsroom/press-releases/key-unions-endorse-durbin-marshall-credit-card-competition-act#:~:text=Durbin%20and%20Marshall's%20Credit%20Card,by%20the%20Visa%20Mastercard%20duopoly.>

In the NSBW 2024 Co-Sponsorship Guide, the SBA highlighted what staff saw as an opportunity to “benefit from highly visible coverage” and “showcase [sponsor’s] commitment to small businesses.”<sup>7</sup> However, the numerous federal investigations and lawsuits against these corporations have revealed the negative impact of these monopolies on small businesses.

For instance, the FTC’s lawsuit against Amazon alleges many practices and policies that harm their third-party sellers, many of whom are small businesses.<sup>8</sup> Amazon is accused of “self-preferencing” by gathering data on products that consumers purchase, creating its own version of those products, and then listing its version above competitors in search results.<sup>9</sup> Furthermore, Amazon pressures third-party sellers into offering the lowest prices on Amazon’s own marketplace, rather than other sites, by removing its “Buy Box” from products that have discounted prices elsewhere. These practices severely limit the ability of both small business sellers and other marketplaces to compete in a genuinely free market.

On November 16, 2023, Small Business Rising, a group that represents hundreds of thousands of small businesses that have been negatively impacted by the corporations with whom you’ve sought partnerships for NSBW, sent a letter to your office with similar concerns. We do not believe it to be the purpose of the government, especially the SBA, to aid mega-corporations in public relations campaigns that obfuscate the true nature of their relationships to small businesses. These partnerships with monopolies contradict the mission of the SBA to “help Americans start, grow, and build resilient businesses.” We hope the Small Business Administration will demonstrate that it listens to the feedback of its constituents by partnering with small businesses, rather than monopolists, throughout its National Small Business Week 2024.

Signed,

Revolving Door Project

Athena Coalition

Accountable Tech

American Economic Liberties Project

Center for Popular Democracy

Demand Progress Education Fund

Good Jobs First

Institute for Local Self-Reliance

Jobs With Justice

Main Street Alliance

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<sup>7</sup> <http://therevolvingdoorproject.org/wp-content/uploads/2023/11/NSBW-Sponsorship-Guide-2024-1.pdf>

<sup>8</sup>

<https://www.ftc.gov/news-events/news/press-releases/2023/09/ftc-sues-amazon-illegally-maintaining-monopoly-power>

<sup>9</sup> <https://ilsr.org/fact-sheet-how-breaking-up-amazon-can-empower-small-business/>

Open Markets Institute

Public Citizen

The Tech Oversight Project

cc

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The Honorable Joni Ernst

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The Honorable Roger Williams

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