

New Hampshire

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Office of the Attorney General

News Release

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Attorney General Formella Sues Amazon for Illegally Maintaining Monopoly Power

Concord, N.H. - New Hampshire Attorney General John M. Formella announces that the New Hampshire Department of Justice, the Federal Trade Commission (FTC), and 16 other state attorneys general today sued Amazon.com, Inc. alleging the online retail and technology company is a monopolist that uses a set of interlocking anticompetitive and unfair strategies to illegally maintain its monopoly power. The complaint alleges Amazon's actions allow it to stop rivals and sellers from lowering prices, degrade quality for shoppers, overcharge sellers, stifle innovation, and prevent rivals from fairly competing against Amazon.

The complaint alleges that Amazon violates the law not because of the company's size, but because it engages in a course of exclusionary conduct that prevents current competitors from growing and new competitors from emerging. By stifling competition on price, product selection, and quality, and by preventing its current or future rivals from attracting a critical mass of shoppers and third-party sellers, Amazon ensures that no current or future rival can threaten its dominance. Amazon's far-reaching schemes impact hundreds of billions of dollars in retail sales every year, touch hundreds of thousands of products sold by businesses big and small and affect over a hundred million shoppers nationwide.

"We are suing Amazon on behalf of New Hampshire's consumers and small businesses alike. Amazon's ongoing pattern of illegal conduct takes advantage of shoppers and undermines small businesses throughout the Granite State," said Attorney General Formella. "We have seen Amazon illegally work to stifle competition online and use its monopoly power to force small businesses into paying enormous fees while inflating the prices they are charging consumers. Our aim is to help enhance New Hampshire entrepreneurship by working to restore a fair, open, and competitive online economy for all Granite Staters."

The complaint largely focuses on Amazon's anticompetitive conduct with third party "sellers", which are other small and large businesses who sell products on Amazon's platform. Many New Hampshire small businesses rely on Amazon to reach customers and to stay in business. However, sellers are charged costly fees, which when all combined, amount to close to 50% of their total revenues to Amazon. These

fees harm not only these businesses but also consumers, who pay increased prices for thousands of products sold on or off Amazon. These high fees are possible because of Amazon's anticompetitive tactics to illegally maintain its monopoly power. Some of these tactics are as follows:

- Policies that punish sellers and deter other online retailers from offering prices lower than Amazon, which keeps prices higher for products across the internet. For example, if Amazon discovers that a seller is offering lower-priced goods elsewhere, including a businesses' own website, Amazon can bury these sellers so far down in Amazon's search results that they become effectively invisible to consumers.
- Policies that condition sellers' ability to obtain "Prime" shipping eligibility for their products—a virtual necessity for doing business on Amazon—on sellers using Amazon's costly fulfillment service, which has made it substantially more expensive for sellers on Amazon to also offer their products on other platforms. This unlawful coercion has in turn limited competitors' ability to effectively compete against Amazon.

The States and the FTC are seeking a permanent injunction in federal court that would prohibit Amazon from engaging in its unlawful conduct and pry loose Amazon's monopolistic control to restore competition.

New Hampshire joins the FTC and 16 other states: Connecticut, Delaware, Maine, Maryland, Massachusetts, Michigan, Minnesota, New Jersey, New Mexico, Nevada, New York, Oklahoma, Oregon, Pennsylvania, Rhode Island, and Wisconsin.

[For the full complaint, click here.](#)

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