



Blake Adami

Vice President-Government Relations

January 18, 2022

TO THE MEMBERS OF THE SENATE COMMITTEE ON THE JUDICIARY:

On behalf of the National Association of Wholesaler-Distributors (NAW), I write to strongly urge you to support S.2992, the American Innovation and Choice Online Act. This bi-partisan bill addresses Amazon's pervasive abuse and control in the e-commerce market. It is imperative that the Judiciary Committee move expeditiously to enact meaningful remedies addressing Amazon's abuses, its conflicts of interest and poor service to third-party sellers. Otherwise, competition and innovation will continue to be suppressed to the detriment of consumers and small- and medium-sized businesses. S.2992 demonstrates there is momentum on both sides of the aisle in Congress to address the abusive and anti-competitive tactics of monopolistic corporations like Amazon.

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 5.7 million workers in the United States. Approximately 35,000 enterprises, providing Business to Business (B2B) products and services in all 50 states and the District of Columbia, are affiliated with NAW.

Amazon's exploitative conduct in B2B commerce mirrors the playbook it has executed in the Business-to-Consumer (B2C) marketplace. Unchecked, Amazon's dominance threatens to cripple the highly competitive B2B system in the United States. Wholesaler-distributors – most of them small and medium size businesses – will quite literally be driven out of existence, leaving customers with fewer alternatives and higher prices.

Amazon drives customers away from independent third-party sellers to Amazon Business through a series of anticompetitive practices. Our members' concerns about Amazon include:

- Collecting massive amounts of competitively sensitive data from third-party sellers, including product information and transaction data around prices, terms and customer identities. Amazon uses this competitive intel to launch its own competing private label products to undercut NAW members.
- Abusing its dominant position and access to competitive data to steer customers through promotion, advertising, or other preferential treatment to Amazon Business' own private-label products over the products offered by third-party sellers.
- Manipulating its search algorithms to steer customers towards Amazon Business' own products and products that earn Amazon higher profits.

NATIONAL ASSOCIATION OF WHOLESALER-DISTRIBUTORS

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Amazon's conduct harms third-party sellers and the American consumer. Current laws fail in protecting competitive markets from Amazon's exclusionary and unfair practices in the B2C industry. With Amazon now executing its anticompetitive playbook in the B2B industry, it is vital that the Judiciary Committee restore competition in both B2B and B2C e-commerce markets with effective remedies and meaningful limits on Amazon's conduct. Small businesses that depend upon Amazon for access to their markets, including many of our members, fear retribution by Amazon if they speak up. They are relying upon the Committee to curb Amazon's e-commerce monopoly.

Sincerely,

A handwritten signature in black ink, appearing to read "Blake Adami". The signature is fluid and cursive, with the first name being more prominent.

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