



Blake Adami

Vice President-Government Relations

February 23, 2021

The Honorable David N. Cicilline
Chairman
Judiciary Subcommittee on Antitrust,
Commercial and Administrative Law
House of Representatives
Washington, DC 20515

The Honorable Ken Buck
Ranking Member
Judiciary Subcommittee on Antitrust,
Commercial and Administrative Law
House of Representatives
Washington, DC 20515

Dear Chairman Cicilline and Ranking Member Buck:

On behalf of the National Association of Wholesaler-Distributors (NAW), we write to commend your initiative to reform the antitrust laws to curtail ongoing abuse and harm to consumers and small businesses. As the Subcommittee commences its hearings this week, NAW urges that Amazon's monopolistic mistreatment of its third-party sellers be at the forefront of these reforms.

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 \$5.7 trillion wholesale distribution industry that employs more than 5.6 million workers in the United States – in the middle of the current pandemic. Approximately 35,000 enterprises with places of business in all 50 states and the District of Columbia are affiliated with NAW.

Amazon's Business to Business (B2B) marketplace is rigged. Just as in the Business to Consumer (B2C) market, it plays "both sides" of B2B by selling its own products in direct competition against third-party sellers who sell on Amazon's B2B marketplace. Its dominance and actions threaten to cripple the highly competitive B2B system. Wholesaler-distributors – most of them small and medium size businesses – will be driven out of existence. The Subcommittee's October 2020 Majority Staff Report emphasizes Amazon's anticompetitive conduct:

- **Misuse of third-party seller data** - Amazon collects 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 third-party sellers.
- **Leverages its Marketing Position** - Using the third-party supplier data it appropriates, Amazon's promotion, advertising, or other marketing efforts direct preferential treatment to its private-label products over the products offered by third-party sellers.

NATIONAL ASSOCIATION OF WHOLESALER-DISTRIBUTORS

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- **Manipulates Search Elements** - Amazon's search algorithms steer customers toward Amazon's own private-label products or to those third-party supplier products that provide a higher profit to Amazon.

Current laws do not adequately protect the B2B or B2C markets from Amazon's exclusionary and unfair practices. It is vital that the Subcommittee move to restore competition in both B2B and B2C. Small businesses that depend upon Amazon for access to markets, including many NAW members, fear retribution by Amazon if they speak up. They are relying upon you and your Subcommittee colleagues to curb Amazon's stranglehold on this vital industry.

Please call upon NAW if we can assist the Subcommittee with its investigation.

Sincerely,



Blake Adami
Vice President-Government Relations

cc: Members of the Subcommittee on Antitrust, Commercial and Administrative Law, U.S. House of Representatives