



Press Release

Primer: Pricing Algorithms and Antitrust

PAULINA ENCK | APRIL 23, 2024

On March 1, 2024, the Federal Trade Commission (FTC) published a blog warning competing firms that the use of a common algorithm to determine price may violate federal antitrust laws, regardless of business or industry. In a new primer, Competition Economics Analyst Fred Ashton walks through the FTC's arguments and explains what Congress and the courts are likely to consider when evaluating these practices.

Key points:

- The blog cited a Statement of Interest jointly filed with the Department of Justice that claimed pricing algorithms could facilitate collusion among competitors that enables them to charge supracompetitive prices.
- Such practices, according to the agencies, may violate Section 1 of the Sherman Act, which prohibits any contracts, combination, or conspiracy in restraint of trade or commerce.
- While courts have not yet ruled on the theory, several ongoing court cases involving alleged algorithmic price-fixing schemes could shape future antitrust enforcement and serve as a catalyst for newly proposed federal legislation.

[Read the analysis](#)