



August 20, 2018

Via Electronic Submission:

Mr. Donald S. Clark
Federal Trade Commission
Office of the Secretary
600 Pennsylvania Avenue, NW
Washington, DC 20580

Re: Amazon's Comments on the Federal Trade Commission's Competition and Consumer Protection in the 21st Century Hearings (Project Number: P181201)

Dear Mr. Clark:

Amazon would like to thank the Federal Trade Commission (FTC) for holding these hearings on Competition and Consumer Protection in the 21st Century. We believe that these hearings have the opportunity to help ground the FTC's 21st century enforcement approach in key foundational principles.

Amazon's mission is to be Earth's most customer-centric company, and we believe our mission aligns with the FTC's mission of protecting consumers and promoting competition. 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. We apply this approach across all of our areas of business.

From our customer-centric vantage, we would like to offer four perspectives on the 21st century economy for the FTC's consideration during these hearings. First, the distinction between "physical" and "digital" is increasingly blurring, and now largely meaningless. What commenters refer to as the "digital economy" is best understood as a set of technologies (e.g. Internet, smartphones, cloud computing, machine learning, robotics, etc.) that is diffusing throughout the economy in industries as diverse as advertising, agriculture, automotive, manufacturing, and retail. Much like the Internet technology boom of the early 1990s diffused throughout the broader economy, we are on the cusp of a similar diffusion, where all industries are incorporating advanced algorithms, machine learning, and the Internet of Things into their day-to-day operations. Industries not thought of as technology leaders will reap huge benefits, as will society as a whole. For example, applying advanced technology and data analysis will help eliminate waste in agriculture and improve the efficiency and effectiveness of medical treatment. Thus, treating tech-enabled businesses or innovation leaders differently makes little sense, particularly as new technology proliferates across industry at greater speed.

Second, we encourage the FTC to emphasize precision. One-size-fits-all approaches to large, amorphous concepts like "big data," "artificial intelligence," and "platforms" are not, in and of themselves, instructive for antitrust and consumer protection enforcement. Enforcers must continue to dig into how markets work, the application and context of diverse data sets and technology tools like machine learning, the incentives for the different actors involved, and whether the specified behavior is harmful to consumers. The FTC has been a global leader in integrating economic analysis into its enforcement and advocacy missions. As business models evolve with these technological advances, this

integration becomes even more crucial to ensuring that consumers reap the benefits of such enforcement.

Third, the unique role of the FTC's policy advocacy mission is also increasingly important, as competition and dynamic innovation are affected as much by government regulation as they are by market forces. Building and using its expertise to advise policymakers on how to protect consumers in a way that also lets competition and innovation flourish is essential as global competition has never been fiercer.

Finally, we encourage the FTC to regularly assess its effectiveness with as much data, objective metrics, and expert feedback as realistically possible. The FTC itself should embrace the same data-centric approach and technological tools being adopted by the private sector to further its enforcement mission. The economic and technical capabilities of the FTC are increasingly important as the private sector increasingly incorporates sophisticated economic and technical concepts into day-to-day business operations.

In conclusion, the mission of the FTC is as important as ever, and it is heartening that the FTC chose to evaluate how it needs to adapt to a fast-changing world. We encourage the FTC's focus on expanding its technical capabilities, and we encourage the FTC to continue to integrate economic analysis and data science into its core enforcement missions. Adapting to innovation and changes in the economy is not new for the agency, as its century of existence has been defined by continuous technological innovation. We look forward to continued engagement with the FTC throughout this process.

Sincerely,



Brian Huseman
Vice President, Public Policy