



August 4, 2022

The Honorable Isabel Guzman
Administrator of the Small Business Administration
Small Business Administration
409 3rd Street, SW
Washington, DC 20416

Dear Administrator Guzman,

On behalf of the signatories, who represent thousands of independent businesses across the country, we are writing to express our disappointment that the Small Business Administration (SBA) would partner with Amazon on the auspices of helping small business. No one corporation has done more to hinder small business and entrepreneurship in the past two decades than Amazon. We urge SBA to rethink its partnership with Amazon and instead focus on cultivating more partnerships with the very small businesses it is charged with helping and other organizations that support small businesses.

It was particularly frustrating to see the large role that Amazon played as part of SBA's celebration of Small Business Week, given Amazon's long history of anti-competitive practices and the toll they've taken on small businesses. During the Virtual Summit on May 3, Amazon hosted a session, "Accelerating Your Small Business Success with Ecommerce." Amazon hosting a panel on e-commerce success is particularly ironic given Amazon's history of anti-competitive practices in many e-commerce markets.

For one, for nearly 20 years, Amazon grew its business by flouting sales tax laws, selling items "duty free" to entice consumers to buy online, and stealing customers from local bookstores. The online giant also sold books at below cost to lure consumers into its e-commerce store in the hopes they would purchase higher-priced and more profitable products from its website. Throughout, as the company grew due to competitive practices, a percentage of the tax money collected from local retailers was then funneled to their key competitor, Amazon, in the form of tax breaks and subsidies, meant to convince Amazon to open warehouses or fulfillment centers in the area.

Add to that, since 2019, the FTC has been looking into Amazon over antitrust concerns in the retail sector. And a bipartisan investigation of Big Tech, led by Congressman David Cicilline of

Rhode Island, found that Amazon was likely guilty of anticompetitive practices that harmed small businesses.

Then there is Amazon's role in the new Small Business Digital Alliance. Upon launching the SBDA in January 2022, SBA described it as a joint public-private co-sponsorship that will "connect small businesses with critical tech resources to start and expand their e-commerce business to scale for success." Soon after, SBA announced that SBDA's national members include a number of large corporations, most notably Amazon. It is more than likely that the company sees the access to countless small businesses, not as a way to help small businesses, but as a prospecting opportunity for sales and acquisitions.

Perhaps more astounding is the SBA claiming the partnership with tech monopolies would help ensure that small businesses "can reach new markets, implement new strategies and fully harness the power of technology to grow and be resilient."

For the past 27 years, Amazon has done everything they can to ensure that any successful small competitor is either crushed under its monopolistic weight or swallowed up in an acquisition — usually after Amazon gave the small business a "good sweating" by underselling them until they had no choice. And then to tout Amazon as "well-respected" is simply laughable, given its anticompetitive practices and its treatment of workers.

We urge you to reconsider your relationship with Amazon.

Sincerely,

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