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Press Release

FTC to Use Robinson-Patman Act as an Antitrust Tool to Target Large Retailers

PAULINA ENCK | OCTOBER 11, 2022

The Federal Trade Commission (FTC) appears poised to renew enforcement of the Robinson-Patman Act (RPA) of 1936, which aims to protect competition by prohibiting price discrimination among large retailers. In a new primer, Director of Technology and Innovation Policy Jeffrey Westling explains what the RPA does, how a claim under this law might proceed against a large online retailer, and the potential effects of additional enforcement actions under the RPA.

Key points:

- The FTC has not brought a claim under the RPA in over 20 years, in accordance with its longstanding consumer welfare standard—the purpose of which is to protect the interests of consumers, not competitors.
- Under the RPA, the FTC can find that buyers of wholesale goods, such as online
 marketplaces Amazon and Walmart, are in violation of the law if they receive lower prices
 from sellers than other retailers.
- By using this law to protect competitors, the FTC would essentially force wholesalers to sell at higher prices to large firms, thus increasing prices for consumers.

Read the analysis