

THE FTC'S CASE AGAINST AMAZON HAS SEVERAL ISSUES, HERE ARE JUST FIVE

- 1 Breaking Amazon Prime, a service millions of Americans use and enjoy, will result in higher prices for consumers and fewer digital services Americans have come to rely on.**

At a time when Americans are still struggling with rising prices, the FTC has chosen to pursue a case that will break Amazon Prime, harming consumers and ignoring the antitrust principles grounded in the consumer welfare standard. When an astounding 89% of American Prime members are satisfied with their membership, it begs the question of why the FTC is pursuing this action. This case is the latest example of the FTC's shift to abandon consumers—a well-documented destructive strategy.
- 2 This case places protecting competitors above a focus on consumer harm and overall competition—the opposite of the established regulatory framework.**

The U.S. has enjoyed a robust competitive tech industry that benefits consumers with lower prices due to an established regulatory framework that focuses on how companies' actions impact consumers—not competitors. Forcing Amazon to break up its Amazon Prime bundle to the benefit of big retailers, like Walmart and Target, not only limits the competition between companies but would result in consumers paying more.
- 3 The FTC case seeks to break Amazon's logistics and fulfillment services, breaking the marketplace for third party sellers.**

This case would break Amazon Prime's free two-day shipping and dismantle the company's logistics network. This network enables third-party sellers to sell in Amazon's store. Third-party sellers, most of whom are small and medium-sized businesses, are able to make Prime-eligible offers that meet customer's delivery expectations alongside large and established brands—a huge benefit for small businesses that the FTC is arguing should be forbidden.
- 4 This case repeats faulty pricing claims that will result in higher prices for customers.**

This case is reminiscent of the DC and California Attorney's General failed arguments against Amazon, which mischaracterized Amazon's pricing policies. The facts are: pricing policies help consumers get the lowest price and are common among major retailers, businesses of all sizes can employ a variety of sales channels to reach customers, and retailers compete for customers daily and directly through blended offline and online sales channels.
- 5 The FTC's case ignores the reality of modern-day commerce, especially in retail, where competition is robust and outcomes are better for consumers.**

Retailers are continually innovating to meet the evolving demands of customers. Digital tech is facilitating increased competition where physical stores increasingly adopt sophisticated digital practices, creating an omnichannel ecosystem that increases choices and options for all.