

Blake Adami

Vice President-Government Relations

September 13, 2021

The Honorable Veronica Escobar U.S. House of Representatives 1505 Longworth House Office Building Washington, DC 20515

Dear Representative Escobar:

On behalf of the National Association of Wholesaler-Distributors (NAW), we write with our strong support for H.R. 5217, the Federal Acquisition E-Commerce Fairness and Competition Act. H.R. 5217 will remedy a serious flaw in how the government is testing e-commerce platforms for departments and agencies to purchase products. This legislation will broaden competition and instill fairness benefitting American taxpayers and small businesses.

NAW is the "national voice of wholesale distribution," an association comprised of employers of all sizes, and national, regional, state and local line-of-trade associations spanning the \$6 trillion wholesale distribution industry that employs more than 5.6 million workers in the United States. Approximately 35,000 enterprises with places of business in all 50 states and the District of Columbia are affiliated with NAW. NAW members represent a wide and diverse source of products and services to federal agencies.

Section 846 of the FY 2018 National Defense Authorization Act (Public Law 115-91) requires the General Services Administration (GSA) to establish and manage a pilot program using e-commerce marketplace platforms to enable federal agencies to purchase commercial off-the-shelf (COTS) products. Congress directed GSA to include multiple commercial e-commerce portal providers in its pilot tests to validate their suitability as procurement vehicles, and not to focus only on a single marketplace model or single provider.

Now, almost 4 years since Section 846 was enacted, although GSA identified three credible e-commerce purchasing channels in its implementation plan, it is testing only one model, the Amazon e-marketplace platform. GSA's award to 3 e-marketplace vendors, the most prominent being Amazon Business, is contrary to Congressional direction. By designating a single winner, the Amazon e-marketplace model, GSA locks out competing solutions of small, medium and large businesses and insulates Amazon from competition.

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GSA embraces Amazon's domination and control of who can sell and what can be sold to the federal government. GSA failed to examine Amazon's exploitative conduct emphasized by recent House Judiciary Committee legislation addressing its conduct as a platform manager and supplier in consumer and commercial markets and its detrimental effect on competition, opportunity, quality and choice. In addressing Amazon's anticompetitive behavior in federal acquisition, H.R. 5217 prevents Amazon from being both a platform manager and supplier. Further, this legislation restores Congressional intent by requiring GSA to expand its pilot program by testing at least 3 commercial ecommerce portal models.

Your leadership is vital to a competitive and fair market that best serves the American citizen. Please call upon us if we can assist these efforts.

Sincerely,

Blake Adami

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