



VIA COURIER/FACSIMILE

July 17, 2017

The Honorable Maureen K. Ohlhausen
Acting Chairman, Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington DC 20004

Dear Chairman Ohlhausen:

Because of the impact of online shopping, technology, and automation, our economy and the retail grocery landscape is changing dramatically. As such, the very definition of how mergers, such as the proposed Amazon and Whole Foods merger, would impact grocery competition, customer choice, the price of goods, and, especially hard-working retail workers must be rethought. While traditional analysis may discount the threats that would arise from Amazon's acquisition of Whole Foods, Amazon is not a traditional retailer or grocer.

By any and every reasonable measure, Amazon is an online retail monopoly. The scope and weight of Amazon's digital reach poses a severe and constant economic threat to consumers, retailers, and especially grocers, irrespective of whether they are located online or are traditional brick-and-mortar stores. More significantly, the scope of Amazon's reach and the very nature of our economy today, does not limit their impact to the digital retail landscape. The fact is that Amazon is more than a digital retail monopoly; rather, it is a retail monopoly that threatens every corner of our nation's economy.

We urge you to consider, for example, the facts of Amazon's growing unfair scope and reach:

- According to a 2016 [report](#) from the Institute for Local Self-Reliance, half of all online shopping searches start directly on Amazon.
- That same report states that within five years, 20 percent of the U.S.'s \$3.6 trillion retail market will have shifted online, and Amazon is on track to capture two-thirds of that share.
- Additionally, a report from Consumer Intelligence Research Partners (CIRP) last week estimated total U.S. Prime membership at 85 million, which is up 35 percent from the year-ago quarter and double from two years ago. CIRP also noted that 63 percent of U.S.-based Amazon customers are Prime members.



In terms of impact, Amazon arguably poses a greater threat to our retail economy than any other online or traditional brick-and-mortar grocer. Again, we urge each commissioner to consider the following impacts:

- **Hurts Consumers:** Amazon's proposed merger of Whole Foods will hurt consumers by allowing their national economic power to gain unfair advantage with suppliers. As a result, not only may consumer prices increase, the quality and scope of products may be impacted. While Whole Foods may have 460 stores worldwide, the reality is that the very nature of Amazon's size allows them to unfairly compete against small and medium-sized grocers when it comes to the purchase of goods.
- **Hurts Choice:** Amazon's reach will ultimately reduce the number of grocery competitors that consumers can choose from. Regardless of whether Amazon has an actual Whole Foods grocery store near a competitor, their online model and size allows them to unfairly compete with every single grocery store in the nation.
- **Hurts Hard-Working Men and Women:** The FTC is a public agency, and it must consider the impact that any merger will have on consumers and workers. Amazon's online business model is built on a brutal foundation of automation to cut costs. If this merger proceeds, it could impact thousands of Whole Foods workers' jobs simply for the sake of enriching one of the nation's wealthiest individuals – Jeff Bezos.
- **Job Destroying Automation:** Amazon has made its competitive vision clear with the introduction of its Amazon Go format, which eliminates nearly every grocery worker in its stores, and replaces them with automation and automated check stands. Amazon's acquisition of Whole Foods is not about improving customer service, products, or choice. It is about destroying Whole Foods jobs through Amazon-style automation.

We strongly urge the FTC to carefully review this merger. We believe a fair and impartial analysis will prove that Amazon's acquisition of Whole Foods merger is a competitive threat to our economy, workers, and communities.

Sincerely,



International President