

## Amazon's Trillion-Dollar Question: Monopoly or Not?

By Christina Scully, J.D. Candidate 2021 | September 16, 2018

Last week Amazon became the second U.S. company in history to climb to one trillion dollars in market value. The feat underscores Amazon's continued [upward trajectory](#) as well as the sheer magnitude of its business. Nevertheless, this unprecedented growth might bring with it an increased risk of regulatory scrutiny.

The question of whether or not Amazon should fear antitrust claims is not a [new one](#). To date, the e-commerce and cloud computing giant has avoided such claims because its influence on market price and output have not negatively affected consumer welfare. While monopolistic companies use their dominance to inflate price, Amazon's prices are consistently lower than those of its competitors. Consequently, Amazon does not raise substantial red flags under current antitrust doctrine.

Some scholars are calling for an [alternative approach](#) to antitrust regulation that accounts for how technology companies are disrupting traditional economic principles. Just this week, the Federal Trade Commission began a series of public [hearings](#) on "Competition and Consumer Protection in the 21<sup>st</sup> Century." The hearings are part of the FTC's active evaluation of its policy agenda and heightened concern for these issues.

In a strategic move to minimize the potential for these hearings to affect its current mode of business, Amazon released [a memo](#) asserting that its core mission aligns with that of the FTC. It said, "Our corporate philosophy is firmly rooted in working backwards from what customers want and continuously innovating to provide them better service, more selection, and lower prices."

While a definitive conclusion may not be reached in the near-term, it is safe to say that as Amazon continues to grow beyond the trillion-dollar mark, it will also continue to garner attention from these regulators.

