

Lina Khan, Chair, Federal Trade Commission

Noah Joshua Phillips, Commissioner

Rebecca Kelly Slaughter, Commissioner

Christine S. Wilson, Commissioner

Alvaro Bedoya, Commissioner

CC: Director Holly Vedova, FTC Bureau of Competition; Director Sam Levine, FTC Bureau of Consumer Protection

SENT VIA E-MAIL

Re: Stop Amazon's Purchase of iRobot

Dear Chair Khan and Commissioners,

The undersigned organizations strongly encourage the Federal Trade Commission (FTC) to use its authority to challenge Amazon's proposed acquisition of iRobot Corporation. The proposed deal poses a striking set of concerns related to consumer privacy and market competition. Allowing Amazon to absorb a competing smart home device business with access to incredibly detailed consumer data would endanger fair competition and open markets while also jeopardizing consumer privacy.

If consummated, the iRobot purchase would further weaken competition in the smart home device market and entrench Amazon's powerful market position in the wider structure of the digital economy. Amazon seeks to unduly expand its market power by eliminating a competitor through acquisition, rather than through organic growth. The company also aims to minimize fair competition by exploiting consumer data not accessible to other market participants.

Amazon already dominates the smart home device market. The Alexa operating system is the locus for an entire network of Amazon-owned internet connected home products including speakers, thermostats, appliances, wearables, video doorbells and a household robot similar to iRobot's Roomba. Internal Amazon documents estimate at least a quarter of U.S. households have at least one Alexa-powered device, according to media reports.

Amazon's business model largely relies on acquiring rivals, sometimes in adjacent markets, and then rapidly expanding through anti-competitive predatory pricing while leveraging vast troves of consumer data to grow its overall grip on the economy. For example, Amazon acquired smart doorbell maker Ring in 2018. At the time of the deal, Ring was already a popular seller of internet connected video doorbells. By 2021, Amazon Ring had crushed competing smart doorbell makers – selling as many units as its four closest competitors combined. Amazon's success relied on selling low price Ring doorbells through its almost ubiquitous e-commerce platform, aided by integration with the company's subscription program, Amazon Prime.

Amazon seeks to follow a similar path in buying iRobot. By purchasing an already popular smart home device, they will be able to extend the device's prevalence through anti-competitive pricing while using personal consumer data to further entrench their monopoly power in the digital economy. By selling the Roomba brand at or near a loss via the Prime subscription, the company can access more personal consumer data to buttress its anti-competitive advantages online. In short, the deal will further entrench Amazon's hold on the smart home technology ecosystem, eliminate competition in that sector and enhance the company's monopoly power.

There is no more private space than the home. Yet with this acquisition, Amazon stands to gain access to extremely intimate facts about our most private spaces that are not available through other means, or to other competitors. This information goes beyond home floor plans, and includes highly detailed information about the interior of consumer homes and lifestyle of the inhabitants. Giving Amazon access to this kind of private information through this acquisition hurts consumers.

Amazon uses data not only to further its anti-competitive goals as described in further detail above, but also to feed data-hungry algorithms that attempt to predict and shape the behavior of individual consumers. Far from being neutral pieces of computer code, these algorithms, when paired with Amazon's world-wide impact, exacerbate racist and gender-biased systems of oppression. The iRobot acquisition brings these risks into our homes, and once the data is collected there is no way to prevent its use for even more intrusive surveillance as well as other anti-competitive behaviors.

For years, civil rights groups have been sounding the alarm on the dangers that Amazon's network of smart home surveillance devices pose to Black and brown communities, specifically those stemming from the mass of data collected by these devices. As with Ring, this acquisition will lead to unanticipated harmful consequences, particularly in an environment where previously established privacy rights, such as the right to obtain an abortion, are eroding. Linking iRobot devices to the already intrusive Amazon home system incentivizes more data collection from more connected home devices, potentially including private details about our habits and our health that would endanger human rights and safety. In this case, even the foreseeable consequences are troubling at best and cause for this merger to be closely scrutinized. The Commission has wisely begun a rulemaking that could put an end to some of the most intrusive practices, and we look forward to engaging with that process as it goes forward.

Amazon's proposed acquisition of iRobot represents an urgent threat to consumer privacy and competition in the digital economy. We implore the FTC to challenge the acquisition on the strongest legal grounds it can muster, it is crucial that the agency push courts to recognize the changing nature of monopoly in the digital age.

Thank you for your attention to this matter.

Sincerely,

Public Citizen
Fight for the Future
Athena

Main Street Alliance
National Employment Law Project
Demand Progress Education Fund
Revolving Door Project
Demos
Liberation in a Generation
National Domestic Workers Alliance
Institute for Local Self-Reliance
Action Center on Race & the Economy
Surveillance Technology Oversight Project
Open Markets Institute
Color Of Change
Our Revolution
Electronic Frontier Foundation
Center on Privacy & Technology at Georgetown Law
Good Jobs First
Economic Security Project Action
NYCC
Jobs With Justice
Make The Road New York
American Economic Liberties Project
The Center for Popular Democracy Action
International Brotherhood of Teamsters