

# prime on Our Dime

HOW AMAZON SPENT MILLIONS to GAIN  
POWER and INFLUENCE in LOCAL COMMUNITIES



July 2018



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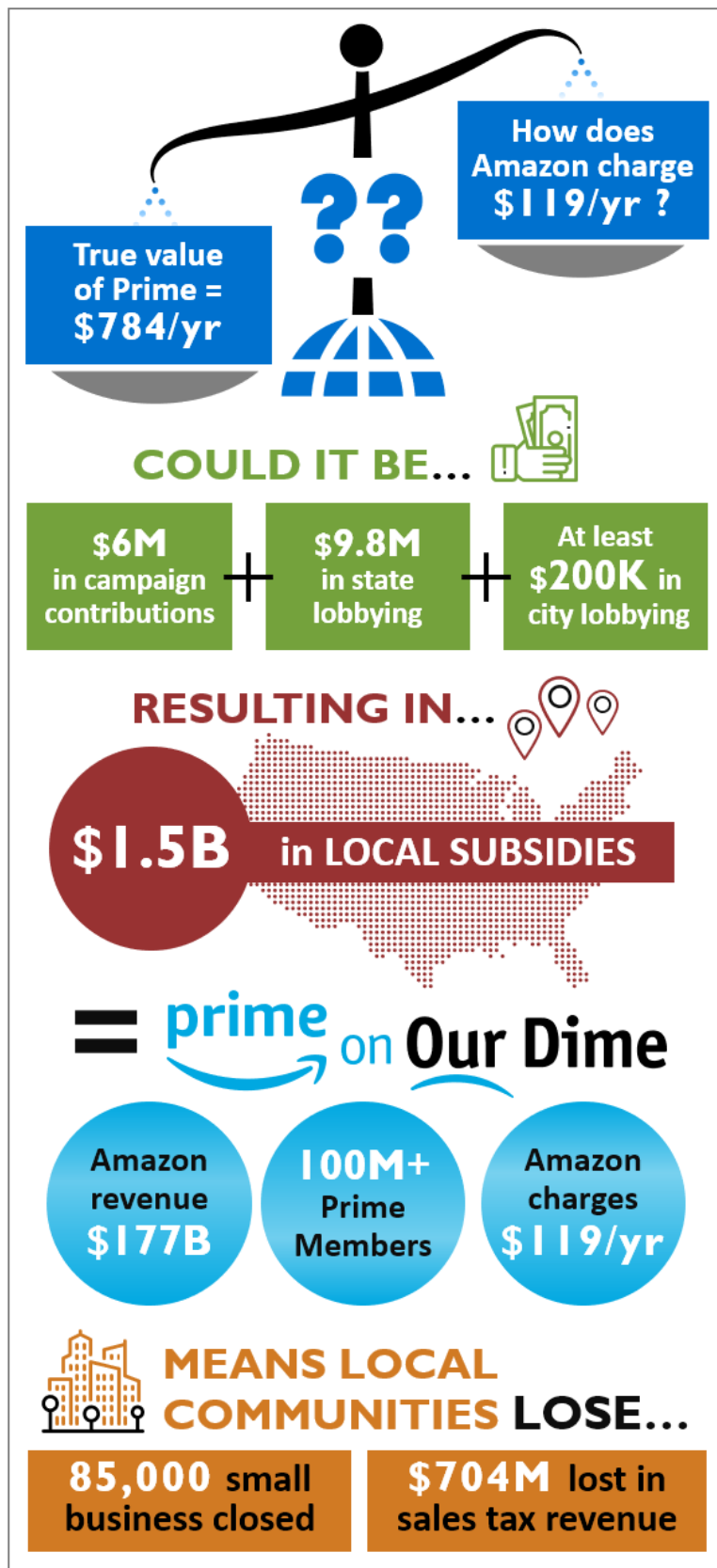
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# EXECUTIVE SUMMARY

In just over two decades, Amazon has grown from a small online bookseller to a global goods and services company, generating more than [\\$177 billion](#) in revenue last year. The flagship of Amazon's consumer-facing offerings is Amazon Prime, a [\\$119-per-year](#) subscription program that provides shipping discounts and other perks to more than [100 million](#) paying members. But while the cost of Prime is touted as a major deal, promoted each year with additional savings during Prime Day, the true value of the program – estimated to be [\\$784](#) per year per customer – raises a critical question: how is it that Amazon can essentially lose money on Prime when such a gap between value and cost would bankrupt any other company?

The answer: Because Amazon is pocketing billions of dollars in subsidies and tax incentives, the by-product of the company's strategic investment in state- and city-level lobbying and campaign contributions. Amazon has received over [\\$1.5 billion in state and local taxpayer subsidies since 2000](#) despite the fact that Amazon is now the [third-richest](#) company in the world. And even with the tech giant receiving massive amounts of corporate welfare, Amazon still pays its employees an average wage of less than [\\$29,000](#).

In fact, Amazon's most original innovation to date might be its brand-new model of quietly procuring reams of corporate welfare through subsidies, unbeknownst to taxpayers – call it Crony Capitalism 2.0.



Amazon's lobbying operation on Capitol Hill has been [well-documented](#), but the untold story of the tech giant's strong-arm tactics at the state and local levels shows that the company is engaged in an all-out blitz to take advantage of taxpayers, small businesses and communities around the country. Following the numbers, this report from the Free & Fair Markets Initiative uncovers how Amazon has built a vast lobbying apparatus that helped it gain unprecedented access to state and local public officials, shape the very laws it would have to follow and earn endless sweetheart deals and subsidies.

What emerges is a more complete picture of a company that is merciless in its efforts to persuade, influence and bend the rules so it can crush competition and dominate local economies. Based on a review of state campaign finance and lobbying databases and the National Center for Money in State Politics' Follow The Money database, Amazon made over [\\$6 million](#) in campaign contributions and spent at least [\\$9.8 million](#) on state lobbying from 2000 to 2017.

The true amount of Amazon's state and local political spending during that time is likely far greater, because the above figures do not reflect Amazon's lobbying spending at the municipal and local levels. In 2017 alone, Amazon disclosed nearly [\\$200,000](#) in lobbying expenditures in just two cities, New York and Chicago. According to [company reports](#), Amazon spent nearly \$14 million overall on non-federal "government relations efforts" over a five year period from 2013 to 2017.

Meanwhile, Amazon has scored its own Prime Deal in the form of hundreds of government contracts and massive tax breaks, which have cost communities [\\$704 million](#) in lost sales tax revenue and directly resulted in a loss of [85,000](#) small retail businesses in the US.

These numbers also squarely debunk Amazon's hollow claim that it is a champion of small business, most recently propagated in the company's first-ever [Small Business Impact Report](#). Released only after Congress began to [scrutinize](#) Amazon's impact on small businesses across the nation, the Small Business Impact Report aimed to show that Amazon is good for local communities and small businesses. For example, Amazon says one million small businesses are third party sellers on its e-commerce platform, but it fails to clearly define what they count as a small business. Amazon's internal, unverified accounting also omits one central point: as the tech giant has raked in \$1.5 billion in subsidies over the last two decades and spread its tentacles into local communities, the number of new small businesses being created each year has [plummeted](#).

Amid a long-overdue and urgent conversation about how tech companies like Amazon and Facebook are stockpiling consumer data and failing to protect it, this comprehensive report from the Free & Fair Markets Initiative focuses on how Amazon siphoned money from taxpayers in local communities – funds that could be used to improve schools, roads and healthcare systems – in order to build its enormous consumer base in the first place. It paints a grim picture of corporate entitlement run amok for years on end, carried out by a company that is robbing taxpayers and decimating local economies.

# INTRODUCTION

When Amazon Prime launched in 2005, it was a solely members-only club for expedited shipping in the U.S. But over the years, Prime has evolved into something of an all-inclusive benefits program. In 2011, Amazon added access to more than 5,000 ad-free movies and television shows. Three years later, Prime Pantry was born, enabling members to order groceries and household products. Then came Prime Music, Prime Photos, Prime Reading and Prime Wardrobe. The full value to members of the Prime bundle is estimated to be \$784 per year, \$665 more than what they pay.

These numbers do not add up, at least until the \$1.5 billion Amazon has received in taxpayer subsidies enters the equation. Amazon Prime would likely not exist in its current form without an ever-flowing stream of corporate welfare from almost every corner of the country, yet scores of Americans whose hard-earned money ends up in Amazon's coffers cannot participate in Prime Day because they are not members.

Prime is often billed as a win-win for consumers and an opportunity for small businesses to [compete next to](#) the biggest household brands. This could not be further from the truth, as the tech giant's secretive algorithms increasingly [display its own products](#) and those of companies that pay for its services, limiting choice for users and making it nearly impossible for small businesses to compete. Adding insult to injury, small retailers selling on Amazon's platform have complained for a long time that the tech giant uses data about sale trends to [manipulate prices](#). Many small retailers are also finding themselves shut out from participating in Prime Day, as Amazon charges [new fees](#) for the ability to offer deals to shoppers.



Amazon's business tactics deserve a much closer look, which entails following the trail of money between Amazon and state and local governments. Amazon's spending on state and city lobbying provides important context given that Amazon has amassed \$1.5 billion and counting in taxpayer subsidies.



Figure 47: Unpacking the Value of Amazon Prime

Amazon Prime Component	Select Competitive Offerings		Estimated Prime Value		Change in Value from 2017
	Service	Price	Annual	Monthly	
1 Prime Delivery: 2-Day, Same & 1-Day Free Shipping	ShopRunner	\$79/year			
	Shipt	\$99/year, \$14/month			
	Google Express	No membership; shipping times vary & potential mark-ups	\$125	\$10.42	↑
	Walmart	No membership; ~2M items available for 2-day shipping			
2 Prime Now	Postmates Unlimited	\$83.99/year, \$9.99/month	\$180	\$14.99	↑
	Instacart Express	\$149/year, \$14.99/month			
3 Prime Video	Netflix	\$7.99-\$13.99/month			
	Hulu	\$7.99/month (ads), \$11.99/month (no ads)	\$120	\$9.99	↑
	HBO Now	\$14.99/month			
	Showtime	\$10.99/month (non-Prime members)			
4 Prime Music	Spotify Premium	\$9.99/month			
	Apple Music	\$9.99/month			
	Tidal	\$9.99/month, \$19.99/month (High Fidelity)	\$60	\$4.99	↓
	Google Play Music	\$9.99/month			
	Pandora Premium	\$9.99/month			
	Amazon Music Unlimited	\$9.99/month (non-Prime members)			
5 Prime Photos	iCloud	Free up to 5GB; \$0.99/month for 50GB, \$2.99/month for 200GB, \$9.99/month for 2TB			
	Google Photos	Free unlimited compressed photos (16MP) & videos (1080p)			
	Google Drive	Free up to 15GB; \$1.99/month or \$19.99/year for 100GB, \$9.99/month or \$99.99/year for 1TB, \$19.99/month for 2 TB	\$24	\$1.99	↔
	Amazon Drive	Free up to 5GB; \$11.99/year for 100 GB, \$59.99/year for 1TB			
	Dropbox	Free up to 2GB; Plus for 1TB \$9.99/month or \$99/year			
	Flickr	Free up to 1000GB; Pro \$5.99/month or \$49.99/year			
6 Kindle Owners' Lending Library, Amazon First Reads, Prime Reading	Kindle Unlimited	\$9.99/month	\$108	\$8.99	↔
	Scribd	\$8.99/month			
7 Audible Channels for Prime	Audible Channels	\$4.95/month	\$59	\$4.95	↔
	Audible Gold	\$14.95/month, \$149.50/year			
8 Twitch Prime	Twitch Turbo	\$8.99/month	\$108	\$8.99	↑
	Twitch Channel Subscription	\$4.99/month			
Estimated Value of Prime			\$784	\$65	

Source: JPMe & company websites. Notes: 1) Red numbers indicate the estimated value driver; 2) Select Prime benefits are limited to members in certain geographies (e.g., Same & 1-Day Free Shipping is currently available in 8k cities/towns, Prime Now is available in ~32 US cities, WFM delivery through Prime Now is available in ~10 cities, & Amazon Key In-Home & In-Car delivery is available in 37 cities & surrounding areas).

Source: JP Morgan

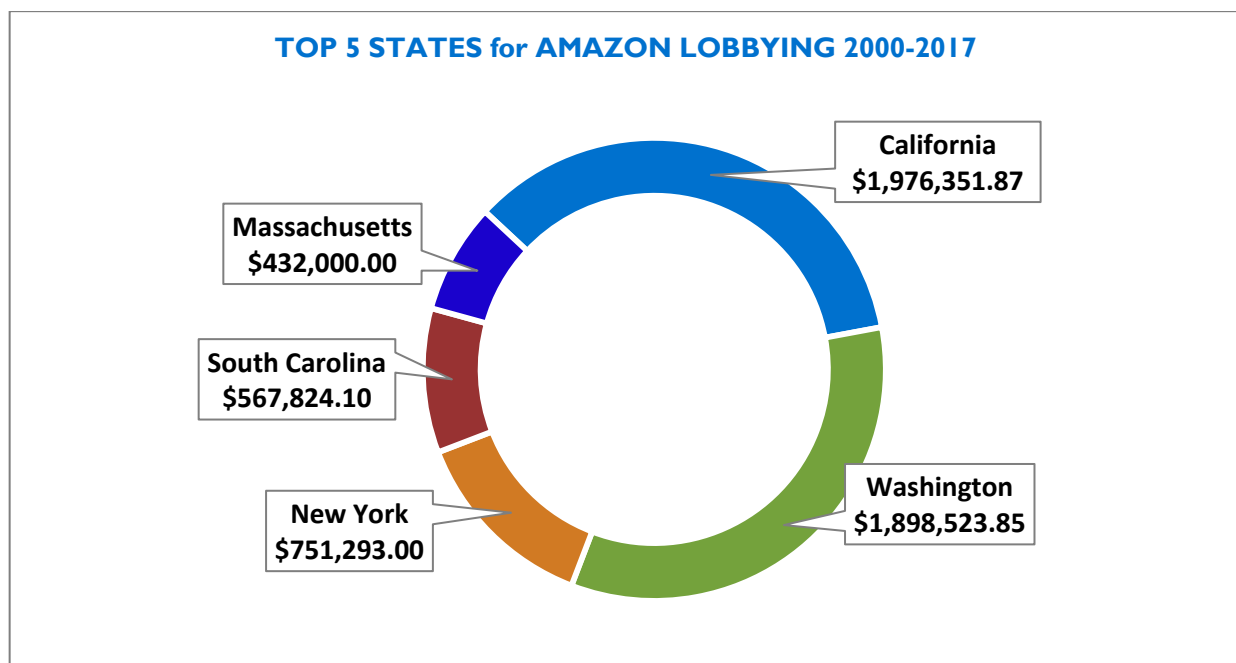
# STATE LOBBYING

Since 2013, Amazon has ramped up its spending on federal lobbying by more than [400 percent](#), an increase that decidedly outdoes its rivals. [Amazon lobbied](#) more government entities than any other tech company and spent more money than everyone except Google.

The company has also ramped up its state and local lobbying efforts in recent years, spending an extra \$1 million on state and municipal lobbying last year than in 2016. According to company reports, it spent approximately [\\$3.0 million](#) in [2013](#), \$2.4 million in [2014](#), \$2.4 million in [2015](#), \$2.5 million in [2016](#) and \$3.6 million in [2017](#) on non-federal “government relations efforts,” a five year total of nearly \$14 million.

During 2017, Amazon spent at least \$2 million on state level lobbying, according to a review of lobbying disclosure databases in all 50 states and Washington DC.<sup>1</sup> According to our research from publicly available data, Washington state has been the top target of Amazon’s lobbying expenditures: it has spent \$679,214.76 this year alone. Other states in which Amazon implemented significant lobbying campaigns in 2017 include California (\$351,755.52), New York (\$190,273.00), Oregon (\$103,026.60) and New Jersey (\$89,897.84).

Since Amazon has begun its lobbying efforts, the top five state governments the company has lobbied include:



<sup>1</sup> Lobbying disclosure requirements vary by state. As a result, the total identified from a review of lobbying data does not match up with Amazon’s reported spending on non-federal lobbying.



A full state-by-state list of lobbying spending and campaign contributions is below. Also noted are the bills and issues on which Amazon lobbied:

### AMAZON 2000-2017 STATE LOBBYING PRESENCE

State	Lobbyists (2017)	Total Spent (including expenditures)	Bills / Issues Lobbied (2000-2017)	Campaign Contributions
<b>ALABAMA</b>	Fine Geddie & Associates LLC	—	—	\$141.60
<b>ALASKA</b>	—	—	—	—
<b>ARIZONA</b>	In-house: Braden Cox, Sally Kay and Megan Schrader Outside: Isaacson & Walsh, P.C.	\$2,509.87 (Expenditures)	—	—
<b>ARKANSAS</b>	—	—	—	—
<b>CALIFORNIA</b>	Pinnacle Advocacy LLC Gonzalez, Quintana, Hunter & Cruz LLC Charles Halnan	\$1,976,351.87 \$1,691.95 (Expenditures)	Bills: AB 22; AB 1461; AB 375; ACR 127; SB 254; SB 313; SB 327; SB 347 Issues: privacy, delivery and payments	\$4,4747,700 (LLC Contribution) \$4,000 (PAC Contribution)
<b>COLORADO</b>	Sally Kay Margaret-Mary S. O'Keefe	\$94,000.00	SB 213: Autonomous vehicles	\$37.00
<b>CONNECTICUT</b>	Reynolds Strategy Group LLC <ul style="list-style-type: none"> <li>• Kevin Reynolds</li> <li>• Brenda Sisco</li> </ul>	\$196,269.83 \$510 (Expenditures)	Issues: businesses, consumer affairs, taxation	—
<b>DELAWARE</b>	Kimberly B. Gomes Rebecca Byrd Robert L. Byrd	\$406.84	Bills: HB 281; HS1 for HB 275; HB 180; SB 79; SB 13; SB 15; HB 25	None to state candidates; Several to federal candidates from Delaware
<b>DISTRICT OF COLUMBIA</b>	—	—	—	—
<b>FLORIDA</b>	Amazon Corporate LLC <ul style="list-style-type: none"> <li>• Brian Moore</li> <li>• John Stephenson</li> </ul> Ballard Partners <ul style="list-style-type: none"> <li>• Brian D. Ballard</li> <li>• Carol Bracy</li> <li>• Mathew Forrest</li> </ul>	\$1,280,000	Bills: HB 337; SB 870; CS/HB 1027; CS/SB 832; CS/HB 265; SB 104; HB 5301; HB1213 Issues: IT modernization, alternative energy sources, technology applications	\$9,248.48



## AMAZON 2000-2017 STATE LOBBYING PRESENCE

State	Lobbyists (2017)	Total Spent (including expenditures)	Bills / Issues Lobbied (2000-2017)	Campaign Contributions
<b>GEORGIA</b>	In-house: Jacob Oster Outside: Thompson Victory Group <ul style="list-style-type: none"> <li>Owen Graham Thompson</li> </ul>	—	—	\$3,000
<b>HAWAII</b>	—	—	—	—
<b>IDAHO</b>	Risch Pisca PLLC <ul style="list-style-type: none"> <li>Emily Patchin</li> <li>Jeremy Pisca</li> <li>Tyler Mallard</li> </ul>	\$744.33 (Expenditures)	Bills: SB 1168; SB 1146; HB 212; HB 264; SB 1142a; HB 332; HB 310; HB 291; HB 274a; HB 273; HB 256; HB 255; HB 233; HB 230; SB 1067; HB 127; HB 56; HB 28; HB 95; HB 147; HB 153; HB 160; HB 174; HB 201; SB 1058a; SB 1068; SB 1081; SB 1090; SB 1106; SB 1109; HB 211; HB 51	\$1,000 (Since 1992)
<b>ILLINOIS</b>	In-house: LeAaron Foley and Lisa Kohn Outside: Lawrence J. Suffredin, Jr. and Thomas M. Suffredin (Jay Curtis Consulting LLC)	\$471.82 (Expenditures)	Retail	—
<b>INDIANA</b>	Bose Public Affairs Group LLC	\$73,809.50 \$2,937.91 (Expenditures)	Issues: commerce, consumer issues, economic development, local government, taxation, information technology, internet sales, cellular therapy, adoption records, student information access	—
<b>IOWA</b>	inSight Communications <ul style="list-style-type: none"> <li>Christopher Rants</li> </ul>	\$87,500 \$30 (Reimbursements)	Bills: HF 48; HJR 1; HSB 88; HSB 107; SF 274; SSB 1047	—
<b>KANSAS</b>	Matthew Hickam	—	—	\$1,750
<b>KENTUCKY</b>	John P. Cooper Richie Sanders Russ Woodward	\$309,179.98 \$5,393.47 (Expenditures)	—	\$4,000

## AMAZON 2000-2017 STATE LOBBYING PRESENCE

State	Lobbyists (2017)	Total Spent (including expenditures)	Bills / Issues Lobbied (2000-2017)	Campaign Contributions
<b>LOUISIANA</b>	Larry L. Murray	\$299,988.00 or less (for legislative and executive lobbying)	Issues: business, private/commercial enterprises	\$500 (Since 2003)
<b>MAINE</b>	—	—	—	—
<b>MARYLAND</b>	Frank Boston III	\$180,000	Issues: selling, shipping	—
<b>MASSACHUSETTS</b>	Kearney Donovan & McGee PC	\$432,000 \$327 (Expenditures)	Issues: online retail  Bills: HB 1544; HB 1829; HB 3666; SB 1348; SB 1945; HB 1548; HB 1897; SB 95; SB 1349; HB 126; HB 1822; HB 2742; SB 991; SB 1938; HB 124; HB 1549; HB 1985; SB 885; SB 1608; HB 142; HB 253; HB 1042; HB 2928; SB 96; SB 304; SB 840; SB 1017; SB 2053; HB 200; HB 447; HB 2879; SB 269; SB 704; SB 1053; HB 156	—
<b>MICHIGAN</b>	Braden Cox	\$103,830.00	—	—
<b>MINNESOTA</b>	John A. Knapp Thomas J. Hanson	\$292,587.00	Issues: business, retail, direct marketing, tax	—
<b>MISSISSIPPI</b>	—	—	—	—
<b>MISSOURI</b>	—	—	—	—
<b>MONTANA</b>	—	—	—	—
<b>NEBRASKA</b>	Bruning Law Group	\$57,000.00 \$1,228.55 (Expenditures)	Bills: LB 44; LB 175; LB 512 (amendment AM 724)	—
<b>NEVADA</b>	Chelsea Capurro Tia Dietz John Griffin Josh Griffin Mathew Griffin Sally Kay	\$9,984.79 (Expenditures)	—	\$50,567.00 (Since 2011)
<b>NEW HAMPSHIRE</b>	—	—	—	—

## AMAZON 2000-2017 STATE LOBBYING PRESENCE

State	Lobbyists (2017)	Total Spent (including expenditures)	Bills / Issues Lobbied (2000-2017)	Campaign Contributions
<b>NEW JERSEY</b>	Eileen Kean Aladar G. Komjathy Colin Newman	\$163,566.84	Bills: A311; S439; A2450; S1837; A1272 & S794	—
<b>NEW MEXICO</b>	—	—	—	—
<b>NEW YORK</b>	Yoswein New York, Inc.  Amazon.com  The Vandervort Group LLC  Whiteman Osterman & Hanna LLP	\$751,293.00 \$4,708 (Expenditures)	Bills: S2008/A3008; S2009/A3009; A724; A6930/S2125; A7024; A7167/S5601; A7232/S1104; S2306/A3955; A7915; A7997; A8097; A8155a/S5857a; A8475/S6508a; S5994; S6044/A1895a; S6166/A724a; S3984a/A6355a; S6452/A8156; S3018/A2819; S1121/A1713; A8629/S3654; S8641/S2360; A8672/S6886A; A8679/S6888; A8695/S6923A; A8709/S6890; A8756/S6933; S6878; S6880; S6889; S6891; A8782/S6912; S6913; S6914; EO162	\$3,500
<b>NORTH CAROLINA</b>	Harrison J. Kaplan D. Bowen Heath Kerri A. Burke Angel Sams Lisa D. Martin Theresa Kostrzewa	\$237,250.00 \$218.19 (Expenditures)	Issues: government, taxation, financing, revenue, budget, appropriations, bids, fees, funds, state, manufacturing, distribution, services, licenses, permits, retail, banking, finance, credit and investments, communications, newspaper, television, radio, computers and information technology, education, utilities, power, cable television, gas, labor, salaries and wages, collective bargaining	—

## AMAZON 2000-2017 STATE LOBBYING PRESENCE

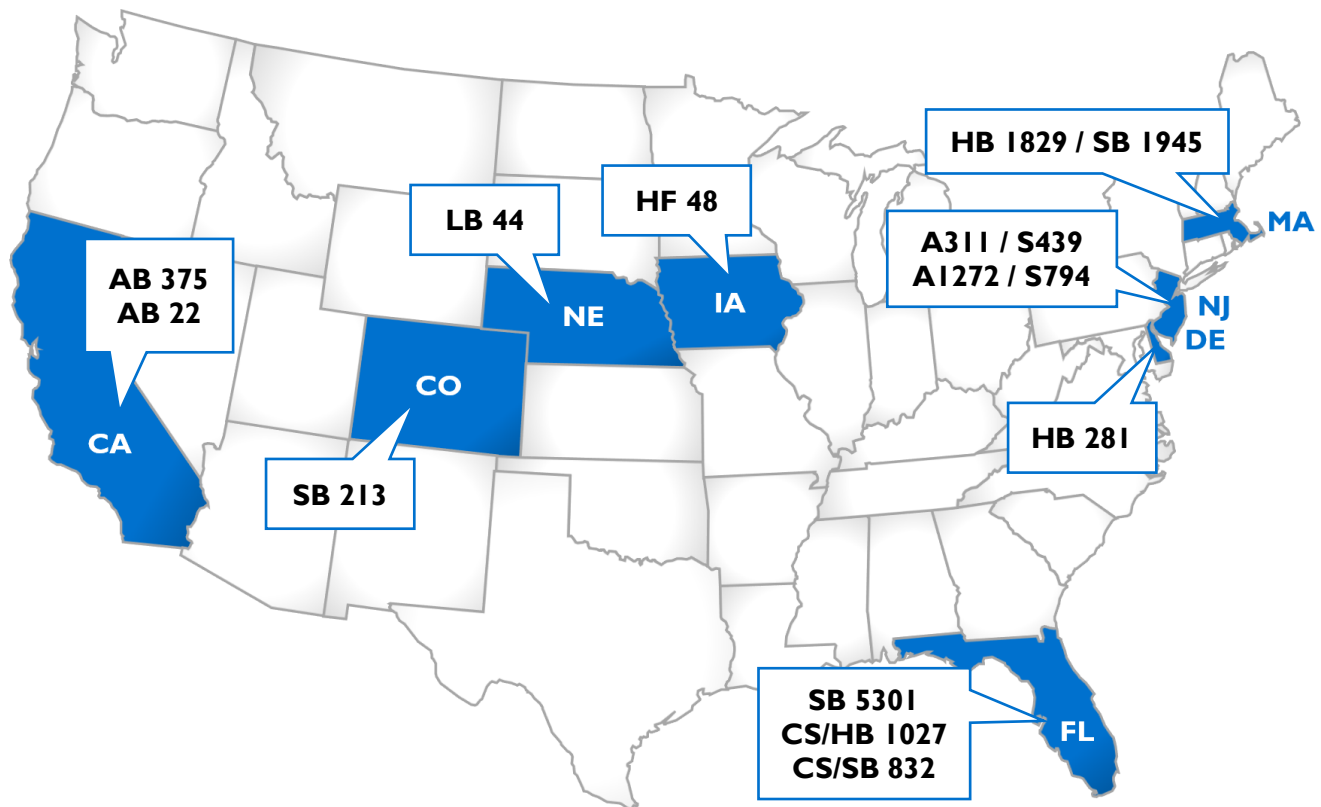
State	Lobbyists (2017)	Total Spent (including expenditures)	Bills / Issues Lobbied (2000-2017)	Campaign Contributions
<b>NORTH DAKOTA</b>	Joel W. Gilbertson Levi Andrist	—	—	—
<b>OHIO</b>	Robert N. Eshenbaugh, Jr. Kurt L. Leib Daniel P. Leite Courtney Saunders John Stephenson	\$180.30 (Expenditures)	Bills: HB 3; HB 49; HB 60; HB 114; HB 170; HB193; HB337; HB519; HB550; HB604; HB620/SB293; SB184; SB188; SB220; SB238; SB250  Issues: renewable energy	\$5,282.16
<b>OKLAHOMA</b>	Ryan Kilpatrick Otie Ann Fried Spencer W. Guinn Tammie Kilpatrick Bryan Fried Zachary Lee	\$16,933.3 (Expenditures)	—	—
<b>OREGON</b>	—	\$385,663.89	—	\$192,500
<b>PENNSYLVANIA</b>	Duane Morris Government Strategies LLC <ul style="list-style-type: none"> <li>• Ron Boston</li> <li>• Stacy Gromlich</li> <li>• Ashley Henry Shook</li> <li>• Patricia MacKavage</li> </ul>	\$371,089 \$685 (Expenditures)	—	\$15,000
<b>RHODE ISLAND</b>	Melissa Smith, Victor Bonett and Robert Goldberg	\$621.14 (Expenditures)	—	—
<b>SOUTH CAROLINA</b>	Richard F. Davis Annie W. Wilson	\$567,824.10 \$57,609.79 (Expenditures)	Issues: Retail and IT	—
<b>SOUTH DAKOTA</b>	—	—	—	—
<b>TENNESSEE</b>	Bill R. Phillips Anna Durham Windrow Ryan Swindell Baylor Bone Swindell	At least \$260,000 (Expenditures)	—	\$23,500 (Since 2016)

## AMAZON 2000-2017 STATE LOBBYING PRESENCE

State	Lobbyists (2017)	Total Spent (including expenditures)	Bills / Issues Lobbied (2000-2017)	Campaign Contributions
<b>TEXAS</b>	Nicole Jefferson Megan Schrader John Stephenson Raymond C. Sullivan	\$410,002 \$58,176.95 (Expenditures)	—	\$5,000
<b>UTAH</b>	—	—	—	—
<b>VERMONT</b>	—	—	—	\$52
<b>VIRGINIA</b>	Alicia Cundiff Jeff Gregson Nicole Jefferson L. Clifford Schroeder Meade Spotts John Stephenson	\$152,322.64	—	\$79,796.00
<b>WASHINGTON</b>	Alliances Northwest Eileen Sullivan Megan Schrader	\$1,898,523.85	Issues: business, commercial development, environment, internet, insurance, finance, retail, tax and transportation	\$902,944.94
<b>WEST VIRGINIA</b>	—	—	—	—
<b>WISCONSIN</b>	—	\$12,500	—	—
<b>WYOMING</b>	—	—	—	—

Lobbyists representing Amazon have focused their efforts primarily on matters relating to business, online retail, taxes, autonomous vehicles (drones and driverless cars), privacy, consumer affairs and the internet. (Some states do not require lobbyists to disclose the bills on which they lobby while other states require lobbyists to disclose the information but do not include it in their online databases.)

Examples of recent bills Amazon has lobbied on include:



- **CALIFORNIA:** Amazon lobbied on AB 375 which would grant someone the right to request businesses to disclose what personal information it collects about them and give them the opportunity to request deletion. It would also grant the right to opt out of information collection, at the same time allowing businesses to offer financial incentives for the collection of information.

It also lobbied on AB 22 which would allow state and local governments to store permanent and nonpermanent records using cloud computing storage services, potentially permitting Amazon to bid on contracts for government records storage via its cloud-based subsidiary Amazon Web Services, Inc. No records were found indicating whether Amazon supported or opposed the bills.

- **COLORADO:** Amazon lobbied on SB 213, which would prohibit municipalities from setting different standards for automated driving systems than those for systems with human drivers. The company said it was monitoring the bill.
- **DELAWARE:** Amazon lobbied on HB 281, which would provide \$37.2 million in grants-in-aid for government agencies and other third-party organizations, state appropriations bills, and would require companies to safeguard personal information and amend the state's unclaimed property law. No records were found indicating whether Amazon supported or opposed the bill.
- **FLORIDA:** Amazon lobbied on SB 5301, which would create the Florida Cybersecurity Task Force.

It also lobbied on CS/HB 1027; CS/SB 832 which would authorize operation of personal delivery devices within a county or municipality under certain circumstances; exempting personal delivery devices from certain registration and insurance requirements; creating the "Unmanned Aircraft Systems Act," etc. No records were found indicating whether Amazon supported or opposed the bill.

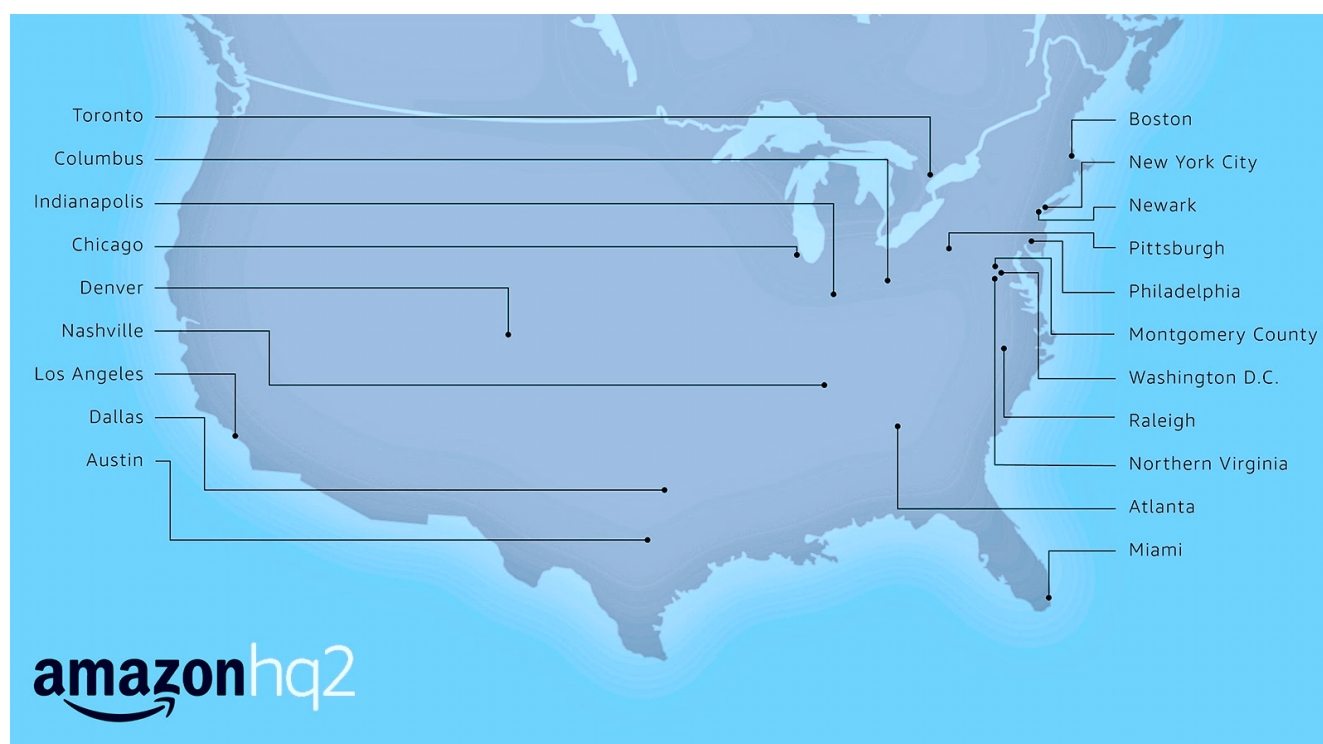
- **IOWA:** Amazon lobbied on HF 48, which would deal with issues surrounding the collection of student data by the Iowa Department of Education, school districts and accredited nonpublic schools. Amazon maintained an undecided position on the bill.
- **MASSACHUSETTS:** Amazon lobbied on HB 1829/SB 1945, which would promote the safe integration of autonomous vehicles into the transportation system of Massachusetts. Amazon maintained a neutral position on the bill.
- **NEBRASKA:** Amazon lobbied on LB 44, the Adopt the Remote Seller Sales Tax Collection Act, which would impose a sales tax on remote sellers having no physical presence in Nebraska. The company maintained a neutral position on the bill.
- **NEW JERSEY:** Amazon lobbied on A311/S439 which would requires disclosure of breach of security of online account.

It also lobbied on A1272/S794, for the Student Online Personal Protection Act. Amazon opposed the bills.



# CITY LOBBYING

In its search for a home for its second headquarters, often called HQ2, Amazon put out a Request for Proposals from cities throughout North America in September 2017. More than 200 cities in Canada, the US and Mexico submitted bids. Then Amazon narrowed down its search to 20 finalists, including 19 American locations and Toronto. This section focuses on Amazon's lobbying efforts in those 19 American cities and regions since the time of the proposal announcement to July 2018. The lobbying data is not reflective of efforts related to the HQ2 bid, but indicates the disbursements made in an effort to build relationships and maintain a presence in the cities it is considering for the second headquarters.



Source: Amazon

Of the 19 HQ2 finalists, Chicago and New York were the sites of the most lobbying expenditures by Amazon, which spent almost \$200,000 in these two metropolitan areas from 2017 to 2018. But this is an incomplete picture of Amazon's spending on city lobbying, as cities either do not require Amazon to disclose its total lobbying expenditures or do not report it.

In Chicago, one lobbyist alone, Jay Curtis, made \$64,800 from 2017 to 2018. Another well-compensated Amazon lobbyist, Lawrence Suffredin, serves on the Cook County Board of Commissioners, a post that could be argued poses [illegal conflicts of interest problems](#) in other states. But Amazon has exploited a legal [loophole in Illinois](#) that allows an individual to occupy public office and still lobby the government at the same time. Chicago has been an important city for Amazon. Jay Carney, the former Obama administration official who is now senior vice president of corporate affairs at Amazon, was in touch with Chicago's mayor Rahm Emanuel, former Chief of Staff under Obama, almost immediately after Amazon announced Chicago as a finalist.

Emanuel sent Carney an email ostensibly hoping to position Chicago as a favorite. When Carney wrote back, Emanuel [responded](#), ending the conversation with an apparent joke, saying, “*Whose (sic) your daddy?*” Emanuel and Carney are not the only ones with an Obama connection – lobbyist Jay Curtis worked on Obama’s reelection bid.

In New York, Amazon spent over \$110,000 in lobbying, through Braden Cox and Jamie Van Bramer. Van Bramer, who was responsible for lobbying city council members, the Comptroller, the Department of IT, the Manhattan Borough President, the Mayor’s Office and the NYPD on Amazon Web Services’ cloud services in New York City, raked in \$112,500, more than half of what Amazon spent in city lobbying altogether.

Amazon made political donations in two cities, Chicago and Los Angeles from 2017-2018. In Chicago, there was just one \$5,000 donation to the Chamber of Commerce from Amazon Fulfillment Services.

In Los Angeles there were eight donations in 2017 totaling just over \$3,110, with all except two, from various people within Amazon Studios. Amazon Studios gave \$2,710 to candidates for City Council primarily, with one donation for \$1,100 to a school board candidate and one \$500 donation to a mayoral candidate.

Jurisdiction	Registered Lobbyist(s)	Registration Date	Lobbying Compensation	Lobbying Expenditures	Issues Lobbied On/Targeted
<a href="#">ATLANTA, GA</a>	No records found	No records found	No records found	No records found	No records found
<a href="#">AUSTIN, TX</a>	John Stephenson Megan Schrader	JS: 3/9/17-1/3/18 MS: 8/29/17-Present	No records found	No expenditures greater than \$50	No records found
<a href="#">BOSTON, MA</a>	No records found	No records found	No records found	No records found	No records found
<a href="#">CHICAGO, IL</a>	Jay Curtis LeAaron Foley Lawrence Suffredin Thomas Suffredin	2017-2018 2017-2018 2017-2018 2017-2018	\$64,800 \$377.88 \$9,000 \$0.00	No records found	Client Goodwill, Informational Meeting, Amazon activity
<a href="#">COLUMBUS, OH</a>	Rob Eshenbaugh Kurt Leib	01/29/2018-Present 06/12/2018	No records found	No records found	Tech, Energy, Retail Unknown
<a href="#">DALLAS, TX</a>	Brian Moore	2017	No records found	No records found	No records found
<a href="#">DENVER, CO</a>	No records found	No records found	No records found	No records found	No records found

Jurisdiction	Registered Lobbyist(s)	Registration Date	Lobbying Compensation	Lobbying Expenditures	Issues Lobbied On/Targeted
<b>INDIANAPOLIS, IN</b>	No records found	No records found	No records found	No records found	No records found
<b><u>LOS ANGELES, CA</u></b>	Kindel Gagan	2018	No records found	No records found	Introductions to City Officials
<b>MIAMI, FL</b>	No records found	No records found	No records found	No records found	No records found
<b>MONTGOMERY COUNTY, MD</b>	No records found	No records found	No records found	No records found	No records found
<b>NASHVILLE, TN</b>	No records found	No records found	No records found	No records found	No records found
<b>NEWARK, NJ</b>	No records found	No records found	No records found	No records found	No records found
<b><u>NEW YORK, NY</u></b>	Braden Cox Jamie Van Bramer	2017-2018 2017-2018	\$1,461.66 \$112,500.00	\$0.00 \$5,501.00	IT Cloud Computing
<b>NORTHERN VIRGINIA, VA</b>	No records found	No records found	No records found	No records found	No records found
<b>PHILADELPHIA, PA</b>	No records found	No records found	No records found	No records found	No records found
<b>PITTSBURGH, PA</b>	No records found	No records found	No records found	No records found	No records found
<b>RALEIGH, NC</b>	No records found	No records found	No records found	No records found	No records found
<b>WASHINGTON, D.C.</b>	No records found	No records found	No records found	No records found	No records found

The following records comprise additional data of the cities that reported lobbying activities:

<b>AUSTIN, TEXAS</b>	<ul style="list-style-type: none"><li>☑ Amazon has had registered lobbyists in the city of Austin since at least March 2017.<ul style="list-style-type: none"><li>– John Stephenson and Megan Schrader have both filed to lobby in Austin on Amazon’s behalf. Stephenson terminated his registration on January 3<sup>rd</sup>, 2018.</li><li>– In their registrations, both lobbyists indicated they received \$0 in compensation from Amazon for work done in Austin.</li><li>– A review of records did not fully indicate how much the company spent on lobbying.</li></ul></li><li>☑ According to records, Amazon’s lobbyists have registered to lobby on issues relating only to the information technology industry.</li><li>☑ A review of Austin City Clerk records found no record of political contributions from Amazon or Amazon-affiliated PACs in 2017 or 2018.</li></ul>
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### AUSTIN: REGISTERED LOBBYISTS

Amazon has employed two lobbyists in Austin, according to records filed with the [City Clerk of Austin](#). Megan Schrader registered to lobby on October 29, 2017 and continues to be registered. John Stephenson registered on March 9, 2017 and terminated his registration on January 3<sup>rd</sup>, 2018.

#### AMAZON CORPORATE LLC LOBBYISTS 2017-2018

Lobbyists	Client	Registration Date	Active?	Year
<b>John Stephenson</b>	Amazon Corporate LLC	3/09/17	Terminated 01/03/2018	<a href="#">2017-18</a>
<b>Megan Schrader</b>	Amazon Corporate LLC	8/29/2017	Yes	<a href="#">2017-18</a>

Source: Austin City Clerk Lobbying Records accessed [7/2/18](#)

According to lobbying records, Amazon has spent a total of \$0 on lobbying in Austin. Both lobbyists recorded \$0 in compensation for lobbying work conducted in Austin and no lobbying expenditures greater than \$50.

### AUSTIN: CONTRIBUTIONS TO PACS

A review of committee reports filed with the [Austin City Clerk](#) showed that Amazon has not contributed to any PACs in the city of Austin in 2017 or 2018.

## CHICAGO, ILLINOIS

- ☑ A search of lobbying data filed with the city of Chicago returned four lobbyists currently retained by Amazon in Chicago: Jay Curtis, LeAaron Foley, Lawrence Suffredin, and Thomas Suffredin. Both Lawrence Suffredin and Thomas Suffredin are employees of the lobbying firm Taft Stettinius & Hollister LLP.
  - Lawrence Suffredin also serves part-time as a member of the Cook County Board of Commissioners.
- ☑ Filings show that Amazon compensated the lobbyists a total of \$74,177.88 in 2017 and 2018, including \$64,800 in compensation for Jay Curtis.
- ☑ Amazon contributed at least \$5,000 to PACs in Chicago in 2017 and 2018. This includes a \$5,000 donation to Chicagoland Chamber of Commerce PAC

## CHICAGO: REGISTERED LOBBYISTS

According to records filed with the [City of Chicago Lobbying Database](#), Amazon retains four lobbyists at the municipal level in Chicago. They are Jay Curtis, LeAaron Foley, Lawrence Suffredin and Thomas Suffredin. The four lobbyists were compensated at total of \$74,177.88 in 2017 and 2018. This included a \$64,800 compensation for Jay Curtis. Lawrence Suffredin and Thomas Suffredin are both employees of the firm Taft Stettinius & Hollister LLP. Lawrence Suffredin is also a member of the Cook County Board of Commissioners, an elected office, that poses no conflict of interest in Illinois state law.

### AMAZON LOBBYISTS CHICAGO 2017-2018

Lobbyists	Client	Date	Total Compensation 2017-18
Jay Curtis	Amazon.com	<a href="#">2017-2018</a>	\$64,800
LeAaron Foley	Amazon Corporate LLC	<a href="#">2017-2018</a>	\$377.88
Lawrence Suffredin	Amazon.com	<a href="#">2017-2018</a>	\$9,000
Thomas Suffredin	Amazon.com	<a href="#">2017-2018</a>	\$0*
TOTAL			\$74,177.88

Source: City of Chicago Data Portal – Lobbyist Data. Accessed [7/3/18](#).

\*NOTE: Thomas Suffredin failed to report his compensation for the period between 1/1/17 and 3/31/17. His compensation for other periods was \$0.

### AMAZON LOBBYING RECORDS CHICAGO 2017-18

Lobbyists	Action Sought	Department	Date Filed
Thomas Suffredin	Client Goodwill	City Council	4/3/17
	Client Goodwill	BACP*	4/3/17
Lawrence Suffredin	Informational Meeting	City Council	4/3/17
Jay Curtis	Client Goodwill	City Council	4/17/17
	Understanding of rules	BACP	4/17/17
Lawrence Suffredin	Inform City of Amazon Activity	Mayor's Office	7/10/17
	Inform City of Amazon Activity	Mayor's Office	7/10/17

## AMAZON LOBBYING RECORDS CHICAGO 2017-18

Lobbyists	Action Sought	Department	Date Filed
LeAaron Foley	Informational Meeting	City Council	7/10/17
	Support for Operational Issues	City Council	10/14/17
	Chicago Investments	Mayor's Office	10/19/17
	Amazon Office Opening	Mayor's Office	10/19/17
	Campus Pickup Sites	City Council	10/19/17
	Delivery Station	City Council	10/19/17
	Amazon Office Opening	City Council	10/19/17
Jay Curtis	Licensing	City Council	12/29/17
	Licensing	BACP	12/29/17
Lawrence Suffredin	Issues pertaining to Chicago ops.	Mayor's Office	1/1/18
	Issues pertaining to Chicago ops.	Mayor's Office	4/13/18
Jay Curtis	Client Goodwill	City Council	4/16/18

Source: City of Chicago Data Portal – Lobbyist Data. Accessed 7/3/18.

\*NOTE: BACP is the Business Affairs and Consumer Protection Department of Chicago.

## CHICAGO: PAC CONTRIBUTIONS

In total, Amazon has contributed at least \$5,000 to PACs in the city of Chicago. A review of filings with the [Illinois State Board of Elections](#) returned a \$5,000 contribution to the Chicagoland Chamber of Commerce PAC from Amazon Fulfillment Services on January 19<sup>th</sup>, 2018. Additionally, Lawrence Suffredin made a \$500 donation to the Citizens for Joe Moore PAC on June 5<sup>th</sup>, 2017, but it was unreported whether this came from Amazon or was a personal contribution.

### COLUMBUS, OHIO

- ☒ A search of lobbying data filed with Columbus' municipal government found that Amazon currently employs Robert Eshenbaugh and Kurt Leib as lobbyists in Columbus.
  - Both are employees of lobbying firm Capitol Advocates. Their compensation and expenses are not public, because Columbus does not require full lobbying disclosure.
- ☒ According to data filed with the Columbus Campaign Finance Reporting System, Amazon and Amazon-affiliated PACs have not made political contributions in the city of Columbus.

## COLUMBUS: REGISTERED LOBBYISTS

According to records filed with the [City of Columbus](#), Amazon employs two lobbyists at the municipal level in Columbus. Amazon (Amazon.Com) has employed Rob Eshenbaugh as a lobbyist since January 29, 2018.

Amazon (Amazon Corporate LLC) has employed Kurt Leib as a lobbyist since October 29, 2016. Both are employees of the firm Capital Advocates. Their expenditures and compensation are unknown.

### AMAZON LOBBYISTS COLUMBUS 2017-2018

Lobbyists	Client	Issues Lobbied On	Registration Date
<b>Rob Eshenbaugh</b>	Amazon.com	Technology, Energy and Retail issues	01/29/2018
<b>Kurt Leib</b>	Amazon Corporate LLC	Unknown	08/29/2016

Source: City of Columbus Legislative Agent Registration. Accessed [7/3/18](#).

### COLUMBUS: PAC CONTRIBUTIONS

According to the data filed with the Columbus [Campaign Finance Reporting System](#), there are no records of political contributions from Amazon or Amazon-affiliated PACs in Columbus in 2017 or 2018.

#### DALLAS, TEXAS

- ☑ A search of records filed with Dallas' Lobbyist Registration returned one lobbyist, Brian Moore, who was registered to lobby for Amazon Corporate LLC in 2017.
  - Dallas' Lobbyist Registration does not disclose compensation, expenditures or issues lobbied on. Neither is it clear whether Mr. Moore remains a lobbyist for Amazon in 2018.
- ☑ According to the Dallas Campaign Finance Electronic Filing System, Amazon and Amazon-affiliated PACs have not made any political contributions in 2017 or 2018.

### DALLAS: REGISTERED LOBBYISTS

Amazon employs one lobbyist at the municipal level in Dallas. Brian Moore was registered as a lobbyist on January 3, 2017 for the 2017 Calendar Year. According to documents found on [City of Dallas Lobbyist Registration System](#), Moore was registered by Amazon's Director of US Public Policy, Braden Cox. It is unclear whether Amazon has filed to register Moore again for 2018.

### DALLAS: PAC CONTRIBUTIONS

According to the [Dallas Campaign Finance Electronic Filing System](#), there are no records of political contributions from Amazon or Amazon-affiliated PACs in Dallas in 2017 or 2018.



## LOS ANGELES, CALIFORNIA

- ☑ Amazon retained the lobbying firm of Kindel Gagan during the first quarter of 2018 to make introductions to city officials.
- ☑ According to the Los Angeles Ethics Commission, Amazon contributed \$3,110.79 in 2017 to various city council candidates, a mayoral race and \$1,100.00 to one candidate for the Unified School Board

### LOS ANGELES: REGISTERED LOBBYISTS

According to the [Los Angeles Ethics Commission](#), Amazon hired the lobbying firm of Kindel Gagan to make introductions to city officials through the Mayor's Office during the first quarter of 2018. No further city lobbying activity has been reported.

Kindel Gagan was also [subcontracted to provide public relations guidance](#) within the scope of Turkey's efforts to extradite a Pennsylvania-based religious leader and businessman it believed had ties to the country's 2016 coup attempt.

### LOS ANGELES: PAC CONTRIBUTIONS

Amazon contributed \$3,110.79 in 2017 to six Los Angeles City Council candidates, one mayoral candidate, including \$1,100.00 to one candidate for the Unified School Board, according to the [Los Angeles Ethics Commission](#).

#### AMAZON CAMPAIGN CONTRIBUTIONS LOS ANGELES 2017-18

Donor	Title	Recipient	Title	Amount	Date
<b>Emily Gerry</b>	Senior Vendor Manager, Amazon.com	Jesse Creed	Candidate - City Council Member - District 5	\$300.00	1/25/17
<b>Mary Ann Marino</b>	Head of Physical Production, Amazon Studios	Monica Rodriguez	Candidate - City Council Member - District 7	\$100.00	2/5/17
	Head of Physical Production, Amazon Studios	Monica Rodriguez	Candidate - City Council Member - District 7	\$260.79	2/5/17
<b>Matthew Weiner</b>	Writer, Amazon Studios	Paul Koretz	Candidate - City Council Member - District 05	\$500.00	2/13/17
<b>James Parriott</b>	Writer, Amazon	Sylvie Shain	Candidate - City Council Member - District 13	\$250.00	2/24/17
<b>Amanda Greenblatt</b>	Executive, Amazon	Eric Garcetti	Candidate - Mayor	\$500.00	2/28/17
<b>Conrad Riggs</b>	Head of Television Business and Distribution, Amazon Studios	Allison Holdorff Polhill	Candidate - LAUSD Board Member - District 4	\$1,100.00	3/1/17
<b>Laurence Mosher</b>	Public Relations, Amazon	Josef A. Bray-Ali	Candidate - City Council Member - District 1	\$100.00	4/17/17

Source: Los Angeles Ethics Commission, accessed [7/4/18](#)

## NEW YORK, NEW YORK

- ☑ A search of lobbying data filed with the New York City Clerk's Office returned two lobbyists currently retained by Amazon; Braden Cox and Jamie Van Bramer. Since 2017, they have been paid a total of \$113,961.66.
- ☑ According to the New York City Campaign Finance Board, no Amazon or Amazon-affiliated PAC has made political contributions in 2017 or 2018 in New York.

### NEW YORK: REGISTERED LOBBYISTS

Amazon.com LLC retains two primary lobbyists in New York City, Braden Cox and Jamie Van Bramer according to the [New York City Clerk's Office](#). Since 2017, the company has paid them \$113,961.66 for various lobbying services that have targeted City Council members, the Department of IT and Telecommunications, the Manhattan Borough President, the Mayor's Office, the Comptroller's Office, the New York Police Department and the Office of Management and Budget.

#### AMAZON LOBBYIST COMPENSATION NEW YORK 2017-2018

Lobbyist	Compensation	Expenses	Date
Braden Cox	\$137.50	\$0.00	Period 1 2017
	\$735.57	\$0.00	Period 3 2017
	\$514.56	\$0.00	Period 6 2017
Jamie Van Bramer	\$12,000.00	\$622.00	Period 1 2017
	\$12,000.00	\$622.00	Period 3 2017
	\$12,000.00	\$604.00	Period 6 2017
	\$12,000.00	\$588.00	Period 4 2017
	\$12,000.00	\$570.00	Period 5 2017
	\$12,000.00	\$567.00	Period 6 2017
Braden Cox	\$74.03	\$0.00	Period 2 2018
Jamie Van Bramer	\$12,500.00	\$600.00	Period 1 2018
	\$14,000.00	\$664.00	Period 2 2018
	\$14,000.00	\$664.00	Period 3 2018

Source: New York City Clerk's Office, accessed [7/3/18](#)

Their lobbying activity is reported by period, interest area and city official targeted in the table below:

### AMAZON LOBBYING ACTIVITIES NEW YORK 2017-2018

Lobbyist	Target	Subject	Date
<b>Braden Cox</b>	James Vacca - District No. 13	Information	Period 1
	Helen Rosenthal - District No. 6	Technology Modernization	2017
	NYC Council Members Ben Kallos - District No. 5; Barry Grodenchik - District No. 23; Bradford Lander - District No. 39; Ydanis Rodriguez - District No. 10; NYC Council Members - Staff Russell Murphy; Borough President, Manhattan, Matthew Washington	Information Technology Modernization Economic Development	Period 3 2017
	Office of Comptroller: Preston Niblack, Lisa Flores, Jacqueline Warburton-Thompson, Jenna Baldwin, Lionel Ferriera; Office of Management and Budget: Raymond Lee, Debbie Rosen, Scott Ulrey	Municipal finance and IT purchasing	Period 6 2017
<b>Jamie Van Bramer</b>	NYC Council Members James Vacca - District No. 13, Helen Rosenthal - District No. 6	AWS cloud services in NYC	Period 1 2017
	Management & Budget, Office of (OMB) Larian Angelo NYC Council Members Ben Kallos - District No. 5	Cloud services in NYC	Period 2 2017
	Borough President - Manhattan Matthew Washington NYC; Council Members Bradford Lander - District No. 39, Ydanis Rodriguez - District No. 10, Barry Grodenchik - District No. 23, Ben Kallos - District No. 5	Cloud services and technology issues	Period 3 2017
	NYC Council Members - Staff: Brad Reid, Zachary Hecht; NYC Council Members Ben Kallos - District No. 5; Information Technology and Telecommunications, Department of (DOITT) Evan Hines; Borough President - Manhattan, Matthew Washington; Office of the Mayor, Senior Advisor, Miguel Gamino	Cloud services in NYC	Period 4 2017
	Office of the Mayor, Deputy Mayor(s) Richard Buery, Jill Bowen; Office of the Comptroller, Preston Niblack; Police Department (NYPD), Kevin Wardally	Cloud computing services in NYC	Period 5 2017
	Office of the Comptroller, Preston Niblack; Information Technology and Telecommunications, Evan Hines	Cloud services in NYC	Period 6 2017
<b>Braden Cox</b>	NYC Council Member Justin Brannan - District No. 43	Information Technology Modernization	Period 2 2018
<b>Jamie Van Bramer</b>	NYC Council Members Justin Brannan - District No. 43; Information Technology and Telecommunications, Evan Hines	Cloud computing services in NYC	Period 1 2018

## AMAZON LOBBYING ACTIVITIES NEW YORK 2017-2018

Lobbyist	Target	Subject	Date
	NYC Council Members Justin Brannan - District No. 43; Information Technology and Telecommunications, Evan Hines	Cloud computing services in NYC	Period 2 2018
	Office of the Mayor, Deputy Mayor(s) Lindsay Greene; NYC Council Members Daniel Dromm - District No. 25, Justin Brannan - District No. 43	Cloud computing services in NYC	Period 3 2018

Source: New York City Clerk's Office, accessed [7/3/18](#)

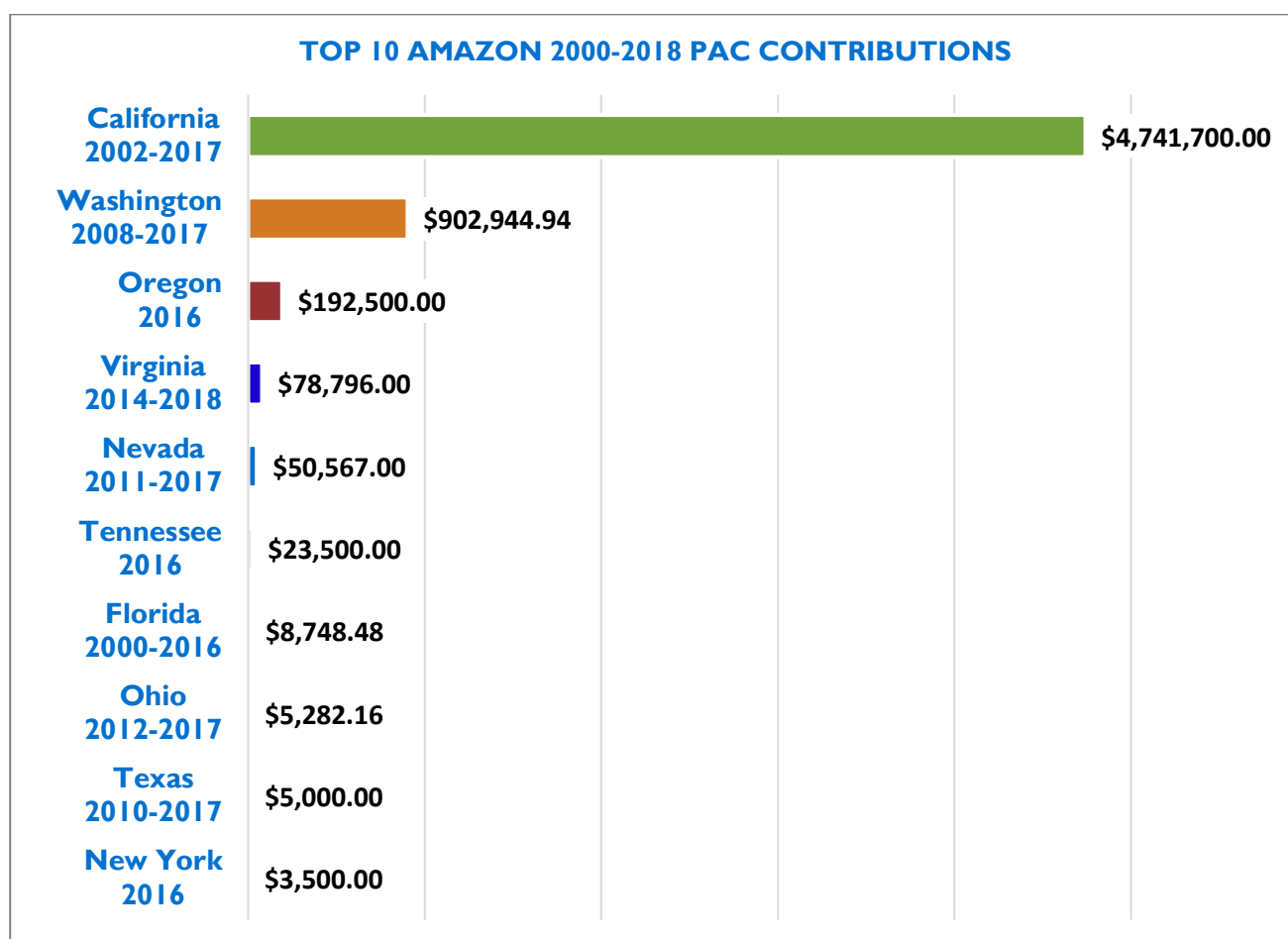
## PAC CONTRIBUTIONS

A search of the [New York City Campaign Finance Board](#) returned no evidence of political contributions from Amazon or Amazon-affiliated PACs in New York in 2017 or 2018.

# CAMPAIGN SPENDING

Amazon contributed over \$6 million from 2000 to 2017 at the state level to various politicians and committees, including more than \$4.7 million in California and almost \$1 million in Washington, according to a review of state-level campaign finance data.<sup>2</sup>

In 2016, Amazon contributed to four ballot initiatives, including \$150,000 to a group called Defeat the Tax on Oregon Sales, which opposed an initiative to impose a state sales tax, and \$110,000 to Mass Transit Now, a Washington state initiative that would have connected several cities via rail. Amazon also contributed tens of thousands of dollars to various state House and Senate candidates in Virginia, Tennessee, Oregon, New York, Florida and California.



In California, Amazon.com contributed more than \$4.7 million to elected officials, campaigns and coalitions through [Amazon Corporate LLC](#) (#1344499) and [Amazon.com PAC](#) (#1260882) since 2004. The majority of Amazon's campaign spending (\$4.6 million) in California was directed toward the More Jobs Not Taxes

<sup>2</sup> Amazon's total campaign contributions are reflected in the table under State Lobbying.

coalition in 2011 that formed to push the [repeal of a state law](#) that required it to collect sales taxes on purchases.

Of all the donations to More Jobs Not Taxes during 2011, some went towards funding the collection of hundreds of thousands of signatures from registered voters in an effort to get a referendum asking voters if they desired a repeal to the law collecting taxes on a June 2011 primary ballot. That referendum passed, and months later, in September, the law to collect taxes from online businesses was [stalled for a year](#).

It also contributed nearly \$70,000 to California legislative candidates including 19 state assembly candidates and 8 state senator candidates during the 2016 cycle.

In Washington, the state with the second highest contribution rate from Amazon, the tech giant contributed at least \$902,944.94 to several state campaigns since 2008, including a \$250,000 contribution to Civil Alliance for a Sound Economy (CASE), a political organization sponsored by the Seattle Metropolitan Chamber of Commerce that represents an array of local businesses.



In one of the most telling trails of money, CASE spent \$219,300 on the race for city council candidate Tim Burgess in a period when his challenger seemed to have an edge. Burgess ultimately won the race and publicly expressed his commitment and loyalty to Amazon. In a letter he wrote to the company, urging them to keep HQ2 in Seattle, he declared: *“With 40,000 Amazon employees in Seattle working in 8.1 million square feet of local office space, we have no intention of swiping left on you... We meant it two decades ago when we first pledged that our success was your success and your success was our success.”*

# SUBSIDIES

Amazon and its subsidiaries have received at least \$1.5 billion in tax subsidy packages for fulfilment and sorting centers since 2000, according to a review of data from Good Jobs First. This includes property tax abatements, infrastructure improvements, training grants, corporate income tax credits, infrastructure improvements and sales tax exemptions on building materials, machinery and equipment.

Amazon received nearly one-fifth of its total subsidies over the last 18 years in 2012, when it benefitted from \$284.2 million from state and local governments. The same year, Amazon [hired](#) an attorney to head up its efforts to secure tax subsidies, granting him the title of director of economic development. The attorney, Michael Grella, previously specialized in economic development tax credits at PricewaterhouseCoopers and Grant Thornton.

Between 2015 and mid-2016, two dozen government agencies committed \$241 million to subsidize Amazon facilities, according to a December 2016 Good Jobs First [report](#). The deals included \$43 million in subsidies for a facility in Baltimore, \$17 million for two facilities in Ohio, \$32 million for a facility in Kenosha, WI, and \$22 million for a facility in Pennsylvania. Good Jobs First now pegs Amazon's total subsidy payout at [\\$1.014 billion](#) since 2000.

## AMAZON STATE & LOCAL SUBSIDIES by STATE (2000-2018)

State Name	Total	Number of Subsidies
ARIZONA	\$739,671	3
CALIFORNIA	\$11,888,000	4
COLORADO	\$16,956	1
CONNECTICUT	\$28,910,955	2
DELAWARE	\$3,472,500	1
FLORIDA	\$27,350,200	12
ILLINOIS	\$84,126,699	2
INDIANA	\$9,449,500	8
KENTUCKY	\$117,189,976	22
LOUISIANA	\$567,587	3
MAINE	\$404,023	8
MARYLAND	\$46,075,000	7
MASSACHUSETTS	\$14,889,275	2
MICHIGAN	\$41,000,000	5
MINNESOTA	\$5,766,414	1
MISSOURI	\$110,600,000	2
NEVADA	\$1,439,800	4
NEW JERSEY	\$39,375,000	3
NEW YORK	\$23,350,000	3
OHIO	\$119,324,698	5
OREGON	\$383,829,251	12
PENNSYLVANIA	\$23,500,000	4
SOUTH CAROLINA	\$64,297,962	5
TENNESSEE	\$15,327,810	18
TEXAS	\$287,000,000	6
VIRGINIA	\$12,045,299	9
WASHINGTON	\$20,999,021	5
WISCONSIN	\$32,800,000	3
<b>TOTAL</b>	<b>\$1,519,969,183</b>	<b>160</b>

Source: Good Jobs First, accessed [7/3/18](#)



A 2016 report from the Institute of Local Self-Reliance (ILSR) found that Amazon received [\\$760 million](#) in incentives between 2005 and 2014, including \$613 million related to the opening of 77 fulfillment, sortation and other facilities and \$147 million connected to opening data centers. The analysis found that Amazon received taxpayer-funded subsidies for more than half of all new facilities, including \$61 million in West Columbia, SC and \$12 million in Fall River, MA. (ILSR considered some subsidies announced but not finalized in 2014 in its total – i.e. \$43 million to Baltimore or \$18 million to Etna, OH. As a result of this difference and other methodological discrepancies, the total figure calculated in this analysis is lower than ISLR's for the 2005-2014 period by nearly \$240 million.)

To date, Texas has awarded Amazon the largest amount of state and local subsidies in terms of cash value, offering the company a total of \$287 million through six state, county and municipal subsidies since 2012. Kentucky has given the highest number of subsidies to Amazon, granting the company 22 individual subsidy packages since 2000, according to Good Jobs First.

Amazon has secured eight- and nine-figure deals from several state and local governments. In 2012, the Texas State Comptroller agreed to [waive](#) \$269 million in unpaid sales taxes from 2005 to 2009 in exchange for the company's promise to collect sales taxes on future purchases, create at least 2,500 jobs and make \$200 million in capital investments in the state. As of 2014, Amazon had more than [3,500 employees](#) in the state and had made more than \$300 million in capital investment. In 2016, Amazon received [\\$112.2 million](#) in tax incentives over a decade to bring 7,200 new jobs to the Chicago area at three facilities in Joliet, Aurora and Monee.

#### AMAZON TOP 10 SUBSIDY PACKAGES 2000-2018

State	City	County	Year	Subsidy Value	Type of Subsidy	# of Jobs or Training Slots	Wage Data	Wage Data Type	Investment Data
<b>TX</b>	Statewide		2012	\$269,000,000	MEGADEAL	2,500			\$200,000,000
<b>OR</b>	Hermiston	Umatilla	2018	\$176,000,000	MEGADEAL	100	75,000	average salary	
<b>OR</b>	Hermiston	Umatilla	2017	\$176,000,000	MEGADEAL	100	\$70,000	average wage	\$2,750,000,000
<b>OH</b>	Statewide		2014	\$89,700,000	MEGADEAL	120	\$80,000	average annual salary	\$1,100,000,000
<b>IL</b>	Multiple Facilities		2017	\$83,125,187	MEGADEAL	7,200			\$90,000,000
<b>MO</b>	St. Peters	St. Charles	2018	\$78,600,00	MEGADEAL	1,500			
<b>KY</b>	Hebron	Boone	2017	\$75,000,000	MEGADEAL	600			
<b>SC</b>	Cayce	Lexington	2011	\$61,000,000	MEGADEAL	2,000			\$125,000,000
<b>NJ</b>	Newark	Essex	2015	\$39,375,000	tax credit / rebate	New Jobs: 350; Retained At Risk Jobs: 50			\$56,700,233
<b>MD</b>	Baltimore		2013	\$35,300,000	enterprise zone	1,000			\$175,000,000
<b>Total</b>				<b>\$1,004,500,187</b>		<b>15,520</b>			<b>\$4,496,700,233</b>

Source: Good Jobs First, accessed [7/3/18](#)

## RECENT DEALS

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This year alone, Amazon has announced at least four new deals with state and local governments to open various facilities in exchange for state and local tax incentive packages, not including additional deals announced earlier that were further refined this year.

- **OKLAHOMA CITY, OK (\$1.7 Million):** In May 2018, the Oklahoma City Council [approved](#) a \$1.7 million incentive to open an Amazon customer order fulfillment center. The approval wasn't agreed upon by all city council members, with two of the seven members voting against it. One member James Greiner said that, *"Generally, whenever we talk about job incentives, I don't like any of them...I don't think businesses create jobs because of the incentives. I think they create jobs because they need more workers to produce more products and provide more services."* The \$1.7 would be paid out over three to seven years based on whether the company creates 53 new jobs and grows into a full 1,750 full-time positions within that time frame.
- **GRAND RAPIDS, MI (\$4 Million):** In May 2018, the Michigan economic development board [signed](#) on to a huge \$618 million tax incentive package that would include \$4 million in the form of an grant to Amazon to locate a warehouse in Grand Rapids. It represents the fourth grant awarded for such a warehouse in 18 months. Amazon says in return, it plans to create 1,025 full time jobs in the area.
- **BOSTON, MA (\$20 Million):** In May 2018, the [disclosed](#) in which it would spend \$20 million to bring Amazon to the city, and with it 2,000 jobs. It was a deal made between the state, Amazon and the development company that will oversee the project. Amazon will occupy a new building at Seaport Square. The funding will be disbursed through the Office of Housing and Economic Development. Most of the money Amazon will see will come in the form of lower rent and a \$5 million city tax break.
- **NORTH HAVEN, CT (75 percent discount on real estate tax):** In February 2018, Amazon said it would [proceed](#) in building a warehouse in North Haven it originally sought, located on the site of a former structure after considering a smaller location. The city gave Amazon a cut in real estate taxes, discounting by 75 percent the amount owed in the first year, and in each subsequent year, Amazon paying 10 percent more till it reaches a full 100 percent real estate tax payment by the eighth year.
- **FRESNO, CA (\$30 Million):** In September 2017, Amazon progressed in construction for a new warehouse in Fresno. The warehouse will employ about 1,100 people when it's expected to open in 2018. The company will receive up to \$30 million over 30 years in incentives for building the warehouse.
- **STATEN ISLAND, NY (\$18 Million):** In September 2017, Amazon [announced](#) it was opening a warehouse in Staten Island New York. It was the final big US market in which Amazon did not yet have a footprint due to disagreements with state officials over real estate and taxes. Amazon will get up to \$18 million in tax credits depending on the number of new jobs it creates over five years and keeping the 886 existing jobs in New York it already has.

- **KANNAPOLIS, NC (\$562,275):** In August 2017, the Kannapolis City Council [agreed](#) to a \$562,275 incentive grant to Amazon for a distribution center that will create 600 jobs. The incentive is based on investment and not jobs, meaning that the deal is based on what the developer will spend in building the Amazon distribution center.
- **OPA-LOCKA, FL (\$5 Million):** In June 2017, Amazon [announced](#) plans to open a mega-warehouse in South Florida with the help of \$5 million in infrastructure costs covered by Miami-Dade County. Amazon is moving in as the primary tenant of a 97-acre industrial park developed by the foundation of former Rep. Carrie Meek. The company said it would hire more than 1,000 workers who would work with a fleet of robotic machines that sort packages that are shipped to distribution centers.
- **NORTH HAVEN, CT (\$25 Million):** In June 2017, Democratic Governor Dannel Malloy [offered](#) Amazon \$25 million in tax incentives to Amazon to build a \$250 million fulfillment center in North Haven, the third Amazon facility in Connecticut, that would add 1,800 jobs for the state. Amazon's VP of North America operations, Akash Chauhan, said the North Haven facility would offer wages *"30 percent higher than traditional retail roles"* and *"comprehensive benefits."* Officials expect the center to reel in \$5 million annually in tax revenue to North Haven.

The agreement makes Amazon eligible for up to \$15 million in tax credits if it meets job creation and capital investment milestones, plus an additional \$5 million if it surpasses the initial job targets. The company can also take advantage of a sales and use tax exemption for up to \$5 million on equipment and construction materials. The project is part of Governor Malloy's First Five program that supports large companies that move operations to Connecticut.

- **TROUTDALE, OR (\$178.4 Million):** In June 2017, Amazon [announced](#) plans to build a \$178.4 million fulfillment center in Troutdale, OR and create 1,500 full-time jobs at the Troutdale Reynolds Industrial Park. The Troutdale City Council approved a \$8.6 million, five-year tax break for the company starting in 2019. In exchange for the tax break, Amazon agreed to pay workers 125% of the minimum wage (\$15 an hour in 2018).
- **FREDERICK COUNTY, VA (Unknown):** In March 2017, Virginia Governor Terry McAuliffe [announced](#) Amazon was opening a 1-million square-foot warehouse and distribution center at the White Hall Commerce Center in Frederick County, VA. The Virginia Economic Development Partnership worked with the county to secure the deal and made Amazon eligible for the Major Business Facility Job Tax Credit and funding to support Amazon's employee training program through the Virginia Jobs Investment Program.
- **FRANKFORT, KY (\$75 Million):** In February 2017, Amazon [announced](#) it was building a worldwide air cargo hub in northern Kentucky at the Cincinnati/Northern Kentucky International Airport in Hebron, Kentucky. The company announced it would invest \$1.49 billion and create 2,700 jobs in the region, including 600 full-time jobs that pay an hourly wage of \$26 with benefits.

In exchange for building the hub, the company received a \$75 million total tax subsidy package over

ten years. The state offered Amazon [\\$40 million](#) in state and local tax incentives through the Kentucky Business Incentives program (\$4 million over 10 years) in addition to \$5 million from the airport authority.

The Kentucky House of Representatives also [passed a bill](#) to give Amazon a tax break on the purchase of jet fuel in exchange for locating an air hub in northern Kentucky. After Amazon reaches \$1 million in sales taxes paid in any given calendar year, the state will exempt its jet fuel purchases from taxation for the rest of the year. The proposal will cost the state an estimated \$3 million in 2018 and \$30 million over ten years.

- **SALT LAKE CITY, UT (\$5.68 Million):** In June 2017, Utah Gov. Gary Herbert and the Governor's Office of Economic Development (GOED) [granted Amazon](#) \$5.68 million in state tax incentives over eight years to build a \$200 million fulfillment center in Salt Lake City. The tax incentive package is dependent on Amazon reaching investment and job-creation benchmarks outlined in the contract. Amazon has promised to create at least 130 jobs that pay 110 percent of the average wage in the county. Officials project the center will generate \$28.4 million in state corporate, payroll and sales taxes and result in an added \$85.5 million in wages for Utahans.
- **AURORA, CO (\$1.18 Million):** In April 2017, The Aurora City Council [approved](#) \$1.18 million in economic development incentives for Amazon in exchange for the online retailer opening its first Colorado-based fulfillment center in Aurora in 2017. City officials estimate the \$130 million project will generate \$5.4 million in city tax revenue annually.

The tax incentives are dependent on whether Amazon creates at least 900 full-time jobs at an average salary of \$30,297. The agreement also requires Amazon maintain a minimum level of employment and average salary, and the minimum increases to 1,000 full-time jobs and \$36,914 average annual salary toward the end of the ten-year period.

- **COPPELL, TX (Unknown):** In January 2017, Amazon [announced](#) it would build a 1-million-square-foot fulfillment center in Coppel, TX that would employ 1,000 full-time workers. The tax deal for the center has yet to be announced.
- **CECIL COUNTY, MD (\$1.32 Million):** In January 2017, Amazon [announced](#) it would open a \$90 million distribution center in Cecil County, MD in exchange for \$1.32 million in state aid, including a \$1.2 million loan from the Maryland Commerce Department's Maryland Economic Development Assistance and Authority Fund and a \$120,000 loan from the Cecil County government. The 1.2 million-square-foot center is expected to employ 700 workers by the end of 2020.

## BROKEN PROMISES

Despite promising high wages and hundreds of jobs in multiple locations, Amazon has broken its commitments with localities on the number of jobs it would create and the average wages it would pay employees.

- **SAN MARCOS, TX:** Despite taking in an estimated \$11 million in city and county property tax abatements and sales tax diversions in 2012, Amazon [failed to meet](#) the wage requirements specified in its subsidy deal with San Marcos. The deal required Amazon to create 350 full-time jobs, with the potential for an additional 5 years of subsidies if it created an additional 1,000 full-time positions and provide an annual average wage of \$32,240.

However, a San Marcos City Council member found job postings on Amazon's website for far lower than the alleged annual average wage – about \$10-\$12 an hour. The council member noted, *"The jobs that come along with this incentive and this employer, which we all support and the whole community supports, but that those jobs would be identified in the payroll range that we were told... [The application] tells me \$32,240, but when I look on the website, the wages are significantly lower than that in the \$10 to \$12 an hour range."*

In February 2016, the city passed a \$15 minimum wage for subsidized employers but did not retroactively cover those with existing subsidies like Amazon.

- **CHATTANOOGA, TN:** Despite receiving \$36.9 million in subsidies from Chattanooga, Hamilton County, and the state of Tennessee, Amazon [failed to create](#) the 1,249 jobs it was required to create per its development agreement. The facility was projected to employ only 1,200 workers, almost 50 fewer than it was required to employ.



**Amazon's Stranglehold:**  
How the Company's Tightening Grip Is  
Stifling Competition, Eroding Jobs, and  
Threatening Communities

By Olivia LaVecchia and Stacy Mitchell  
November 2016

**ILSR** INSTITUTE FOR  
Local Self-Reliance

Research shows that Amazon's promised job creation in various states is undercut by the number of jobs it eliminates. The 2016 ILSR [report](#) found that Amazon's existence has resulted in a net job loss of 148,774 at the end of 2015. Though the company created 145,800 full-time, part-time and temporary US jobs, it displaced nearly 300,000 at brick-and-mortar stores alone. These jobs also pay less than the average warehouse wage in some areas. In eleven metropolitan areas ILSR reviewed, Amazon paid its warehouse workers 15% less than the average warehouse wage in the metropolitan area, including 22% less in Kenosha, WI and 18% less in Seattle.

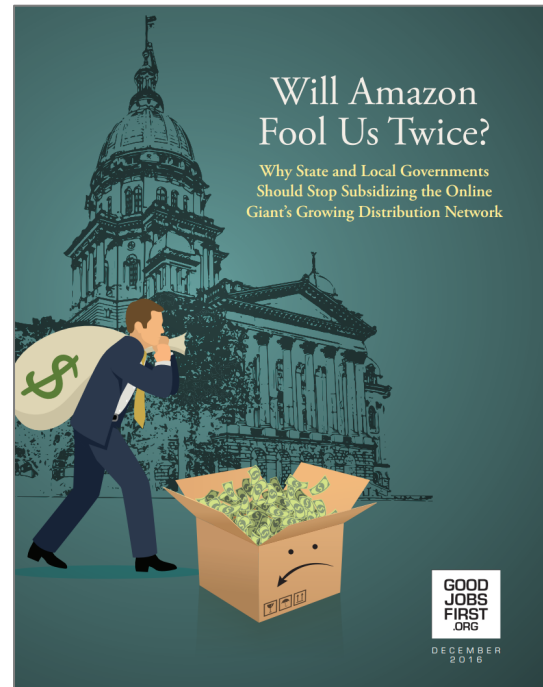


## CRITICISM of AMAZON TAX BREAKS

Detractors have argued Amazon began aggressively seeking out taxpayer subsidies after it was forced to begin collecting sales taxes in many states. For years, the company was not legally required to collect sales taxes on goods sold in states in which it did not have physical facilities, which amounted to all but five states as recently as 2011. According to a 2016 [report](#) from public watchdog group Good Jobs First:

*“Amazon aggressively gained market share in part by long avoiding, and then minimizing, the collection of sales taxes. As it became less and less able to avoid collecting sales taxes – because it couldn’t avoid locating warehouses in more states – it learned that it could sometimes extract lucrative taxpayer subsidies for them, and methodically started doing so in 2010-2011.”*

Good Jobs First argued that states and municipalities should stop offering incentives to Amazon, noting the deals give Amazon *“more access to the local market [...] at the expense of existing retailers.”* Good Jobs First head Greg LeRoy [called](#) Amazon *“a juggernaut in terms of tax breaks,”* noting, *“they were pulling down \$125 million annually for at least two years and they are on pace for that in 2017, given the deals we’ve seen already for the year.”*



*Chicago Tribune* reporter Robert Reed [argued](#) earlier this year that Illinois should not have offered Amazon a 10 year tax incentive package worth nearly \$13 million in tax incentives over 10 years (if the company creates 1,000 new jobs) because *“Amazon was going to be in Illinois anyway because of the state’s inherent strength as the country’s premier road, rail, air and intermodal nexus.”* Greg LeRoy seconded Reed’s argument, noting, *“We think its nuts for taxpayers to do what Amazon’s stated business plan says it already must do. Amazon was coming. It didn’t need to get paid by Illinois.”*

# CONCLUSION

Amazon promotes Prime as a shipping, streaming, shopping and reading membership program with “[something for everyone](#),” but the service’s price tag hardly reflects the hype. How does Amazon offer \$784 worth of goods and services for \$119 per year?

The Free & Fair Markets Initiative’s analysis shows that Amazon’s growth has been supported by taxpayer subsidies to the tune of \$1.5 billion. And while Amazon’s massive federal lobbying efforts have attracted attention, they only begin to scratch the surface of its uninvestigated backroom deals at the state- and local-level.

Such a massive amount of corporate welfare for one of the most valuable companies in the world reveals the scope and consequences of Amazon’s state and city lobbying scheme, particularly its devastating effect on local communities that could have lasting implications for decades to come.

Amazon has spent almost \$16 million in lobbying and campaign contributions since 2000. This political influence peddling is built largely on the back of an enterprise that has been underwritten by taxpayer dollars. However, despite generating record-breaking profits, Amazon continues to leverage its staggering lobbying muscle to win handouts from local governments, many of which are already facing severe budget deficits. And with the billions of dollars granted to Amazon in tax giveaways, communities in every state around the country are being choked off from funding that could finance schools, infrastructure projects, affordable housing and other invaluable public services.

Seattle, Amazon’s home city, is a clear example of how the tech giant benefits at the expense of the surrounding community. In May 2018, Seattle’s City Council [voted to approve a “head tax”](#) on large corporations like Amazon. While the city has benefited in some ways by the company’s presence, rent has skyrocketed, and costs have risen creating difficulty for the community. Seattle has the third-highest homeless population behind New York and Los Angeles, and it’s a problem the city sought to address through this tax.



For each employee at the company, a flat tax would be collected. With the funds raised, Seattle expected to generate around [\\$50 million yearly](#) that would go to helping the homeless and promote affordable housing projects. The tax passed the City Council unanimously; It was an initiative fully supported by citizens and governmental officials alike. Amazon’s response was to [halt construction](#) at an office building slated to bring



7,000 new employees to the city – essentially holding Seattle’s government hostage. Eventually, the [City Council relented](#), and repealed the tax a little less than a month later.

Considering Amazon’s enormous lobbying footprint at the state and local level, it is clear that other cities and states are at risk of going the way of Seattle. Local lawmakers must consider whether they answer to their millions of taxpaying residents – or to the richest man in the world and the tech-giant he operates.

As Prime continues to grow, Amazon finds itself able to reap the benefits of its lobbying scheme and win a steady stream of government tax giveaways that could hamstring communities well into the future. What becomes patently clear from the lobbying data is that Amazon is benefitting from taxpayer subsidies that are helping it gain a foothold in communities across the country and squeeze local competition.