



**Blake Adami**

*Vice President-Government Relations*

July 20, 2021

The Honorable Lina M. Khan  
Chair  
Federal Trade Commission  
600 Pennsylvania Avenue, NW  
Washington, DC 20580

Dear Chair Khan:

On behalf of the National Association of Wholesaler-Distributors (NAW), we congratulate you on your confirmation and appointment as Chair of the Federal Trade Commission. Your appointment arrives at a pivotal time. The current digital platform environment is crippling the small and medium business e-commerce market. I write to urge scrutiny and action addressing Amazon Business' mistreatment of third-party sellers, many of which are NAW members.

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 employing 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.

The Commission's investigation of Amazon's conduct addresses several areas, including the Business to Consumer (B2C) market. Paramount to NAW and its members is Amazon's exploitative conduct in Business-to-Business (B2B) commerce. Amazon Business' anticompetitive tactics replicate those it pursues to dominate the B2C market. Like its B2C business, Amazon plays "both sides" of B2B by selling its own products in direct competition against third-party sellers who use Amazon's B2B marketplace.

Amazon's platform control gives it access to third-party seller proprietary data. The information provides detailed insight to how the seller competes in the market. The products presented for sale, pricing, descriptions, regulatory responsibilities, buyer identities and their geographic areas are among the core information every business protects from disclosure. Amazon's dominance leaves the third-party seller with no choice but to accede to it accessing the data. NAW members' hard experience is that Amazon appropriates such information to pursue its own product lines and interests.

President Biden's July 9, 2021 Executive Order *Promoting Competition in the American Economy* recognizes the unfairness - the dominant Internet platform gathers information which it exploits to the detriment of the third-party seller. The [Fact Sheet](#) accompanying the Executive Order notes that it encourages the FTC to establish rules barring unfair methods of competition on internet marketplaces:

**NATIONAL ASSOCIATION OF WHOLESALER-DISTRIBUTORS**

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*Big Tech platforms unfairly competing with small businesses: The large platforms' power gives them unfair opportunities to get a leg up on the small businesses that rely on them to reach customers. For example, companies that run [dominant online retail marketplaces](#) can see how small businesses' products sell and then use the data to launch their own competing products. Because they run the platform, they can also display their own copycat products more prominently than the small businesses' products.*

Amazon's conduct harms third-party sellers and consumers across both the consumer and business markets. Wholesaler-distributors – most of them small and medium size businesses – will literally be driven out of business, leaving customers with fewer alternatives and less choice.

We at NAW commend this initiative to promote competition and innovation by small and large firms throughout e-commerce. Please call upon us if we can assist the Commission.

Sincerely,



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