



**Blake Adami**

*Vice President-Government Relations*

July 20, 2021

The Honorable Robin Carnahan  
Administrator  
General Services Administration  
1800 F Street, NW  
Washington, DC 20006

Dear Administrator Carnahan:

On behalf of the National Association of Wholesaler-Distributors (NAW), we congratulate you on your confirmation and appointment as Administrator of the General Services Administration (GSA). GSA's important mission, and the dedicated individuals who carry out its responsibilities, are vital to effective and efficient government.

We write to ask that you review GSA's implementation of Section 846 of the National Defense Authorization Act (NDAA) for Fiscal Year 2018, the e-commerce marketplace platform program. Unless revised to provide meaningful opportunity to all suppliers, GSA's decision would deliver an unfair and outsized advantage solely to Amazon Business and would operate to the detriment of federal purchasers. This "sole award" is contrary to the legislative intent as it denies third-party suppliers a fair opportunity to compete for federal government business.

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 2018 NDAA requires 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 pilot tests to validate their appropriateness as procurement vehicles, not to focus only on a single marketplace model or a single provider.

Although GSA identified three credible e-commerce purchasing channels, its June 2020 award tests only one model, the Amazon e-marketplace platform. GSA's award to 3 vendors, the most prominent being Amazon Business, ignores explicit Congressional direction to test several e-commerce platforms. By choosing a single winner, the Amazon e-marketplace mode, GSA has locked out the competing solutions of small, medium and large businesses.

**NATIONAL ASSOCIATION OF WHOLESALER-DISTRIBUTORS**

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Throughout Congressional consideration and GSA's implementation of Section 846, NAW has urged that a comprehensive pilot program examining several e-commerce platform models be pursued. We have stressed the unfairness of how the dominant Internet platform, Amazon, gathers information and exploits it to the detriment of purchasers and third-party sellers. We have emphasized the supply chain risks, particularly with regard to IT and healthcare supplies, as well as counterfeit product, associated with the Amazon platform.

President Biden's July 9, 2021, Executive Order *Promoting Competition in the American Economy* profiles the federal government's promotion of competition and innovation by firms small and large. It states that federal agencies must pursue competition through their procurement processes. The Executive Order references the unfairness of the dominant online retailer marketplaces and the Administration's commitment to address it.

In particular, the [Fact Sheet](#) accompanying the Executive Order describes Amazon's anticompetitive conduct, "... 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." This is the very conduct that will be perpetuated under GSA's sole award.

In June, the House Judiciary Committee reported legislation confronting Amazon's exploitative conduct in Business-to-Business (B2B) commerce, specifically its role as both a platform manager and supplier and the detrimental effect on competition, opportunity and quality. The Committee's October 2020 Staff Report presents with clarity Amazon's access to, and use to its own benefit of, third-party supplier transactional data, its inability to effectively manage counterfeit and gray market products and the severe deficiencies and lack of accountability throughout its supply chain.

NAW urges your scrutiny of Section 846's implementation. GSA should not designate Amazon as the gatekeeper and by doing so reduce competition for the federal customer and foreclose access to the federal market. GSA should change course so alternative e-commerce models have meaningful opportunity to compete.

Please call upon us if we can assist in any way.

Sincerely,



Blake Adami  
Vice President-Government Relations