January 12, 2026

Sharon Reilly, Executive Director
California Law Revision Commission
c/o Legislative Counsel Bureau
925 L Street, Suite 275
Sacramento, CA 95814

Re: Tentative Recommendation on Single Firm Conduct

Honorable Chairperson Simpson and Commissioners,

On behalf of the coalition of undersigned organizations, including consumer, labor, and small business advocates, we write to applaud the Commission on nearing the conclusion of its extensive study of California antitrust law. The Commission's study has produced eight working group memoranda informed by the expertise of over 40 academics and practitioners, both public and private. Over three years, the Commission's study has elicited over 110 letters from trade groups, businesses, advocacy organizations, and interested members of the public.

The Tentative Recommendation on Single Firm Conduct reflects the broad scope of that input, as condensed by capable staff at the direction of the Commission. We now encourage you to finally adopt the Tentative Recommendation as is, thereby passing the torch to the legislature for further consideration.

In particular, we applaud the Commission for arriving at a Tentative Recommendation that:

- Distinguishes California antitrust law from federal law, rejecting proposals that would have thwarted reform by importing federal jurisprudence that has fostered an environment of under-enforcement and exacerbated the costs of under-deterrence;
- Nevertheless draws on *existing* language and best practices under federal and state antitrust law, rather than creating a wholly new standard that would risk uncertainty for businesses and potentially chill growth and innovation;
- Recognizes the unique evidence of anticompetitive conduct by large digital platform companies in the technology industry, without creating an industry-specific approach to antitrust scrutiny;
- Recognizes that *unilateral* restraints of trade can occur where a single firm possesses market power comparable to multi-firm restraints of trade, reflecting a longstanding holding of the United States Supreme Court in *Copperweld v. Indep. Tube Corp.*, 467 U.S. 752 (1984);
- Expressly prohibits illegal *monopsony* power, reflecting the universal understanding that illegal concentrations of corporate power also harm wages, working conditions, and job mobility;
- Codifies the prevailing standard under federal and state antitrust law against "cross-market balancing," or the trading of anticompetitive harms in one market for theoretical benefits in a separate market, which otherwise threatens the administrability

of antitrust with boundless judicial discretion to grant “get out of jail free” cards to illegal monopolists;
- Preserves core limiting principles, like the substantial foreclosure test for prohibiting exclusive dealing, contrary to remarks of some commenters who have mistakenly represented that small firms without market power to unreasonably restrain trade might become targets of litigation; and
- Provides extensive judicial guidance to provide clarity to courts and enhance the reach of California antitrust law to stem conduct like predatory pricing and anticompetitive refusals to deal, which frequently appear across markets but have been rendered all-but-impossible to enforce against.

From the outset of its multi-year study, the Commission was charged with determining the best path forward for strengthening California’s antitrust law amid a historic affordability crisis, extraordinary wealth inequality within the nation’s richest state, and concentrations of power affecting healthcare, tech, food and agriculture, entertainment, consumer retail and various other industries. What emerges in the Tentative Recommendation is a thoughtful, balanced, and thorough approach to ensuring that the Cartwright Act is capable of addressing anticompetitive conduct as it occurs in 21st Century markets. The Commission has found broad consensus in support of this approach and for the notion that California antitrust law is “broader in range and deeper in scope than the Sherman Act.” *Cianci v. Superior Court,* 40 Cal.3d 903, 920 (1985).

Despite the consensus approach of the Commission, we acknowledge that there remain disagreements among those who have submitted comments to the Commission. Such disagreements are inevitable, have been heard repeatedly by the Commission, and need not delay the Commission’s final vote. We are nevertheless committed to good faith engagement with lawmakers and other stakeholders to resolve any remaining concerns over the legislative process.

Sincerely,

American Economic Liberties Project
California Nurses Association
California Association of Micro Enterprise Opportunity
CAMEO Network
Consumer Federation of California
Democracy Policy Network
Economic Security California Action
End Poverty in California
Institute for Local Self-Reliance
Public Good Law Center
Small Business Majority
Teamsters California
TechEquity Collaborative
United Domestic Workers, AFSCME Local 3930

United Food and Commercial Workers, Western States Council
Writers Guild of America West