



March 6, 2020

The Honorable Edward J. Markey
United States Senate
255 Dirksen Senate Office Building
Washington, DC 20510

Dear Senator Markey,

Thank you for your letter dated March 4, 2020 regarding our policies and practices on price gouging related to coronavirus. There is no place for price gouging on Amazon, and we will not tolerate attempts by bad actors to artificially raise prices on basic need products during a global health crisis. It is unconscionable.

Third-party sellers set their own prices for the products they sell in our stores. In the vast majority of cases, they offer our customers great products at competitive prices. Our long-standing Marketplace Fair Pricing Policy¹ strictly prohibits excessive prices on products and shipping. We are proactively monitoring our store for unfair prices, and we are aggressively enforcing this policy in order to protect our customers. We have removed hundreds of thousands of high-priced offers on in-demand supplies from our stores. We have also removed millions of products that make unsupported claims about coronavirus. We have suspended thousands of accounts of sellers who have engaged in price gouging. And we have begun working with several state attorneys general to prosecute the worst offenders. We will continue to assist all efforts to combat abuse in our store.

The answers to your specific questions are as follows:

1. How does Amazon determine whether coronavirus-based price gouging is occurring on its platform?

Amazon leverages a number of automated and manual methods to detect potential price gouging in our store. Our selling partners submit billions of price changes every week and our automated tools scan them on an ongoing basis. We continuously compare the prices submitted by our selling partners with current and historic prices within and outside of the Amazon store. We apply price thresholds and machine learning models to determine whether those prices are fair for our customers.

We have also instituted additional manual audits of products in our stores due to the increased risk of price gouging from unscrupulous sellers seeking to evade our automated systems and take advantage of customers. Our team uses keyword-based searches to monitor our store and remove unfairly priced offers. If through any of these methods we identify a price that violates our policy, we remove the offer and take action against the sellers, including suspending or

¹ Full policy:

[https://sellercentral.amazon.com/gp/help/external/G5TUVJKZHUVMN77V?language=en_US&ref=efph_G5TUVJKZHUVMN77V cont 521](https://sellercentral.amazon.com/gp/help/external/G5TUVJKZHUVMN77V?language=en_US&ref=efph_G5TUVJKZHUVMN77V_cont_521)

terminating sellers' accounts and referring them to enforcement agencies for prosecution under relevant laws.

2. At what level is an item considered unfairly priced?

As explained in more detail above, when assessing whether a product is fairly priced, we compare the prices submitted by our selling partners with current and historic prices within and outside of the Amazon store.

3. How many price-gouging warnings has Amazon issued to sellers seeking to capitalize on the coronavirus? How many listings has Amazon removed or suspended?

We do not tolerate price gouging in our store – therefore, we do not issue warnings, but instead take immediate action by removing offers or blocking seller accounts. Amazon has removed more than 530,000 offers from our store for coronavirus-based price gouging. We have suspended more than 2,500 seller accounts in our U.S. store alone for violating our price gouging policies. We have issued proactive reminders of our fair pricing policy to all of our selling partners. We are actively working with state attorneys general to prosecute bad actors.

4. What additional resources is Amazon devoting to ensuring that coronavirus-based price gouging is not occurring on its platform?

In order to enforce our long-standing policy against price gouging, our automated systems are running continuously to locate and remove unfairly priced items. In addition, we have deployed an additional dedicated team that is working 24 hours a day, seven days a week to search for, investigate, and remove offers for unfairly priced products in high demand because of coronavirus, such as protective masks and hand sanitizers.

Thank you for your sharing your concerns with us.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Huseman". The signature is fluid and cursive, with the first name "Brian" and last name "Huseman" clearly distinguishable.

Brian Huseman
Vice President, Public Policy