



Press Release

Facebook, Market Definitions, and the Goldilocks Problem

PAULINA ENCK | AUGUST 25, 2021

The Federal Trade Commission (FTC) has refiled its antitrust complaint against Facebook, this time seeking to more clearly define the market it accuses the tech giant of dominating. Defining a market either too narrowly, as in the FTC's case against Facebook, or too broadly can ultimately harm consumers, writes Director of Technology and Innovation Policy Jennifer Huddleston in a new analysis. The newly proposed definition artificially constrains Facebook's competition, ignoring platforms such as TikTok and Reddit and risks unnecessarily intervening in a competitive and innovative market, contends Huddleston.

Huddleston concludes:

The FTC continues an aggressive approach to antitrust enforcement that seems to have lost its focus on consumers and their welfare in favor of achieving policy goals or “punishing” a disfavored industry with unclear evidence of harm. The dynamic nature of the technology industry makes it difficult to correctly define the market, but overly narrow definitions risk harming consumers through unnecessary interference. Congress should ensure that there remains sufficient oversight of the FTC and that its activist desires do not undermine its purpose as a consumer protection agency in favor of other policy goals.

[Read the analysis](#)