
Significant Antitrust Issues Posed by Procurement B2B Exchanges

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Over the past year, major market players in industries such as automotive, retail, aerospace and air travel have combined to form Internet-based exchanges for procuring parts and components. Because these so-called "B2B exchanges" may facilitate the concentration of massive buying-power and enable cooperation among major competitors, antitrust regulators in the United States and Europe have recently given significant attention to these arrangements.

On June 29 and 30, 2000, the Federal Trade Commission hosted a public workshop - Competition Policy in the World of B2B Marketplaces - at which both officials and industry representatives explored the antitrust implications of various B2B configurations. Transcripts and other materials from that workshop are available by clicking [here](#). The discussion continued at the American Bar Association Annual Meeting in London in July. Three primary areas of antitrust concerns arising from procurement B2B exchanges are:

- the inclusion in the exchange of too many purchasers, resulting in those purchasers exercising unacceptable buying-side market power;
- the exclusion from the exchange of some purchasers, where exclusion threatens their

competitive survival; and

- unnecessary sharing of price, output and/or cost information.

Hale and Dorr antitrust lawyers recently gave a presentation about the pertinent issues with respect to these concerns. Please see our [outline](#) of that presentation.

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