

FAQs: Technology Platform 6(b) Study

1. What is a 6(b) study?

Section 6(b) of the FTC Act gives the FTC special authority and tools to conduct studies, separate from the agency's law enforcement authority. Under Section 6(b), the FTC can issue an order to require a company to file annual or special reports, in writing, to answer specific questions about various aspects of the company's business conduct.

2. Why is the FTC conducting this 6(b) study?

We plan to use the responses to our Special Orders to better understand acquisitions by certain technology companies. In particular, the study will help the FTC assess whether U.S. antitrust authorities are receiving adequate notice of transactions that might limit or eliminate competition. The Hart-Scott-Rodino (HSR) Antitrust Improvements Act requires premerger filings when the parties and the transaction meet certain size thresholds. The FTC will study whether large tech companies are making potentially anticompetitive acquisitions—including acquisitions of nascent or potential competitors—that fall below HSR filing thresholds.

3. How did the Commission select targets for this set of 6(b) Special Orders?

We selected five large technology platform companies. They have the largest market capitalizations in the United States, and each firm has made many acquisitions of smaller firms.

4. What do you expect to learn from the 6(b) orders?

We expect to learn more about how major technology companies structure their transactions when they acquire other businesses or otherwise gain influence or control, as well as the broader context for these transactions and the specific markets they affect. We also expect to learn more about transactions that are not currently being reported under the HSR rules, including whether these transactions might raise antitrust concerns worthy of antitrust investigations.

5. What is the anticipated outcome of this 6(b) study?

Typically, when the agency issues 6(b) Special Orders, the Commission later authorizes staff to issue a report summarizing the findings and, perhaps, offering recommendations for further action. With respect to this project, after staff and the Commission review the information obtained with these 6(b) Special Orders, they will decide whether further study, a report, or other action is warranted.

6. What is the relationship between a 6(b) study and law enforcement? Does the issuance of these 6(b) orders foreshadow possible law enforcement action, including efforts to unwind any of these firms' prior acquisitions?

This 6(b) study is a policy and research project. The study is not a law enforcement investigation and does not have a specific law enforcement purpose. However, as with all of our policy work, our learning is likely to inform our program of vigorous enforcement to promote competition and protect consumers. This particular study will deepen our understanding of acquisition activity in important technology markets, which should make our enforcement efforts more effective. If the Commission wanted to pursue any subsequent law enforcement investigations or actions, the Commission would need to authorize those separately.

7. Can you explain more precisely what type of information you're requiring the companies to provide? Is it information about how the deals were transacted, or about what the companies did with the assets afterwards?

The Special Orders will gather the following information from companies:

- A list of acquisitions over the past ten years that were not previously reported to the federal U.S. antitrust authorities;
- Documents concerning the rationale for these acquisitions;
- The structure of these transactions;
- Pre- and post-acquisition business plans;
- Information about what the company did with the acquired business or assets, including modification of products, services, or terms of service; and
- The tools and analyses used to evaluate potential acquisition targets.