



**“A Second Gilded Age: How Concentrated Corporate Power
Undermines Shared Prosperity”
Chairman Don Beyer – Prepared Remarks
July 14, 2021**

This hearing will come to order. I would like to welcome everyone to today’s hearing focused on the economic impact of concentrated corporate power. I was encouraged to see President Biden’s signing of an Executive Order just last week taking action on this very issue.

I want to thank each of our distinguished witnesses for sharing their expertise today. We have a world-class panel, and I am excited to hear from them.

Competition Enables Shared Prosperity

Access to opportunity, open markets and fair competition are fundamental to advancing shared prosperity in our country.

Competition in markets leads to lower prices and higher quality goods and services, ensuring that consumers do not overpay for the products and services they rely on, whether a vital medication or broadband internet.

Workers also benefit when businesses compete for their labor. Competition for workers incentivizes firms to pay good wages or risk losing their workers to competitors, thereby serving as a counterbalance to rising corporate power and enabling workers to bargain for better working conditions.

And competitive markets allow everyday Americans to take a chance on an idea and start a business. Or maybe they innovate on a product and make it more affordable.

Research shows the possibility of new entrants into a market compels existing firms to continue investing in people and capital to stay ahead, which also elevates the United States as a leader in the global economy.

The problem

We are here today because corporate concentration imperils shared prosperity and exacerbates economic inequality.

Across industries—including health care, financial services, telecommunications, agriculture and more—we are seeing higher levels of concentration than there were three decades ago. Evidence shows this has led to weaker business investment, higher prices for consumers and lower wages for workers.

This consolidation of corporate power has allowed the wealthiest at the top to capture a larger share of the gains from economic growth: Amid record-breaking profits, corporations are paying less in taxes today than they did 30 years ago while reinvesting 10 cents less per dollar of profit. All of this has led to reduced productivity gains in concentrated industries and slower growth economy-wide.

This is a problem because consumers are bearing the burden. On average, we pay about twice as much for cellphone plans than some of our friends in other advanced economies with more providers. The same is true for broadband access. With more competition, hardworking Americans could save billions each year.

Our workers are also paying for this in the form of stagnant wages. Research shows, the median American household loses an estimated

\$5,000 each year through reduced wages and higher prices caused by a lack of competition.

The cause

How did we get here?

The explosion of mergers and acquisitions have played a key role in the consolidation of industries. Over the past 40 years, they have been allowed to proceed at an unprecedented pace, and the same holds for an array of anticompetitive practices by industry leaders.

This is due in part to our failed experiment with a more lax enforcement of antitrust laws and the under-funding of federal enforcement agencies.

During this time, our economy has lost half of its firms on a per capita basis. This has disproportionately impacted marginalized communities, where we've seen a disappearance of independent grocery stores, pharmacies and community banks.

The rise of non-compete agreements is also part of the story. At least 1 in 3 businesses require that workers sign non-compete agreements, which suppress workers' wages, hinder their ability to pursue better opportunities and contribute to persistent racial and gender disparities. About 1 in 5 workers without a college education is subject to these non-compete agreements.

Proposals to Make Progress

The good news is that there are steps that we as a country can take to reduce this concentration of corporate power. We'll hear more about these proposals from our expert panel today.

Additionally, there have been productive bipartisan conversations here on Capitol Hill about how to best tackle these challenges. Following a

bipartisan investigation that uncovered evidence of ample anti-competitive practices, the House Judiciary Committee recently approved six bipartisan bills to address business concentration and bolster competition on digital platforms.

In the Senate, my dear friend and colleague, Senator Klobuchar wrote an entire book about antitrust, the challenges we face and what we can do to make our economy more competitive.

Earlier this year, the Senator introduced the Competition and Antitrust Law Enforcement Reform Act. Among other things, this bill would give federal enforcers more resources to do their jobs and strengthen prohibitions on anticompetitive conduct. The Senator will tell us more about this and some of her other ideas shortly.

The Opportunity Before Us

We have an opportunity now to restore a competitive economy and advance shared prosperity.

President Biden's Executive Order advances a whole-of-government approach to promote fair competition, and it is now our turn to act here in Congress with bold and decisive action.

And this is why I look forward to the testimonies and insights of our witnesses today. Now, I would like to turn it over to Senator Lee—another leading voice in this space—for his opening statement.