

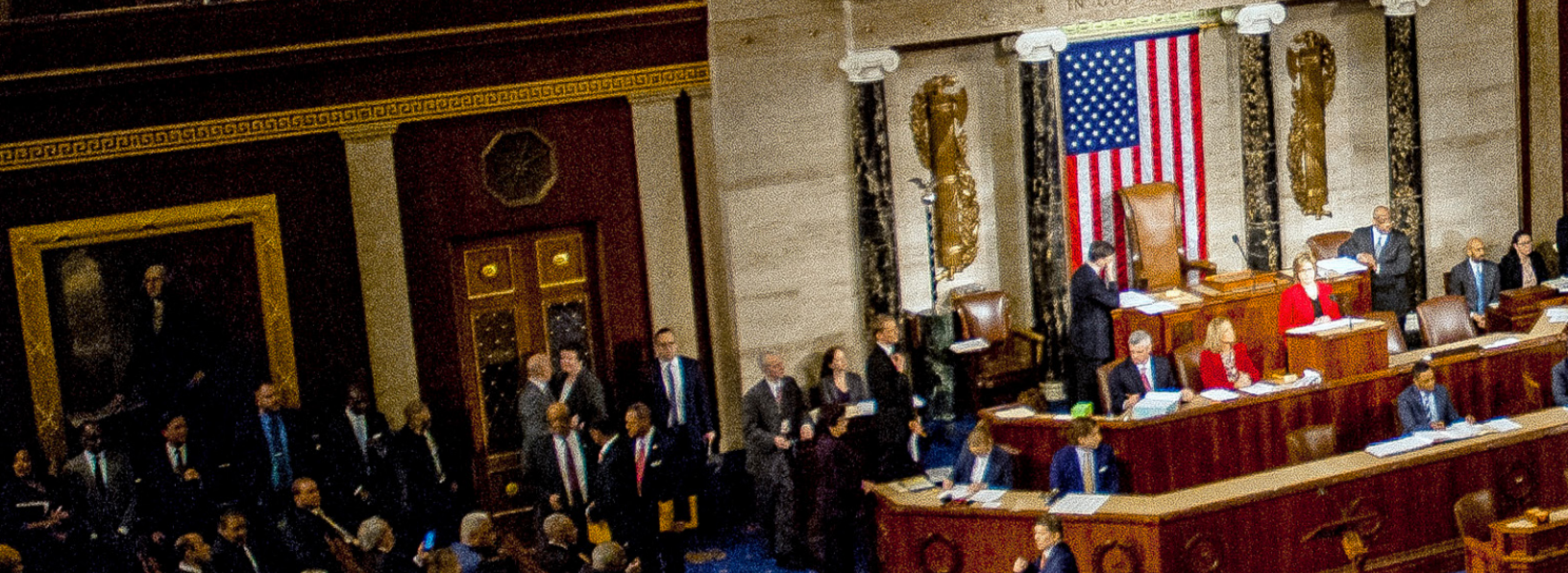


# Protecting Americans from The Harmful Impact of Amazon:

116<sup>th</sup> Congress Briefing on What's at Stake  
and What Must Be Done



Fighting for Competition & Protecting Consumers



Over the next two years, Congress will have an unprecedented opportunity to shape policies on a number of the most important issues of our time, some of which are sure to spark vigorous partisan debates. Following last year's [sweeping backlash against several social media giants](#), one issue lawmakers from both sides of the aisle rightfully agree on is that something must finally be done to protect Americans from shadowy online disinformation campaigns and anonymous hackers. But by focusing almost exclusively on social media platforms, Congress runs the risk of overlooking the damage being done in plain sight by far more powerful tech juggernauts such as Amazon.

We at the Free & Fair Markets Initiative (FFMI), a nonprofit watchdog focused on promoting a fair, modern marketplace that works for all Americans, are calling on lawmakers to take a more impactful approach to scrutinizing the harmful practices of tech companies – and we urge you to start by taking a closer look at Amazon.

**Amazon's business model is:**

- Stifling consumer choice by ramping up unchecked acquisitions
- Eroding fair competition by stockpiling and exploiting consumer data
- Subjecting hundreds of thousands of Americans to unfavorable work conditions
- Harming taxpayers by relying on public subsidies

**With ambitions to expand its shipping and distribution network, Amazon poses a unique challenge to many of your communities.**



Lawmakers should heed the warnings of business owners, consumers, and Amazon’s own workers, all of whom have been sounding the alarm across a wide range of issues. Independent retailers across different industries are worried about Amazon’s unchecked growth, with [90 percent](#) saying that Amazon is having a negative impact on their revenue. Those wishing to compete on a level playing field have long been raising concerns about Amazon stockpiling data on consumer browsing and purchasing behavior and [using that data to steer customers](#) to its own private-label products. And when it comes to conditions in Amazon’s [warehouses](#), the company’s own employees are speaking out in record numbers.

Congress should come together to restore fairness and competition in the marketplace.

Members of Congress from both sides of the aisle should make it a priority to protect the American people and address Amazon’s harmful business practices through a bipartisan approach. Lawmakers should consider Amazon’s impact on fair competition through its efforts of vertically integrating into industry after industry; they should show leadership in enacting comprehensive data-use rules that ensure companies can compete with Amazon on a level playing field; and Congress should ensure that Amazon employees are paid a fair wage with safe working conditions.

Simply put, the 116th Congress should come together to restore fairness and competition in the marketplace and ensure that increasingly powerful technology companies like Amazon are held to the same high standards of conduct that all American companies should be held to.



Sincerely,

**Bob Engel**

Chief Spokesperson, Free & Fair Markets Initiative



# PRINCIPLES & POSITIONS

Concerned consumers, business owners and taxpayers are coming together to stand up to the harmful business practices of Amazon and demand that the company does its fair share in our local communities, for their employees and everyday Americans.

**As their unified voice, the Free & Fair Markets Initiative affirms the following Core Principles:**

- Businesses of all sizes should be able to compete with Amazon on a level playing field.
- Employees at Amazon warehouses deserve to work under safe and secure conditions, and they should earn a living wage with fair benefits instead of being forced to depend on public assistance.
- Taxpayers should not be underwriting Amazon's business model and growth strategy.
- Amazon should pay their fair share in taxes so that money can support the communities by funding schools, roads and healthcare systems.



Amazon has ramped up its acquisition strategy to purchase scores of startups, nascent businesses and other major competitors in industry after industry. Last year alone, Amazon paid [\\$1 billion](#) for home doorbell-maker Ring and roughly the same for online pharmacy startup [PillPack](#). This is contributing to low rates of new business creation, with new business growth having been slashed [nearly in half](#).

Fueling Amazon's growth is its controversial use of consumer data to quash competitors big and small. As an integrated online retailer, digital marketplace platform, physical logistics services platform, cloud services hosting platform, digital entertainment services provider and voice-enabled services platform, Amazon is collecting massive amounts of consumer data and mining that data to gain a massive competitive advantage. For example, Amazon tracks every move shoppers make on its e-commerce platform and uses that data to "[test-and-repeat](#)" private-label products that can [outcompete](#) those of other brands.

## WHAT SHOULD BE DONE

Congress should reform merger review policy and restore the "protect competition" standard in antitrust enforcement

Lawmakers must pass strong and comprehensive fair data-use rules that ensure companies can compete with Amazon on a level playing field



# WORKPLACE & SAFETY

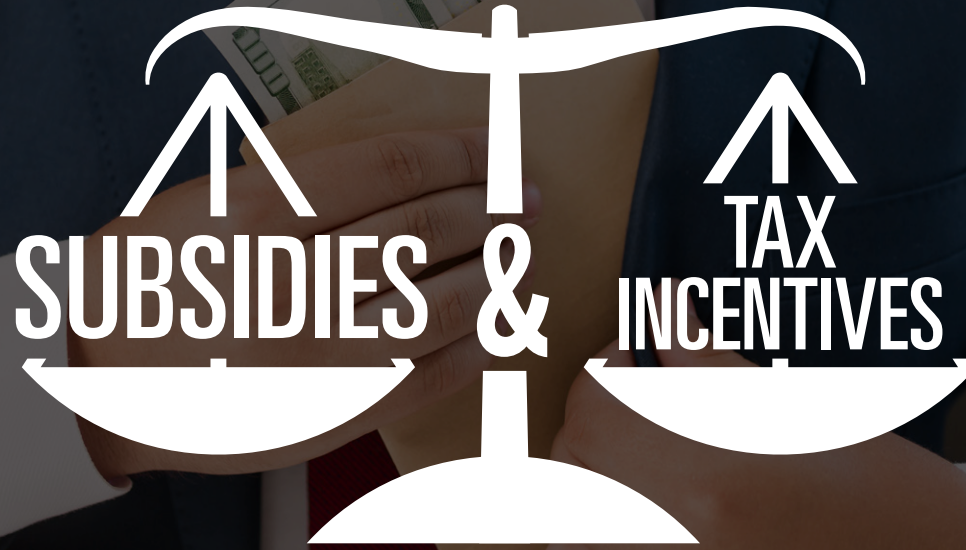
The grueling working conditions inside Amazon warehouses and for delivery drivers have been well documented, with more and more employees [speaking out](#). [Their stories](#) range from unfair management demands to injuries and even [death](#). In fact, the tech giant landed on the National Council for Occupational Health and Safety's 2018 "[dirty dozen](#)" list. Adding insult to injury, Amazon fails to pay its workers a [living wage](#); even when the company announced last year a modest increase to its minimum wage, it quietly took away [stock grants and monthly bonuses](#).

With [151 fulfillment centers, airport hubs, and cross decks](#) across the United States, Amazon's treatment of workers ought to be a focus of Congress.



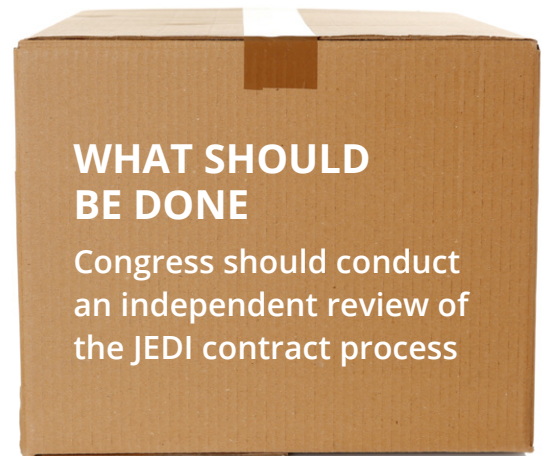
## WHAT SHOULD BE DONE

Congress should direct the Occupational Safety and Health Administration (OSHA) to investigate Amazon's workplace conditions



Amazon is pocketing billions of dollars in subsidies and tax incentives, the by-product in part of the company's strategic investment in [state- and city-level lobbying and campaign contributions](#). Amazon has received over [\\$2.3 billion](#) in state and local taxpayer subsidies since 2000 despite the fact that Amazon is now the third-richest company in the world. These subsidies have helped bankroll new fulfillment centers and warehouses that make Prime and other parts of Amazon's offerings possible.

Amazon is wielding its influence with policymakers to obtain government contracts. For example, Amazon is [currently bidding](#) to be the sole provider of cloud services for the Joint Enterprise Defense Infrastructure (JEDI) program, a contract that could be worth as much as \$10 billion over the next decade. A Defense Department employee who helped [guide](#) the JEDI project worked for Amazon before he worked for the Pentagon and later returned to Amazon.





## **Roll Call**

**Congress must turn the corner on big tech this year**

January 22, 2019

## **The New York Times**

**Was Amazon's Headquarters Contest a Bait-and-Switch? Critics Say Yes**

November 6, 2018

## **The Dallas Morning News**

**Thanks to HQ2, Amazon now has a database of private information about U.S. cities**

January 14, 2019

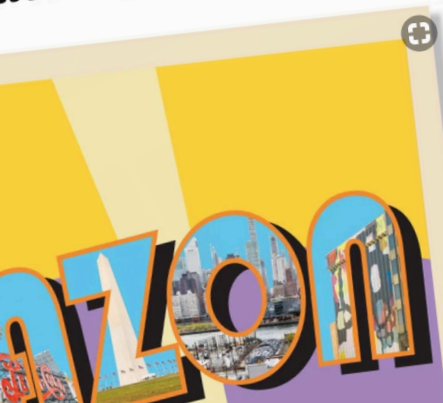
## **Richmond Times-Dispatch**

**Before Amazon breaks ground, Virginia needs transparency around HQ2**

December 26, 2018



## Starters Contest Politics Say Yes



“They’ve duped more than the bidders. They’ve duped all of us. They can’t even live up to a promise that wasn’t fair to anyone but Amazon,” said Robert B. Engel of the Free & Fair Markets Initiative.

 **USA TODAY**

### **Men’s club: New HQ2 projects offer Amazon chance to stop excluding and underpaying women**

November 13, 2018

POLITICO

### **Morning Defense**

### **Coalition urges Inhofe and Burr to probe Amazon Cloud for reported vulnerabilities**

October 17, 2018



### **Fake Amazon reviews lands business in FTC crosshairs for 1st time**

March 1, 2019

### **THE WALL STREET JOURNAL.**

### **FTC’s New Task Force Could Be Trouble for Big Tech**

February 28, 2019



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