

# A new bill could let the Senate retroactively block mergers

## Article

**The news:** Democrats are supporting a proposed antitrust bill that would prohibit acquisitions larger than **\$5 billion**, allow the Senate to block mergers that give companies market shares larger than 33%, and even retroactively prevent deals that resulted in a market share of 50% or more.

**More on this:** If passed, the **Prohibiting Anticompetitive Mergers Act** could reverse some of the largest media mergers of the last few years and significantly step up US antitrust efforts, which have struggled to achieve liftoff.

- Media consolidation has dramatically increased during the pandemic. In the last several months alone, several major acquisitions have been announced or completed that could face newfound scrutiny under the bill. **Microsoft's** historic **\$67.8 billion** acquisition of **Activision Blizzard**, **Amazon's** \$8.45 billion deal with **MGM**, **WarnerMedia's** merger with **Discovery**, and more could all be on the chopping block.
- Senators backing the bill like **Elizabeth Warren** (D-Mass.) highlighted M&A's effect on wages and unemployment, and cited support for the bill by numerous advocacy groups. But gridlock in the Senate could prevent the bill from passing, dealing another blow to the government's ability to block consolidation.
- Despite increased scrutiny of large mergers and Big Tech in the last year, the US government has been slow to take concrete action. Amazon's recent acquisition of MGM went through without a challenge from the FTC despite speculation that **Lina Khan's** appointment as chair would mean especially tough scrutiny for the tech giant.

Antitrust endeavors have borne more fruit in Europe, where **Meta** has been ordered to sell off **Giphy**, and Big Tech firms are facing repeated fines and investigations for anticompetitive action.

**The bigger picture:** Despite divisions in Washington, Democrats and Republicans are united on criticizing Big Tech and social media firms—though they're unlikely to meet in the middle on antitrust matters.

- Social media firms like **Twitter** and **Meta** have been targeted by politicians across the aisle, with Republicans claiming they censor conservative voices and Democrats criticizing their handling of misinformation.