

Responses to Questions for the Record following the July 16, 2019, Hearing of the Subcommittee on Antitrust, Commercial, and Administrative Law, Committee on the Judiciary, Entitled “Online Platforms and Market Power, Part 2: Innovation and Entrepreneurship”

October 11, 2019

- 1 Does Amazon utilize most-favored-nation (MFN) clauses or MFN-like provisions (e.g., provisions that guarantee Amazon the best price) in its contracts with suppliers or merchants? If yes, please (a) describe those provisions; (b) provide a list of the contracts containing each type of MFN or MFN-like provision; and (c) provide the contracts containing those provisions.**

Amazon’s standard terms governing the vast majority of its vendors and third party sellers do not include MFN provisions. In some cases, typically in highly negotiated agreements that impose significant obligations on Amazon, such as obligations to carry a vendor’s products, Amazon asks vendors and sellers to agree to provisions designed to prevent discrimination against Amazon’s store and Amazon’s customers. For example, Amazon has an agreement with a specialty pet food vendor that limits Amazon’s rights to stop selling the vendor’s products, regardless of the pricing and other terms on which the vendor sells them to Amazon. To ensure Amazon can sell those products to customers at a competitive price, the vendor also agreed that those terms will be no less favorable than those it provides to other retailers. As another example, some of Amazon’s video content license agreements with major studios also include industry standard MFN provisions related to content parity, packaging, pricing, and content security.

- 2 Please describe all the tools and resources that Amazon devotes to tracking the pricing of products on non-Amazon websites (i.e., a website not owned or operated by Amazon).**

Amazon seeks to provide customers with a vast selection of products with great prices and convenient delivery options. In support of those efforts and like most other retailers, Amazon uses software and employees to monitor publicly available information about products offered by other stores, including information about product pricing and availability. This information helps to ensure that customers continue to find a competitive range of selection at great prices in Amazon’s store.

- 3 Please describe how Amazon responds when it discovers that a product sold by a Marketplace merchant is being sold at a lower price on a non-Amazon website.**

Customers come to Amazon for a vast selection of products with great prices and convenient delivery. If customers are disappointed in the offerings at Amazon, they will quickly turn to other stores to find the best selection, prices, and convenience. To maintain trust with customers that they will find low prices in the Amazon store, Amazon sets the prices on its first party sales to match competitors across all channels of retail. For sales by third parties, who are responsible for setting their own prices in the Amazon store, Amazon may suggest that a seller

lower its price in its store, offer an Amazon-funded discount on the product, or choose not to feature higher-priced offers on a product's detail page.

4 Please identify whether Amazon modifies its treatment of or relationship with Marketplace merchants if it learns that merchants are selling products on non-Amazon websites at a lower price than on Amazon or on an Amazon-owned or operated website.

To maintain trust with customers that they will find low prices in the Amazon store, Amazon may take steps to ensure that customers can continue to find great prices in Amazon's store, such as suggesting that a seller lower its price, offering an Amazon-funded discount on the product, or choosing not to feature higher-priced offers on a product's detail page.

5 Please identify all factors that determine which products are featured in the Buy Box and explain why each is used.

Amazon developed the single product detail page to provide customers with easy and convenient access to information about a product and to facilitate comparison of available offers. To improve the customer experience further, Amazon predicts the offer customers would choose if they compared all offers in detail and highlights those offers on product detail pages ("Featured Offers"). Amazon identifies a Featured Offer by considering factors including price, fulfillment speed, delivery speed, Prime eligibility, and seller performance. The vast majority of customers who compare available offers ultimately select the offer Amazon features on the product's detail page, which tells Amazon it is accurately predicting the best offer to feature. Amazon also provides information about this process to sellers via Seller Central.

More broadly, Amazon also makes offers easily available for customers to shop from if they want to select a different offer than the featured one. Customers may compare the closest competing offers and add them directly to their shopping cart via the "Other Sellers on Amazon" option, which is displayed on the product detail page directly below the Featured Offer. Customers may also browse all offers via the offer listing page, accessible via a hyperlink below the Featured Offer. There, customers may compare offers, sellers, shipping speeds, and prices.

6 Please identify all factors that Amazon's algorithm considers when listing and ranking product search results and explain why each is considered.

Amazon designs its shopping and discovery experience to feature the items customers will want to purchase, regardless of whether they are offered by Amazon or one of its selling partners. Amazon considers many factors when choosing the shopping results featured for customers, including, for example, customer actions (such as how frequently an item was purchased), information about the item (such as title, price, and description), and availability.

Amazon considers customer actions because Amazon believes that they are good indicators of what other customers may want to purchase. Amazon also considers information about items, such as title and description, to identify the products that are a good match for a given shopping

query. For example, an item title including the words “v neck t-shirt” is likely to be a good match for a customer query “v neck t-shirt.” Amazon considers item price and availability, because Amazon recognizes that great prices and availability matter to customers.

7 Does Amazon’s algorithm take into account any of the following factors:

- a. Whether a merchant is enrolled in Fulfillment-by-Amazon;**
- b. Whether a merchant has purchased ads on Amazon; or**
- c. Whether a product is private label sold by Amazon?**

Amazon designs its shopping and discovery experience to feature the items customers will want to purchase, regardless of whether they are offered by Amazon or one of its selling partners. Amazon’s algorithms do not take into account the factors described in a, b, and c above when ranking shopping results.

8 If a product is out of stock at Amazon and that same product is available at the same or a lower price from a Prime-eligible seller with a high-performance rating, are there any circumstances under which Amazon would still give itself the Buy Box? If yes, please describe the relevant circumstances.

If an Amazon retail offer is out of stock with no outstanding purchase orders and that same product is available at the same or a lower price from a Prime-eligible seller with a high-performance rating, then the Amazon retail offer would not be the Featured Offer.

9 Please identify the number of private label products offered by Amazon in total and broken down by product category.

Amazon currently offers approximately 158,000 private brand products (some of which have additional variations, such as color and size) across 45 brands in the Amazon store in addition to some private brand products sold by Amazon Fresh, its online grocery store available in select metro areas.

10 At the time that Amazon first started selling each of its private label products, identify the number of sellers offering that product, defined as any product sharing the same product category, on Amazon Marketplace.

Amazon offers customers a broad selection of private brand products in highly competitive categories with many national and other brands. Amazon does not compile data on the number of sellers offering a product in the same category as its private brand products.

- 11 Please identify all the ways that Amazon’s platform treats Amazon’s private label products differently from third-party products that are in the same product category and explain all the reasons for treating them differently.**

Private label products are a common retail practice, frequently recognized by economists and shoppers alike to offer great value to customers because of their strong value proposition and low price, as evidenced by the popularity of these products in many retailers’ stores. Amazon generally does not distinguish the treatment of brands based on the selling model or brand owner in Amazon’s store. Consistent with the value proposition for private brands generally, Amazon knows from experience that Amazon’s private brand products have on average higher customer review ratings, lower return rates, and higher repeat purchase rates than other comparable brands in the Amazon store. As a result, like other retailers, Amazon highlights its private brands in promotions and marketing in the Amazon store when Amazon thinks they will be of interest to customers. Of course, Amazon is the only seller of Amazon private brands in the Amazon store.

- 12 Amazon states that its private label sales account for approximately 1% of its total sales. What percentage of sales do Amazon’s private label products capture in each of the product categories where Amazon offers a private label product?**

Amazon offers private brand products in highly competitive categories and Amazon’s total sales are small as compared to national and other branded and generic products in Amazon’s store, lagging far behind the percentage of sales that rival private brand retailers have achieved. Across Amazon’s business lines, the percentage of sales in Amazon’s stores that its private brand products account for are in the low single digits in North America.

- 13 What percentage of Amazon’s private label products are sold at-cost and what percentage of Amazon’s private label products are sold below-cost? Please provide this information overall and broken down by product category.**

Amazon does not offer its private brand products at a regular price below the cost of goods that Amazon pays to its manufacturers. Like other retailers, Amazon occasionally marks down private brand products and other products for a variety of reasons, including when Amazon has excessive inventory.

- 14 Please identify the revenues, costs, and profit margins for Amazon’s private label business for each of the past five years, overall and broken down by product category.**

Amazon’s audited financial reports do not separately identify private brand-specific revenues, costs, and profit margins. However, private brands are accounted for under Amazon’s online stores, physical stores, and retail products revenue categories. Amazon reported \$140.2 billion

in net sales in Amazon's stores worldwide in 2018,¹ \$114.2 billion in 2017,² \$91.4 billion in 2016,³ \$76.9 billion in 2015,⁴ and \$68.5 billion in 2014.⁵

15 Please identify all types of data that Amazon compiles, maintains, and uses to inform its development of Amazon's private label products and explain how each is used.

Amazon uses a variety of information commonly employed across the retail industry to inform its private brand strategy. For example, Amazon uses fashion and shopping trends highlighted in the press and on social media, suggestions from its manufacturers for new or complementary product lines, and gaps in the Amazon store's product assortment relative to its competitors. Just like other stores, Amazon uses public and aggregated data from its stores to identify categories and products with high customer demand over a given time period. "Aggregated data" is data that is aggregated across all third party sellers and Amazon's first party sales and is therefore not specific to an individual seller. It includes data such as aggregate sales reports at a product category level. The public data Amazon uses includes, for example, offer data displayed on the public-facing portions of its website. Amazon is transparent about product popularity in its store. Anyone can visit Amazon's product detail pages to learn a product's best seller ranking, in addition to its product reviews and star ratings, and make a determination on all of those bases about whether a product is selling well. As previously noted in Amazon's July 26, 2019 letter to Chairman Cicilline, Amazon prohibits the use of non-public seller-specific data to inform development of private brand products.

16 Please identify all types of data that Amazon compiles, maintains, and uses to inform its marketing of Amazon's private label products and explain how each is used.

Amazon uses several types of information to determine its marketing strategy for private brand products. This includes, for example, seasonality of the product (marketing swimsuits and sunscreen in the summer and holiday sweaters in December); inventory on hand (for example, running promotions where Amazon has excess inventory); past sales; age of the brand and product (marketing new products or brands more heavily than older ones); and customer ratings and the number of customer reviews on specific products (to ensure Amazon is marketing products customers rate highly).

¹ Amazon reported \$123.0 billion in net sales in the Online Stores category and \$17.2 billion in the Physical Stores category worldwide.

² Amazon reported \$108.4 billion in net sales in the Online Stores category and \$5.8 billion in the Physical Stores category worldwide.

³ Amazon reported \$91.4 billion in net sales in the Online Stores category worldwide.

⁴ Amazon reported \$76.9 billion in net sales in the Online Stores category worldwide.

⁵ Amazon reported \$68.5 billion in net sales in the Retail products category worldwide.

- 17 Please identify all types of data that Amazon compiles, maintains, and uses to inform its pricing of Amazon’s private label products and explain how each is used, including how it uses consumer data that Amazon collects from third-party products.**

Amazon’s pricing philosophy is to ensure that customers can find competitive prices in the Amazon store. For private brands, Amazon aims to offer incremental selection at a better price/value ratio than leading brands. Pricing of Amazon’s private brand products is informed by a variety of factors, including, for example, the cost of the product and the price of similar, popular products offered in Amazon’s store and by competitors.

- 18 Please identify all the ways that Amazon uses aggregate sales data that Amazon collects from third-party products distributed on its platform.**

Like every store owner, Amazon uses aggregate data collected from sales in its store to continually improve the shopping experience for its customers, as well as the selling experience for its selling partners. For example, Amazon uses data to power the recommendations and analytics Amazon offers its selling partners through various tools such as Amazon Brand Analytics, Amazon Retail Analytics, Selling Coach, Business Advisor, Business Reports in Seller Central, and others; as an input into Amazon’s fraud detection work to protect its customers and selling partners; and to operate and understand the health of its business, develop new tools and services for customers and selling partners, and otherwise make strategic decisions about where to invest resources.

- 19 Please identify all the ways that Amazon uses individual behavioral consumer data that Amazon collects on its platform.**

Consistent with its Privacy Notice, Amazon uses individual customer data for limited purposes related to ensuring the proper functioning of its products and services. For example, this data is used to operate, provide, and improve the products and services that Amazon offers its customers, including:

- Take and handle orders, deliver products and services, process payments, and communicate with customers about orders, products and services, and promotional offers.
- Provide functionality, analyze performance, fix errors, and improve usability and effectiveness of Amazon products and services.
- Recommend and advertise features, products, and services that might be of interest to Amazon’s customers.
- Prevent and detect fraud and abuse in order to protect the security of Amazon customers.

- Comply with legal obligations (such as calculation and reporting of royalties or taxes).

Amazon's Privacy Notice is available online at: <http://www.amazon.com/privacy>.

20 Please identify all the ways that Amazon uses aggregate behavioral consumer data that Amazon collects on its platform.

Amazon uses data aggregated from customers' interactions with its store to improve the customer experience of nearly every customer-facing feature of the Amazon store.

21 Is there any distinction between how Amazon uses data it collects from first-party sales and data it collects from third-party sales. If yes, please explain the distinctions.

Amazon recognizes that third party selling partners trust Amazon with information about their businesses. As a result, Amazon prohibits the internal use of third party sales data in ways that are not applicable to the use of data from its first party sales. For example, Amazon prohibits Amazon's private brand products business from using individual sellers' data to decide which products to launch, and Amazon prohibits the use of individual sellers' data to make sourcing, pricing, or inventory decisions for its private brand products. Amazon employees are permitted to use individual sellers' data only to support that seller or enhance or protect our customers' experience. While internal teams are permitted to examine aggregated selling partner data for business purposes, that is no different from the uses that other retailers make of their store sales data.

22 Please identify the total number of Marketplace seller accounts, specifying how many are Amazon Individual Seller Accounts and how many are Amazon Pro Merchant Accounts.

Amazon strives to make it as easy as possible for honest entrepreneurs to sell their products in its store. To that end, third party sellers may choose the selling plan that best meets their needs, and may switch between Individual and Professional plans as they see fit (subject to Amazon's anti-fraud controls). Thus, the number of each type of account is constantly changing. As of September 29, 2019, there were approximately 384,000 active⁶ individual seller accounts in the U.S. and approximately 514,000 active professional seller accounts in the U.S.

23 Please describe the pricing of Marketplace fees for each of the past five years. Please identify all pricing changes over that period and describe all the reasons for each change.

As shown in its publicly available fee schedules, Amazon offers two selling plans, with a different fee structure for each. The individual plan is designed for small sellers who intend to sell fewer than 40 items per month. This plan has no monthly subscription fee, has selling fees of \$0.99/item, and has per-item referral and variable closing fees that vary by product category. The professional plan is designed for more active sellers, and has a monthly subscription fee of

⁶ A seller is active if they have gross merchandise sales greater than zero in the trailing twelve months.

\$39.99, no fixed per-item selling fee, and referral and variable closing fees that vary by product category. Sellers may switch between selling plans at any time. The base plans have not changed over the past five years; historical referral fee information from Amazon's selling plans is included as Appendix A.

24 Please describe how Amazon determines its pricing for Marketplace services.

Amazon prices its services so that selling in the Amazon store will be an attractive choice for selling partners compared to their many options in the highly competitive retail environment, while also enabling Amazon to continue to invest in providing more services to sellers and providing a great customer experience, thereby making the store more attractive for both customers and sellers.

25 When a Marketplace merchant makes a sale on Amazon, how many days on average will it take for the merchant to receive payment through Amazon for that sale?

On average, sellers are paid within seven days after a customer receives the item.

26 Please identify Amazon's accounts payable rate for first-party vendors for each month over the past three years.

Amazon's accounts payable rate is negotiated with and varies among vendors. These rates are generally between Net 30 and Net 90 days.

27 Please identify what types of information Amazon tracks on Marketplace transactions and explain the reasons why each is tracked.

Like every store owner, Amazon collects data about sales in its store to constantly improve the shopping experience for its customers, as well as the selling experience for its selling partners. For example, Amazon uses aggregated sales data to power the recommendations and analytics it offers to selling partners through various tools such as Amazon Brand Analytics, Amazon Retail Analytics, Selling Coach, Business Advisor, Business Reports in Seller Central, and others; as an input into its fraud detection models that help protect its customers and selling partners; and to operate and understand the health of its business, develop new tools and services for customers and selling partners, and otherwise make strategic decisions about where to invest resources.

28 Please identify the types of information Amazon tracks on an individual Marketplace transaction that are not made available to the Marketplace merchant whose product is sold and explain why each is not made available to the merchant.

When a customer purchases an item offered by a third party seller in Amazon's stores, Amazon records information about that sale, including, for example, when and for how much the product was sold, the quantity ordered, and shipping information. Amazon shares a subset of this information with the seller, including details about the item(s) purchased and destination

address, to enable the seller to complete the transaction, deliver the product(s) to the customer, and fulfill its tax obligations.

To protect customers' privacy consistent with its commitments to customers in its Privacy Notice, Amazon works to limit the customer information that it shares with its selling partners to that which is necessary for the fulfillment of a customer order and the selling partner's tax obligations. For example, Amazon does not provide its selling partners with customers' payment instrument details, phone numbers, and email addresses, and instead provides selling partners with a means to communicate directly with buyers through Amazon's Buyer-Seller Messaging service. Amazon also provides selling partners with anonymized information, including traffic data, about products they offer through Amazon's business reports feature in Seller Central. Additionally, Amazon gives brand owners access to free, anonymized shopping behavior analytics reports in the Amazon Brand Analytics tool, such as an item comparison report that lists other products customers viewed in the same session as the brand owner's product, and a search terms report that lists the search terms customers are using to find that brand's products.

29 What are all the types of aggregated third-party seller data that Amazon makes available to third-party sellers?

Amazon invests heavily in supporting third party sellers, including by creating tools to support them and providing them with immense data resources. For example, Amazon provides third party sellers data through dashboards and customizable business reports available through Seller Central; data feeds available through the Marketplace Web Service APIs; and recommendations Amazon makes available through the Selling Coach tool. These tools have proven successful and continue to grow in popularity and sophistication. For example, third party developers build tools and applications to help sellers succeed in Amazon's store—more than 200 of which are available in the Marketplace Appstore or Seller Central at this time—around the functionality and data it makes available. Third party developers have used the data Amazon makes available to create applications for sellers that help with listing, automated pricing, order and inventory management, shipping solutions, advertising, promotions, product research and scouting, feedback and reviews, buyer seller messaging, analytics and reporting, accounting and tax remittance, and e-commerce solution connectors (e.g. multichannel listing management).

30 Does Amazon grant third-party sellers access to traffic and conversion data aggregated across product categories? Why or why not?

Like other store owners, Amazon does not publicly reveal certain details of its store's performance. Amazon does not provide category-level traffic and conversion data to external parties, as this information would provide competitors detailed insight into the performance of its business. While not provided by Amazon, business intelligence firms such as Nielsen, Comscore, and NPD provide insights into category performance across multiple stores. Some of

these reports are based on data from sales and trends across multiple stores, and give broader business insights than Amazon is able to develop based on data solely from its store.

31 Please identify which categories or teams of Amazon employees have access to data or information that Amazon collects on individual Marketplace searches and transactions, specify the types of data or information to which each has access, and describe where in Amazon’s organization chart the teams or employees are located (e.g., the individuals to whom they report).

Amazon recognizes that third party selling partners trust Amazon with information about their businesses. As a result, Amazon prohibits the use of individual sellers’ non-public data to compete with them through Amazon’s first party offerings, including through Amazon’s private brand product development, or retail sourcing, pricing, or inventory decisions. Amazon employees are permitted to use seller-specific data only to support that seller or to enhance or protect Amazon’s customers’ experience. For example, Amazon’s teams responsible for building tools and services to help its selling partners succeed provide data driven pricing recommendations in Selling Coach; the teams responsible for detecting fraud and abuse use seller-specific information to detect bad actors; and the teams responsible for allocating inventory space among sellers within a fulfillment center use information about sellers’ inventory to do so.

Amazon’s policy on sellers’ non-public data is based on the purpose for which data is used, rather than the individuals to whom an employee reports. Amazon trains employees on these policies, and regularly audits its systems and processes for compliance. Amazon is also continually improving its technical controls to automatically enforce this policy, and many tools in use today are already configured to omit seller data or have strict permissioning requirements. Unlike sales data related to customer purchases from individual third party selling partners, data about customer searches in Amazon’s store is not seller-specific and may be used for legitimate business purposes. Amazon also gives brand owners access to free, anonymized shopping behavior analytics reports in the Amazon Brand Analytics tool, such as an item comparison report that lists other products customers viewed in the same session as the brand owner’s product, and a search terms report that lists the search terms customers are using to find that brand’s products.

32 Please identify which categories or teams of Amazon employees have access to data or information that Amazon collects on aggregate searches and transactions on Amazon, specify the types of data or information to which each has access, and describe where in Amazon’s organization chart the teams or employees are located.

Like any other store owner, Amazon uses the aggregate data that it collects from sales in Amazon’s store to improve customers’ experiences and the store’s performance. Employees may use aggregated data about activities in Amazon’s store consistent with their responsibilities. “Aggregated data” is not specific to an individual seller, such as offer data

displayed on the public-facing portions of Amazon's website, or aggregate sales reports at a product category level. Numerous Amazon teams have access to such aggregated data, including Amazon's retail team, private brand team, and the teams that build tools and services to help Amazon's selling partners succeed and to help prevent fraud and abuse in Amazon's store. As noted previously, anyone can visit Amazon's product detail pages to learn a product's best seller ranking, in addition to its product reviews and star ratings, and make a determination on all of those bases about whether a product is selling well in its store.

33 Please identify which categories or teams of Amazon employees have access to sales data and other information about a Marketplace merchant's account and describe where in Amazon's organization chart the teams or employees are located.

Amazon recognizes that third party selling partners trust Amazon with information about their businesses. As a result, Amazon prohibits the use of individual sellers' non-public data to compete with them through Amazon's first party offerings, including through Amazon's private brand product development, or retail sourcing, pricing, or inventory decisions. Amazon employees are permitted to use seller-specific data only to support that seller (e.g., providing data driven pricing recommendations in Selling Coach); protect Amazon's customers (e.g., detecting fraud and abuse); or run Amazon's store (e.g., deciding how to allocate inventory space among sellers within a fulfillment center). This policy is based on the purpose for which data is used, rather than the individuals to whom an employee reports. Amazon trains employees on these policies and regularly audits its systems and processes for compliance. Amazon is also continually improving its technical controls to automatically enforce this policy, and many tools in use today are already configured to omit seller data or have strict permissioning requirements.

34 When detailing certain requirements on Amazon Seller Central, Amazon states, "Failure to comply with these requirements may cause a product to be suppressed from Amazon search results." Is suppressing a product from search results the same as de-listing it? If not, please describe what it means for Amazon to suppress a product from Amazon search results.

Suppressing a product from shopping results is different from removing the listing from Amazon's store, although Amazon uses both processes to protect the experience of its customers and prevent fraud and abuse in its store. Suppressing a product from shopping results has the result of hiding the listing from search and personalization, yet the product remains buyable in Amazon's store. Amazon may suppress a listing from shopping results when a listing risks impairing the customer shopping experience for reasons such as missing or incorrect information. Listings may be un-suppressed and reappear in shopping results when flaws are corrected. Sellers are able to run suppression reports and correct or manage suppressed listings through the "Manage Inventory" tab in Seller Central. For the vast majority of Amazon sellers, simple errors like missing images and or category fields can be updated in as little as 24-48 hours. In contrast, Amazon may remove or "de-list" a product from its store where the product is illegal, prohibited by Amazon's policies, or otherwise presents a risk of

fraud and abuse. Once removed from Amazon's store, such products cannot be purchased by Amazon's customers.

35 What are the character limits Amazon sets for the listing titles and descriptions on Marketplace?

To simplify the shopping experience for customers in the Amazon store, each product receives a single entry in Amazon's catalog, including its title and detail page content, regardless of whether it is offered by Amazon retail or one or more third party sellers in Amazon's store. The precise limits vary by locale and product type, but Amazon generally permits titles up to 200 characters and descriptions up to 2,000 characters.

36 Are these character limits uniform across all seller accounts and product categories? If not, please describe any differences and explain all the reasons for each difference.

To simplify the shopping experience for customers in Amazon's stores, product details, including titles and descriptions, are specific to the product rather than the party offering it. As a result, character limits may vary by product category—for example there may be a higher character limit for over-the-counter medication compared to home goods like lamps given how much information a customer needs to make an informed purchasing decision—but do not vary based on the type of seller account.

37 Do the catalog listing rules and product ingredient rules that Amazon applies to Marketplace sellers also apply to Amazon's private label products? If no, please describe any differences and explain all the reasons for each difference.

Because Amazon seeks to offer its customers the best quality products under its own brands, Amazon generally holds its private brand products to even higher standards for customer experience.

38 Has Amazon ever prevented reviews from being posted to a seller's account because that seller's product was competing with an Amazon product? If yes, please describe the relevant circumstances.

Amazon is not aware of any instance in which a review has been prevented from being posted to a seller account because that seller's product was competing with an Amazon product. There are many reasons why a review may not be posted, including failure to comply with Amazon's review guidelines such as when the review is submitted by, or paid for by, the seller.

39 Please describe all steps Amazon takes to generate product reviews for its private label products.

Amazon generally relies on customers who purchase products to leave reviews for private brand products as they do for any other products in Amazon's stores. In addition, for private brand

fashion items, Amazon at times includes a hang tag that invites customers to leave a review, without specifically requesting the review be positive or negative. The hang tag says “We’d love to hear from you! Please leave us a review.” As with numerous other products, Amazon’s private brand products also participate in its broader Vine and Early Reviewer programs.

- 40 Please identify how Amazon’s efforts to generate product reviews for its private label products differ from the processes and practices that Amazon requires third-party sellers to abide by when seeking to generate product reviews for their products and explain all the reasons for each difference.**

Amazon solicits product reviews for private brand products using Amazon’s Early Reviewer and Vine programs. Amazon’s Early Reviewer program is available to third party sellers, and its Vine program is available to vendors and will also be available to third party sellers by 2020.

- 41 Please identify the revenues, costs, and profit margin of Amazon Advertising for each of the past five years.**

Amazon’s audited financial reports do not separately identify Amazon Advertising-specific revenues, costs, and profit margins. However, beginning in 2018, Amazon has provided additional disclosure about sales of advertising services in the “Other” revenue category. Amazon reported \$10.1 billion in net sales in “Other” revenue worldwide in 2018.

- 42 For each month since July 2018, please identify the average number of listings within the top-10 search result listings that were paid listings.**

Amazon maintains records listing the number of sponsored listings per page rather than the number of sponsored listings within the first ten shopping results. The number of shopping results Amazon returns on the first page of discovery depends on several factors, including whether the customer is accessing Amazon on a desktop or mobile device. Shopping results on mobile may include 14 to 20 products per page, excluding sponsored listings. In each month since July 2018, Amazon showed three to four sponsored listings in the first page of shopping results on mobile. Shopping results on desktop may include 16 to 60 products per page, excluding sponsored listings. In each month since July 2018, Amazon showed an average of 7 to 11 sponsored listings on the first page of shopping results on desktop.

- 43 For each month since July 2018, please identify the percentage of all “editorial recommendations” on Amazon that recommend Amazon’s private label products.**

Editorial Recommendations brings product-related content onto Amazon to help customers research and discover products they might be interested in. For each month since July 2018, the number of Amazon private brand products featured within Editorial Recommendations has been less than 2.5%.

44 For each month since July 2018, please identify the percentage of all space eligible for advertising on Amazon that has been devoted to Amazon’s private label products.

There is no advertising space reserved for Amazon’s private brand products. The type and amount of ads or merchandising shown to a customer depends on many factors, including the customer’s query, the product the customer is shopping for, and whether the customer is shopping on desktop, mobile, or in Amazon’s app.

In each month since July 2018, only 2–3% of space eligible for Sponsored Products and Sponsored Brands impressions has highlighted Amazon’s private brand products. Amazon’s display and video programs only show merchandising for private brand products on Amazon when no third party ad is available.

45 How does Amazon determine when to make any ad space unavailable for non-Amazon products in order to allow Amazon to promote its private label products?

There is no advertising space reserved for Amazon’s private brand products. Like all retailers, Amazon regularly makes decisions about how to use the space in Amazon stores based on a variety of factors, centered on what customers will find most helpful. Whether to show ads or merchandising placements, and how many, depends on many variables, including, for example, the customer’s query, what type of product the customer is shopping for, and whether the customer is shopping on desktop, mobile, or in Amazon’s app.

46 Given that Amazon’s decision to use ad space to promote its private label products reduces the available inventory of ad space on Amazon for other products, by how much does the cost of advertising increase for brands who are competing with Amazon for ad space for products in the same product category?

There is no advertising space reserved for Amazon’s private brand products. Like all retailers, Amazon regularly makes decisions about how to use the space in Amazon stores based on a variety of factors, centered on what customers will find most helpful. Whether to show ads from third parties or merchandising placements highlighting Amazon’s private brand products, and how many, depends on many variables, including, for example, the customer’s query, what type of product the customer is shopping for, and whether the customer is shopping on desktop, mobile, or in Amazon’s app.

47 In categories where Amazon has a private label product, what portion of ad inventory is not available for first-party or third-party sellers because of ads for Amazon’s private label products?

Amazon Advertising does not restrict vendors or third party sellers from accessing ad inventory in categories where Amazon has a private brand product.

48 When Amazon lists Sponsored Ads for its private label products does Amazon’s private label business pay for the ads or does Amazon allocate free ad space to its private label products?

Like all retailers, Amazon makes decisions about how to use the space in its stores based on a variety of factors, centered on what customers will find most helpful. Of course, when the company chooses not to use space for advertising by third parties, Amazon foregoes the advertising fees it could have earned from that space. Deciding whether Amazon should use its store space to show ads from third parties or for merchandising placements highlighting Amazon’s private brand products depends on many variables, including, for example, the customer’s query, what type of product the customer is shopping for, and whether the customer is shopping on desktop, mobile, or in Amazon’s app.

49 What types of ads and ad space does Amazon reserve exclusively for Amazon’s private label products?

There is no advertising space reserved for Amazon’s private brand products. Like all retailers, Amazon regularly makes decisions about how to use the space in its stores based on a variety of factors, centered on what customers will find most helpful. Whether to show ads or merchandising placements, and how many, depends on many variables, including, for example, the customer’s query, what type of product the customer is shopping for, and whether the customer is shopping on desktop, mobile, or in Amazon’s app.

50 In some instances, Amazon promotes its private label products on the listings of third-party party brands (see below). Does Amazon make the space above the Buy Box that lists “Similar items to consider” available for non-Amazon brands, or can only Amazon list ads in that space?

This merchandising placement displays both Amazon and non-Amazon brands.

51 What marketing and/or promotion services does Amazon offer suppliers or merchants? Please describe the pricing for any such services.

Amazon strives to create a shopping experience that helps customers easily find products and services they are looking for. Promotion, marketing, and advertising are inherent parts of that shopping experience, just as they are in other online and brick-and-mortar stores. These services highlight brands, offers, and products, and help brands draw attention to the products and services they offer. Most marketing and promotional opportunities are available to all sellers and vendors as a function of a product being for sale on Amazon (e.g., Amazon pays to advertise products from both vendors and sellers on search engines such as Google, and Amazon merchandises products from both vendors and sellers through in-store product recommendations and widgets such as “Recommended for You” or “Customers Who Viewed This Also Viewed”).

Amazon offers a variety of promotional tools to help third party sellers and vendors highlight their products to customers, including several deal types for publicizing price changes, coupons, and promotional codes. These include: 24-hour deep discounts on high-demand products (“Deal of the Day”), six-hour discounts of limited quantities of products (“Lightning Deals”), extended time discounts (“7-Day Deals”), Coupons, and Buy X Get Y Promotions (e.g., “Buy 3, save 20%”). Pricing for these tools ranges from a fixed-price fee (e.g., \$300 for “7-Day Deals”) to per-clip and per-usage fees for coupons.

Like other retailers, Amazon also enters into cooperative advertising or marketing arrangements with vendors at negotiated prices under which vendors provide Amazon funding in exchange for merchandising of their products in the Amazon store.

Amazon also offers a range of advertising products and services to help third party sellers and vendors find, attract, and engage with new and existing customers. These products and services include display and video ads, which appear on websites and applications owned and operated by Amazon or third parties, and Sponsored Products and Sponsored Brands, which appear in the Amazon store's shopping results pages and promote products sold in the Amazon store.

Amazon prices its digital advertising services through a variety of industry-standard fee structures, including fees based on how many times the ad is displayed or viewed, flat fees, and fees based on a percentage of an advertiser's media spend. In general, display and video ads are priced either by a real time bidding auction or a cost per one thousand impressions. Advertisers are charged for Sponsored Products and Sponsored Brands when a customer clicks on the advertiser's ad, and the price per click is set in an auction based on advertisers' bids, how relevant the advertised product is in the context which it will appear, the likelihood of the ad being clicked on in that context, and other similar factors.

52 What factors does Amazon use to determine pricing for its marketing and/or promotion services? Please explain why each factor is used.

For promotion services, as with other services for third party sellers and vendors, pricing is designed to align incentives between Amazon and its selling partners to create a great experience for customers. Amazon balances its selling partners' ability to invest in selection and great customer prices with Amazon's ability to invest in creating customer demand and a great shopping experience. Amazon also enters into cooperative advertising and marketing arrangements with some vendors at negotiated prices.

For display advertising, last year most of the display ads bought from Amazon were purchased via real-time bidding, where the advertiser sets a maximum price that it is willing to pay for ad impressions and an auction determines the actual price paid for any specific impression. The rest were sold at a fixed price pre-agreed with the advertiser.

Nearly all Sponsored Products and Sponsored Brands are sold through real-time bidding

processes. However, for Sponsored Products and Sponsored Brands, advertisers are only charged when a customer clicks on the advertiser's ad. The price per click is set in an auction based on advertisers' bids, how relevant the advertised product is in the context in which it will appear, the likelihood of the ad being clicked on in that context, and other similar factors.

53 Does Amazon bundle any marketing and/or promotion services with its distribution services? If yes, please describe the terms and pricing for any such bundles.

Amazon does not bundle marketing and/or promotion services with Amazon's services for the fulfillment of physical goods sold by third party sellers (including Fulfillment By Amazon ("FBA") and multi-channel fulfillment). Sellers may purchase Amazon's fulfillment services without purchasing marketing or promotional services, and may purchase marketing or promotional services without purchasing fulfillment services. Amazon's publicly available fee schedule for sellers is available at <https://services.amazon.com/selling/pricing.html>.

54 If Amazon does bundle its marketing and/or promotion services with its distribution services, are suppliers able to purchase those services à la carte? If yes, please describe the terms and pricing for any à la carte offerings.

Amazon does not bundle marketing and/or promotion services with Amazon's services for the fulfillment of physical goods sold by third party sellers (including FBA and multi-channel fulfillment). Sellers may purchase Amazon's fulfillment services without purchasing marketing or promotional services, and may purchase marketing or promotional services without purchasing fulfillment services. Amazon's publicly available fee schedule for sellers is available at <https://services.amazon.com/selling/pricing.html>.

55 Does Amazon bundle any of its subscription services with its distribution services? If yes, please describe the terms and pricing for any such bundles.

Amazon does not offer fulfillment services to individual end-customers. Third party sellers in Amazon's stores may open and maintain subscriptions to professional or individual selling accounts without purchasing Amazon's services for the fulfillment of physical goods sold by third party sellers, including FBA and multi-channel fulfillment (although some specific products may require use of Amazon's fulfillment services, e.g., textbook rentals). Likewise, sellers with professional selling accounts may use Amazon's fulfillment services without selling their products through Amazon. Amazon's publicly available fee schedule for sellers is available at <https://services.amazon.com/selling/pricing.html>.

56 If Amazon does bundle its subscription services with its distribution services, are suppliers able to purchase those services à la carte? If yes, please describe the terms and pricing for any à la carte offerings.

Amazon does not offer fulfillment services to individual end-customers. Third party sellers in Amazon's stores may open and maintain subscriptions to professional or individual selling

accounts without purchasing Amazon's services for the fulfillment of physical goods sold by third party sellers, including FBA and multi-channel fulfillment (although some specific products may require use of Amazon's fulfillment services, e.g., textbook rentals). Likewise, sellers with professional selling accounts may use Amazon's fulfillment services without selling their products through Amazon. Amazon's publicly available fee schedule for sellers is available at <https://services.amazon.com/selling/pricing.html>.

- 57 Has any supplier or merchant ever complained about Amazon's bundling its distribution services with either Amazon's marketing or promotion services or Amazon's subscription services? If yes, please identify which suppliers or merchants have complained and describe the nature of each complaint.**

As stated in response to Question 53, Amazon does not bundle marketing and/or promotion services with the services for the fulfillment of physical goods sold by third party sellers (including FBA and multi-channel fulfillment). Sellers may purchase Amazon's fulfillment services without purchasing marketing or promotional services, and may purchase marketing or promotional services without purchasing fulfillment services. Amazon is aware that the Association of American Publishers has alleged that some "digital platforms" are tying distribution services to advertising services. Amazon does not engage in this practice. Amazon's negotiations with vendors (including publishers) involve a variety of terms, and in the context of these negotiations, Amazon may agree to provide certain marketing or promotional services as part of a package of terms that are acceptable to both parties.

- 58 Please describe all the ways that suppliers or merchants that do not purchase Amazon's marketing and/or promotion services are treated differently by Amazon from suppliers or merchants that do purchase Amazon's marketing and/or promotion services and explain all the reasons for treating them differently.**

Amazon strives to create a shopping experience that helps customers easily find products and services they are looking for. Marketing, promotion, and advertising are inherent parts of that shopping experience, so Amazon offers marketing, promotional, and advertising services to help merchants and suppliers succeed within its store. Many marketing and promotional opportunities are available to suppliers and merchants at no cost. Merchants and suppliers can choose to purchase promotional or advertising services, and some may also have access to marketing and promotional opportunities specific to the products they offer to customers or the programs in which they participate. Some vendors who supply Amazon with products negotiate promotional allowances and marketing funds as part of their overall terms of sale with Amazon, which may be applied toward to the promotion and marketing of those vendors' products. Other than providing the specific promotional and marketing placements purchased or negotiated, Amazon does not treat suppliers or merchants differently based on whether or not they purchase marketing or promotional packages it offers.

59 Please identify the revenues, costs, and profit margins of Fulfillment by Amazon (FBA) for each of the past five years.

Amazon's audited financial reports do not separately identify Fulfillment by Amazon-specific revenues, costs, and profit margins. However, Amazon provides a third party seller services revenue category, which includes FBA. Amazon reported \$42.7 billion in net sales in this category worldwide in 2018, \$31.9 billion in 2017, \$23.0 billion in 2016, \$16.1 billion in 2015, and \$11.7 billion in 2014.

60 Please describe the pricing of FBA fees for each of the past five years. Please identify all pricing changes over that period and explain all the reasons for each change.

Amazon sets its FBA fees to help its selling partners succeed by reaching millions of customers with Prime-eligible shipping, while covering Amazon's costs of: storing its selling partners' products in Amazon's fulfillment centers; picking, packing, and shipping their orders; and providing customer service for products sold. Amazon's FBA fees have consistently been lower than the cost of its selling partners' comparable alternatives. Amazon adjusts the fees for the services it provides in order to reflect the cost of providing those services (including what Amazon's logistics partners charge the company) and the competing alternatives available to sellers. FBA pricing for the past five years is attached as Appendix B.

61 Please describe all the ways that suppliers or merchants that do not purchase Amazon's distribution services through FBA are treated differently by Amazon from suppliers or merchants that do purchase Amazon's distribution services through FBA and explain all the reasons for treating them differently.

As Amazon explained in its July 26, 2019 letter to Chairman Cicilline, Amazon has invested tens of billions of dollars in developing a world-class fulfillment network and offers that network to its selling partners through its FBA program. As a result of these investments, selling partners who choose FBA enjoy high-quality fulfillment services that customers want, including fulfillment and delivery speed, Prime eligibility, and seller performance. The featured offer is based on factors affecting customer experience, and FBA generally provides a better and more reliable experience for Amazon's customers than fulfillment through other means; accordingly, that difference may be reflected in the offer that is featured.

62 Please describe Amazon's investments in logistics operations, including ownership of any ships or planes, and involvement in freight forwarding.

Amazon relies on a wide range of carrier partners to transport freight and packages in the United States. After experiencing third party capacity constraints during peak season in 2013, Amazon started building complementary ground transportation capabilities and has since invested in trucks, trailers, intermodal containers, and delivery vehicles. In 2016, Amazon also began to lease and contract for the operation of a small fleet of around 50 aircraft. Amazon's

own air and ground capacity supplements what the company buys from third parties, enabling Amazon to offer its customers fast, free delivery.

Amazon has several entities with for-hire motor carrier, freight forwarder, and brokerage Operating Authority, and is also a licensed non-vessel operating common carrier and customs broker in the United States. Amazon does not own ships.

63 Has Amazon ever demanded, as a condition for entering into a business partnership with another company, access to any data collected by that company including the company's own proprietary data? If yes, please describe the relevant circumstances.

Amazon does not demand data collected by its selling partners as a condition of doing business in Amazon's store. Amazon takes substantial steps to protect its customers, however, and accordingly requires selling partners to provide information about their identity, location, payment methods, and products as part of Amazon's registration and product listing processes. For certain products, Amazon may require additional information, such as safety-testing data or commercial invoices, to ensure that products are safe and authentic. Amazon does not otherwise require disclosure of commercially sensitive information, such as customer lists, as a condition of registration.

Like other stores, Amazon routinely contracts with a variety of external parties to operate or improve its business, and in many of these instances may request and receive information about or compiled by those parties. For example, Amazon may request data when considering whether to extend a line of credit or make an equity investment to an external party, or use a party's products or services (e.g., to assess reliability, security, or performance). Amazon may also enter into a business relationship for the specific purpose of obtaining data compiled by a company, such as market research.

64 Has Amazon ever received commercial data collected by an Amazon business partner? If yes, please describe what type of commercial data and how each type of data has been used.

As described in the answer to Question 63, Amazon—like other stores—routinely contracts with a variety of external parties to operate or improve its business, and in many of these instances will request and receive information about or compiled by those parties.

65 Has Amazon ever received data about individual consumers from its business partnerships? If yes, please describe what type of consumer data and how each type of data has been used.

As the owner and operator of the Amazon store, Amazon obtains information about consumers when they create Amazon customer accounts, including their names, email and shipping addresses, and payment information. However, Amazon does not obtain such information from its selling partners.

In addition, to complete a customer's transactions in the Amazon store, Amazon obtains information about those transactions. While the transactions may involve products sold by third party sellers, Amazon obtains that information through its customers' use of its store. Amazon does not obtain such information from its selling partners.

In addition to data generated through customer transactions, Amazon relies on business relationships for a diverse array of ancillary services that may involve customer data, such as logistics and delivery, payment processing, identity verification, marketing and advertising, and customer service. All of the data exchanged in the course of these relationships derives from Amazon's customers' use of its store; it does not come from Amazon's selling partners or other service providers.

Separately, selling partners who voluntarily opt to use Amazon's fulfillment services to fulfill their orders placed through channels other than Amazon's store provide information about those customer orders to Amazon for the sole purpose of fulfillment. Amazon does not use that information for any other purpose.

66 Has Amazon ever received personally identifiable information or sensitive personal information from its business partnerships? If yes, please describe what type of personal information and how each type of information has been used.

As described in the responses to Questions 63–65, Amazon—like other stores—routinely contracts with a variety of external parties to operate or improve its business. Certain of these functions, such as identity verification and fraud prevention, will necessarily involve personally identifiable information about customers or selling partners. Apart from the fulfillment services discussed in the response to Question 65, Amazon does not obtain personally identifiable information or other sensitive personal information relating to consumers from selling partners offering products through Amazon's store.

Amazon does offer features that allow customers to link certain third party services to their Amazon account for specific purposes. For instance, customers can link a third party calendar or email service to Alexa in order to access information from their calendar or email via Alexa. When customers link a third party service to their Amazon account, Amazon may receive personal information from the third party that it uses to provide the relevant feature or service to customers.

As is industry standard, Amazon may use third party audience information in its advertising programs to improve the relevance of its advertising for customers and advertisers. The information Amazon receives is anonymized or pseudonymized before Amazon receives it. All information used for interest-based advertising is pseudonymized, secured, used, and maintained in dedicated and distinct systems.

67 Has Amazon ever used information gathered as a result of a business partnership with another company to guide its product strategy? If yes, has Amazon ever used this information to introduce Amazon products that directly compete with the business partner's product?

As explained in response to Question 63, Amazon requires its selling partners to provide information about their identity, location, payment methods, and products as part of its registration and product listing processes. For certain products, Amazon may require additional information, such as safety-testing data or commercial invoices, to ensure that products are safe and authentic. Amazon prohibits the use of such information and other non-public, seller-specific information to introduce Amazon products that directly compete with its selling partners. Amazon does not otherwise require disclosure of sensitive information, such as customer or manufacturer lists, as a condition of registration.

68 Has Amazon ever threatened to either remove a seller from the Amazon Marketplace or prohibit the third-party sale of a product on Amazon due to a business dispute with that seller in one of Amazon's other areas of business? If yes, please describe the relevant circumstances.

Like all store owners, Amazon regularly makes decisions as to what products to carry in its store. Amazon seeks to offer the broadest possible selection and generally does not prohibit third party sales of safe and authentic products. As described in the Standards for Brands Selling in the Amazon Store, since the inception of its store, one way that Amazon has ensured a great customer experience is by sourcing products directly from brand owners and selling them to customers in Amazon's store. For a limited number of national brands that supply their products to other major retailers for sale by those retailers, Amazon has elected to source the brand's products for sale by Amazon only. This ensures Amazon can provide competitive prices, availability, and fast delivery for the most popular products in Amazon's store, and avoids customer confusion and operational complexity. As part of business agreements, Amazon has in certain circumstances chosen not to list third party products for sale in Amazon's store if those products do not allow customers to access Amazon services, such as Amazon Prime Video.

69 Has Amazon ever removed a seller from the Amazon Marketplace or prohibited the third-party sale of a product on Amazon due to a business dispute with that seller in one of Amazon's other areas of business? If yes, please describe the relevant circumstances.

Like all store owners, Amazon regularly makes decisions as to what products to carry in its store. Amazon seeks to offer the broadest possible selection and generally does not prohibit third party sales of safe and authentic products. As described in the Standards for Brands Selling in the Amazon Store, since the inception of its store, one way that Amazon has ensured a great customer experience is by sourcing products directly from brand owners and selling them to customers in Amazon's store. For a limited number of national brands that supply their products to other major retailers for sale by those retailers, Amazon has elected to source the brand's products for sale by Amazon only. This ensures Amazon can provide competitive prices, availability, and fast delivery for the most popular products in Amazon's store, and avoids

customer confusion and operational complexity. As part of business agreements, Amazon has in certain circumstances chosen not to list third party products for sale in its store if those products do not allow customers to access Amazon services, such as Amazon Prime Video.

70 Does Amazon prevent any third parties from incorporating Amazon’s services on third-party products and enabling those services to interoperate? If yes, please describe the relevant circumstances.

Amazon supports and encourages interoperability of Amazon services with third party products. For example, Alexa Voice Services program is focused on enabling third party device manufacturers and developers to include access to Alexa in their products; the Prime Video app and content are available on a range of televisions, devices, mobile devices, Blu-ray players, games consoles and streaming media devices, including, Roku, Chromecast, and Xbox; and the apps and content for Kindle, Amazon Music, and Audible are available on a variety of devices.

71 Has Amazon ever removed the “Buy Box” or “Buy Button” for products sold by a third party on Amazon? If yes, please describe the circumstances that resulted in this removal.

To enhance Amazon customers’ shopping experience, Amazon features offers that reflect compelling value and convenience for customers. Since Amazon seeks to highlight only offers that it is confident will present a great experience for its customers, there may be circumstances in which a third party offer would be ineligible to be displayed as the Featured Offer. For example, an offer would be ineligible if the third party has a history of providing a poor customer experience or presents a high risk of fraud or abuse. Similarly, an offer at a price that is uncompetitive, for a product that is not available or cannot ship to a customer’s location, or for a product about which there may be product-quality or customer-experience concerns may be ineligible to be displayed as the Featured Offer.

72 Has Amazon ever removed the “Buy Box” or “Buy Button” for products sold by a third party during the course of negotiations with that third party? If yes, please describe the circumstances that resulted in this removal.

In general, Amazon does not negotiate terms with third parties that sell in the Amazon store. The vast majority of third party sellers selling in Amazon’s store do so under standard terms. In the rare cases when Amazon does negotiate specific selling terms with large or strategic sellers, it generally does so before the third party commences sales in the Amazon store. It is not Amazon’s practice to remove the featured offer for products sold by third parties during the course of such negotiations.

In 2014, protracted negotiations with Hachette resulted in an impasse between the parties on terms. While all then-currently available Hachette titles remained available for sale, Amazon discontinued availability to “preorder” titles (books to be released at a future date). Once a book hit its release date, it was made available to customers.

73 Please identify the total number of Prime members in the United States.

Amazon Prime has over 100 million paid members worldwide.

74 Please identify all price changes to Prime membership since Amazon introduced the Prime program and explain all the reasons for each change.

Prime Pricing Schedule		
Date of Pricing Change	Price of Amazon Prime (monthly)	Price of Amazon Prime (annual)
February 2005	N/A	\$79/year
March 2014	N/A	\$99/year
April 2016	\$10.99/month	\$99/year
January 2018	\$12.99/month	\$99/year
May 2018	\$12.99/month	\$119/year

Amazon Prime was first offered in 2005, providing members with free, unlimited two-day shipping on eligible items. Over the years, Prime has expanded to offer digital benefits such as an e-book lending library for Kindle users (2011), Prime Video (2011), Prime Music (2014), and Twitch Prime (2016). Prime members also now enjoy additional shopping benefits including access to special pricing and deals, discounts for video game pre-orders (2016), and Prime Wardrobe (2018). Other benefits have evolved over time to deliver greater value to members. For example, while members were previously offered discounted one-day shipping, members now receive free one-day shipping on over 10 million products. Over the years, the price of Prime has reflected both the value to members and the cost to Amazon of delivering Prime’s benefits.

75 Please identify the revenues, costs, and profit margin for Prime for each of the past five years.

Amazon’s audited financial reports do not separately identify Prime-specific revenues, costs, and profit margins. However, Amazon provides a Subscription services revenue category, which includes Prime. Amazon reported \$14.2 billion in net sales in this category worldwide in 2018, \$9.7 billion in 2017, \$6.4 billion in 2016, \$4.5 billion in 2015, and \$2.8 billion in 2014.

76 Has Amazon ever requested or recommended that vendors lower or increase consumer prices? If yes, please explain the relevant circumstances and describe the data that Amazon used to inform any such requests or recommendations.

Amazon’s vendors—who sell inventory to Amazon at wholesale, which Amazon then sells to customers at retail—do not set consumer prices in Amazon’s stores. Therefore, Amazon does not request or recommend that such vendors lower or increase consumer prices. Amazon does negotiate its terms of purchase with those vendors to offer its customers competitive prices.

Third party sellers in Amazon's store set their own prices for their offers to customers. Amazon may recommend that third party selling partners lower prices in certain circumstances, for example when Amazon determines that a third party selling partner's offer is higher than the price offered for that product by another store. Amazon does not request or recommend that third party sellers raise consumer prices. Amazon has provided pricing suggestions to a small number of large publishers who are on the agency model for e-book sales, in which they set the customer price. The publishers who received the suggestions remained responsible for setting their customer prices.

- 77 Although Marketplace merchants generally set the price at which their products are sold on Amazon, in some instances Amazon has lowered prices on products sold by Marketplace merchants, stating "This item is sold by a third-party seller. The discount is provided by Amazon." Please describe how Amazon determines when to alter the consumer-facing price on a Marketplace product.**

As part of its efforts to ensure that Amazon's customers pay competitive prices for products offered in Amazon's store, Amazon may on occasion choose to fund a discount to its customers when the prices set by third party sellers are higher than the prices offered by other stores for the same product. In these instances, third party sellers receive payment for the order and pay referral fees based on the item price they set. Amazon pays for the full discount, which appears as a credit to Amazon's customers.

- 78 Does Amazon obtain permission from or consult Marketplace merchants before discounting their products? If no, please explain why.**

Amazon explains this program to third party sellers in Seller Central and provides an easy means for sellers to opt out at any time. In Amazon's experience, most sellers choose not to opt out because this program increases their sales at no cost to the seller.

- 79 Please describe any instances in which the discount Amazon applied to a Marketplace product exceeded the Marketplace commission that Amazon earned on the sale of that product.**

Under the discounts provided by the Amazon program referenced in the response to Question 77, discounts do not exceed Amazon's referral fee on the item being discounted.

- 80 Has Amazon ever prohibited a producer from listing its product on Amazon's Marketplace while permitting the producer to sell that same product as a first-party vendor to Amazon? If yes, please identify the circumstances under which Amazon imposes this type of limitation and explain all the reasons it is imposed.**

As described in the Standards for Brands Selling in the Amazon Store, since the inception of its store, one way Amazon has ensured a great customer experience is by sourcing products directly from brand owners and selling them to customers in Amazon's store. For a limited number of national brands that supply their products to other major retailers for sale by those

retailers, Amazon has elected to source the brand's products for sale by Amazon only. This ensures Amazon can provide competitive prices, availability, and fast delivery for the most popular products in Amazon's store, and avoids customer confusion and operational complexity.

- 81 One email from Amazon to a brand stated: “[W]e have made the decision to source your products for sale by Amazon only and your existing Seller Central account will be closed within 30 days of this email.” Please identify the number of merchants to whom Amazon has sent this message or a substantially similar message. For each instance, please describe the relevant circumstances, including the recipient of the message and all the reasons for sending it.**

Consistent with the Standards for Brands Selling in the Amazon Store, for a limited number of national brands that supply their products to other major retailers for sale by those retailers, Amazon has elected to source the brand's products for sale by Amazon only. These are brands with which Amazon has had longstanding relationships as vendors to its retail business, and Amazon works closely with them to make their products available for Amazon customers through that business model. This ensures that Amazon can provide competitive prices, availability, and fast delivery for the most popular products in Amazon's store, and avoids customer confusion and operational complexity. As a result, a small number of brands have received similar emails under these circumstances.

- 82 If a producer that received this message from Amazon decided not to become an Amazon vendor, thereby ending its product sales on Amazon, would Amazon permit other merchants to continue selling that producer's products on Amazon's Marketplace? Please explain why or why not.**

As noted in response to Question 81, the major national brands affected by this change have had longstanding vendor relationships with Amazon. These brands can choose whether to continue to work with Amazon as vendors, and this decision would not impact the ability of resellers to sell the brand's products in Amazon's stores.

- 83 Given that selling as a third-party merchant enables a brand to maintain consistent inventory levels, maintain listing quality, and use advertising to improve its branding, why does Amazon deprive certain brands of this opportunity?**

As noted above, for a limited number of national brands that supply their products to other major retailers for sale by those retailers, Amazon has elected to source the brand's products for sale by Amazon only. This ensures that Amazon can provide competitive prices, availability, and fast delivery for the most popular products in Amazon's store, and avoids customer confusion and operational complexity. Amazon works closely with all its vendor partners to maintain consistent inventory levels, maintain listing quality, and use advertising to promote their brands, and Amazon provides vendors with access to a variety of tools, services, and resources to do so.

84 Please describe the “Sold By Amazon” program, identifying which sellers are eligible to join and how Amazon determines what price sellers will receive for their sales.

As part of Amazon’s efforts to ensure its customers are offered competitive prices in Amazon’s store, Amazon launched the “Sold By Amazon” (SBA) program in 2019. This invite-only pilot is testing an opt-in consignment program for brand owners. In SBA, brand owners choose which products to enroll in SBA, and once enrolled, these products are priced and sold by Amazon. SBA provides for a guaranteed minimum dollar amount that participants will receive for each item regardless of its selling price. When a customer purchases an item that is being sold through SBA, Amazon purchases the inventory from the selling partner and then sells it to the customer.

85 Please identify the minimum level of information that a Seller Performance employee is required to share with a merchant when communicating that the merchant’s Amazon account has been or will be suspended.

As Amazon explained in its July 26, 2019 letter to Chairman Cicilline, where the company takes action against suspected violations of Amazon policies, its goal is to provide clear and actionable communications to sellers, describe the policy violation that led to the action, and offer an appeals process where sellers can explain how they will prevent the violation from happening in the future or let Amazon know if they believe it made a mistake. Amazon regularly evaluates these communications to make sure they are clear, actionable, and empathetic.

Amazon also strives to help sellers avoid and correct mistakes that may lead to policy violations. Amazon makes its policies available to selling partners, provides a seller education series called Seller University, and displays real-time account health dashboards and alerts to help selling partners track their performance and get warning of issues as they arise. Amazon offers self-service resolution for many issues, enabling sellers to edit their listings or fix other common problems instantaneously. Similarly, Amazon proactively calls certain selling partners when their accounts are at risk, and provides individualized support and a path to address any outstanding concerns before taking action against their account.

86 If Amazon suspends a seller without detailing the precise basis for the suspension, how does Amazon expect the seller to remedy the violation and bring itself in compliance with Amazon’s policies?

As explained in Amazon’s July 26, 2019 letter to Chairman Cicilline, where Amazon takes action against suspected violations of Amazon policies, its goal is to provide clear and actionable communications to sellers, describe the policy violation that led to the suspension, and offer an appeals process where sellers can explain how they will prevent the violation from happening in the future or let Amazon know if they believe it made a mistake. Amazon regularly evaluates these communications to make sure they are clear, actionable, and empathetic.

Amazon also strives to help sellers avoid and correct mistakes that may lead to policy violations. Amazon makes its policies available to selling partners, provides an entire educational series

called Seller University, and displays real-time account health dashboards and alerts to help selling partners track their performance and get warning of issues as they arise. Amazon offers self-service resolution for many issues, enabling sellers to edit their listings or fix other common problems instantaneously. Similarly, Amazon proactively calls certain selling partners when their accounts are at risk, and Amazon provides individualized support and a path to address any outstanding concerns before taking action against their account.

In some cases, however, Amazon is required to take swift action to suspend selling accounts that have violated its selling policies to protect both its customers and its other selling partners from fraud, counterfeits, and other forms of abuse. Further, to prevent bad actors from abusing Amazon's systems, Amazon may limit details about what it specifically found to be in violation—but will still provide the seller with an appeal option. This is generally limited to a set of egregious violations (e.g., stolen identity, credit card fraud, efforts to defraud customers, etc.).

To ensure that it takes these steps only where appropriate, Amazon regularly audits these account-level enforcement actions and adjusts its approaches where it identifies mistakes or opportunities to help honest sellers that may have inadvertently violated its policies.

87 Please identify the revenues, costs, and profit margin of Amazon Brand Registry.

Amazon Brand Registry powers proactive intellectual property protection in Amazon's store. Brand Registry is offered at no charge to brands, and does not generate revenue or profit. In 2018, Amazon spent over \$400 million to prevent counterfeiting and abuse on Amazon, and this investment includes the cost of building and supporting Brand Registry.

88 Please identify what Amazon charges brands for participation in Amazon Brand Registry.

Enrollment in Amazon Brand Registry is free to any rights owner with a registered trademark.

Amazon is expanding enrollment to brands that may have pending trademarks, and enrollment continues to be free.

89 Does Amazon enable Marketplace merchants to view a full list of the brands that participate in Amazon Brand Registry? If yes, please describe how a merchant can access this list.

Amazon does not make a list of the over 200,000 brands enrolled in Brand Registry publicly available or available to any subset of selling partners, both to respect the privacy of the enrollees and to discourage bad actors from using this information to target brands that have not yet enrolled.

90 If a brand enrolled in Amazon Brand Registry designates as “unauthorized” any merchant that sells below a certain minimum price, will Amazon follow the brand’s request to prohibit sales by merchants selling below that price?

Amazon does not use Brand Registry to enforce authorized distribution agreements or brands’ minimum pricing rules. In line with that, there is no capability for brands in Brand Registry to designate a merchant as unauthorized, nor can a brand specify minimum prices for other sellers.

91 Please describe all steps that Amazon takes to enable Amazon Brand Registry participants to protect their brand.

Through Brand Registry, brands gain access to powerful tools, including automated brand protections that use predictive modeling to protect brands’ intellectual property proactively. These tools grow more effective over time, and in 2019, Amazon has already blocked over 400% more listings suspected of violating intellectual property rights than during the same period in 2018. Brand Registry also provides enrollees a powerful “Report a Violation” tool that increases the accuracy of brands’ notices of claimed infringement and allows brands to search for potentially infringing products using state-of-the-art text and image search technology. More than 200,000 brands around the world are enrolled in Brand Registry, and they are finding and reporting 99% fewer suspected infringements than before the launch of Brand Registry.

Brands enrolled in Brand Registry also have access to additional services that help protect their rights on and off Amazon.

Transparency is a product serialization service that effectively eliminates counterfeits on enrolled products. Amazon provides participating brands unique, 2D Data Matrix codes that brands place on every unit they manufacture of an enrolled product. Those codes allow Amazon, other retailers, law enforcement, and customers to determine the authenticity of each individual unit of that product in the supply chain, simply by scanning the codes with a mobile app. Since Transparency’s launch in 2018, over 4,000 brands have enrolled, enabling Amazon to protect brands and its customers by detecting and preventing over 260,000 counterfeit products from being sold. To date, brands have not reported a single counterfeit notice of infringement for Transparency-enabled products.

Project Zero adds a self-service counterfeit removal tool to the automated protections and unit serialization to help brands partner with Amazon to drive the number of counterfeits in Amazon’s stores to zero. Project Zero is available to brands in the United States, the European Union, and Japan. Since Project Zero launched in the U.S. earlier this year, over 5,700 brands have enrolled. For every one self-service takedown by the brands, the automated protections Amazon has put in place for participating brands have proactively removed more than 500 listings. While it is the combination of these tools that helps drive counterfeits to zero, the 500-to-1 ratio demonstrates the importance of Amazon’s substantial ongoing investments in

proactive efforts to prevent counterfeits at scale, dramatically reducing the burden on rights owners to find and take down suspected counterfeits.

- 92 Please identify any protections that Amazon’s private label products receive that are not available to brands participating in Amazon Brand Registry and explain all the reasons each is not made available to those brands.**

Amazon is the only seller of Amazon private brand products. Amazon may extend similar limitations to brands (including brands in Brand Registry) when necessary to ensure the safety or authenticity of their products or obtain additional selection for Amazon’s customers. Amazon is not aware of any other limitations that are not available to brands participating in Amazon Brand Registry.

- 93 In November 2018, Amazon announced that a new agreement with Apple would lead it to prohibit subsequent sales by any seller of Apple goods that was not designated by Apple as an “authorized” reseller. How many sellers and seller listings have been removed from Amazon as a result of this new agreement?**

Amazon’s agreement with Apple enables Amazon’s customers to receive a much wider selection of Apple products at competitive prices. Under the terms of that agreement, Apple designates sellers who may list and sell Apple products in Amazon’s store, and Amazon welcomes as many as Apple designates. Sellers not selected by Apple were not removed from Amazon’s store—they simply could no longer sell Apple products in it. Those sellers remain free to offer non-Apple products and sellers participating in Amazon’s Renewed program are also able to offer refurbished, pre-owned or open box Apple products in Amazon’s store.

- 94 As of August 2019, how many authorized resellers of Apple products does Amazon host?**

Amazon welcomes as many authorized resellers of Apple products as Apple will approve to sell in Amazon’s store. As of August 2019, Apple has authorized seven resellers of new Apple products. Through Amazon’s Renewed program, hundreds of other resellers of Apple products meet the criteria to list and sell refurbished Apple products in Amazon’s store.

- 95 Please describe how Amazon determines which brands to brand-gate (i.e., to limit the merchants who can sell that brand).**

Amazon’s seller qualification decisions, including limitations on third party selling partners’ ability to offer certain products in Amazon’s store, may be made for a number of reasons including safety, authenticity, and selection. Such decisions are generally made when the data available to Amazon shows that customers will benefit from the imposition of additional restrictions or qualification requirements on third party selling partners. For example, Amazon may limit the sellers permitted to sell a certain branded item when Amazon’s data shows that a substantial number of different sellers were found to be selling counterfeits of that item. In other, limited circumstances, based on considerations relevant to a specific agreement with a

brand, Amazon may agree to limit the merchants that can sell that brand to gain access to additional selection for customers.

96 Please explain how enabling brand-gating benefits Amazon consumers, given that brand gating reduces competition on Amazon’s Marketplace.

As described above, Amazon’s seller qualifications help customers by ensuring a wide selection of safe, authentic, and available products. Limiting the third party sellers permitted to sell certain products due to safety or authenticity concerns benefits consumers by protecting them from unsafe or inauthentic products. In certain circumstances, where brand owners decline to sell their products to Amazon’s customers and prevent other sellers from selling those products in Amazon’s store, Amazon’s customers suffer from poor selection and higher prices; by limiting the third party sellers permitted to sell those brands, Amazon may be able to gain greater selection.

97 Please describe how Amazon determines which non-brand entities receive Vendor Central invitations to sell products to Amazon as first-party vendors.

Amazon seeks to provide its customers with the widest possible selection of authentic goods at competitive prices. Amazon works with both brand owners and distributors to source branded selection. Amazon sources products from distributors when unable to source the products from the brand owner, or when the brand owner is not able to offer competitive terms for Amazon’s customers, including on price, selection, and shipping speed.

98 Has Amazon ever recruited unauthorized resellers of merchandise? If yes, please describe the relevant circumstances.

Amazon seeks to provide its customers with the widest possible selection of products at competitive prices. One way Amazon has sought to provide this selection is by making it easy for sellers of authentic products to open selling accounts and sell a wide variety of products directly to Amazon’s customers in Amazon’s store. Brands often conflate the question of whether goods are authentic (not counterfeit) with whether a particular seller is “authorized” (meaning they have a contract with the manufacturer). There are many legal sources of authentic supply in addition to resellers specifically authorized by the brand. These include liquidation or sale by authorized retailers, and supply from other wholesalers and distributors—who are sometimes also used by brands themselves to move merchandise. Amazon goes to great lengths to assure the authenticity of products, preventing bad actors from opening selling accounts or selling counterfeit products in its store. But, we do not require that sellers have a direct contractual relationship with a product’s manufacturer, as doing so could prevent sellers—many of whom are small and medium sized businesses—from legally selling these products in our store at competitive prices.

99 Please identify any steps Amazon takes to assess whether any third-party sellers recruited by Amazon are unauthorized distributors of brands that do not sell on Amazon.

Amazon seeks to provide its customers with the widest possible selection of products at competitive prices. One way Amazon has sought to provide this selection is by making it easy for sellers of authentic products to open selling accounts and sell a wide variety of products directly to Amazon's customers in Amazon's store. Brands often conflate the question of whether goods are authentic (not counterfeit) with whether a particular seller is "authorized" (meaning they have a contract with the manufacturer). There are many legal sources of authentic supply in addition to resellers specifically authorized by the brand. These include liquidation or sale by authorized retailers, and supply from other wholesalers and distributors—who are sometimes also used by brands themselves to move merchandise. Amazon goes to great lengths to assure the authenticity of products, preventing bad actors from opening selling accounts or selling counterfeit products in its store. But, we do not require that sellers have a direct contractual relationship with a product's manufacturer, as doing so could prevent sellers—many of whom are small and medium sized businesses—from legally selling these products in our store at competitive prices.

100 Has Amazon ever knowingly recruited merchants that sell counterfeit goods to its Marketplace platform? If yes, please describe the relevant circumstances.

Amazon does not and would not knowingly recruit sellers that sell counterfeit goods. Amazon strictly prohibits the sale of counterfeit products and in 2018 alone spent more than \$400 million preventing the sale of counterfeits and other forms of abuse. When Amazon learns that a customer has received a counterfeit product, Amazon proactively notifies that customer of the issue and refunds their purchase price, even when unable to recover the cost for doing so.

101 In instances when brands have decided not to sell wholesale to Amazon, has Amazon ever then purchased or sought to purchase goods directly from the brand's manufacturers? If yes, please describe the relevant circumstances.

Amazon seeks to offer its customers a broad selection of brands. When Amazon seeks to do business with a brand owner, it is the brand owner's branded selection that Amazon wants to source, and Amazon does not view unbranded product from a manufacturer of branded product the same as the branded product. Manufacturers frequently supply many brands and offer their own house brands, so Amazon may also source products directly from manufacturers.

102 Does Amazon Advertising allow first-party and/or third-party sellers to bid on branded keywords of competitor brands? Please explain why or why not and the precise circumstances under which Amazon allows this.

When customers shop in Amazon's store, Amazon's goal is to help them discover products in the Amazon catalog that may be relevant to their shopping interests. Consistent with common

practices across advertising and the policies of providers of advertising services, Amazon Advertising permits advertisers to bid on branded keywords of their brands and other brands.

- 103 Does Amazon Advertising allow first-party and/or third-party sellers to bid on branded keywords of competitor brands, even when those brands do not sell on Amazon? If yes, please explain why Amazon does this.**

As noted above, consistent with common practices across advertising and the policies of providers of advertising services, Amazon Advertising permits advertisers to bid on branded keywords of their brands and other brands.

- 104 Does Amazon ever bid on a brand's keywords on an Amazon or non-Amazon property if that brand does not sell its products on Amazon? If yes, please explain why Amazon does this.**

Amazon's goal is to help customers discover products in the Amazon catalog that may be relevant to their shopping interests. Consistent with common practices across advertising and the policies of providers of advertising services, Amazon bids on branded keywords of other brands, including brands that do not sell in the Amazon store.

- 105 Please describe all the steps that Amazon takes when Amazon receives a complaint about an intellectual property violation by a third-party seller, including any steps it takes to verify the legitimacy of the claim.**

Amazon respects the intellectual property rights of others and requires third party selling partners to do the same when listing items for sale in Amazon's store. This is essential to maintaining customer trust. When Amazon's customers make a purchase through an Amazon store, customers expect to receive authentic and non-infringing products. At the same time, it is important to customers to minimize disruption of selling partners' sales. Stated simply, if customers lose trust in Amazon, they can and will shop elsewhere. And if selling partners lose trust in Amazon, they can and will sell elsewhere.

For this reason, Amazon invests heavily to ensure that its decisions concerning intellectual property infringement claims are accurate. In 2018 alone, Amazon invested more than \$400 million, and employed more than 5,000 employees, to address intellectual property claims and other forms of abuse.

When an intellectual property claim is submitted, Amazon verifies the submitter's identification and compares the asserted intellectual property right to the accused product or content. Some types of intellectual property claims are given customized treatment. For example, copyright claims are handled according to the procedures prescribed by the Digital Millennium Copyright Act ("DMCA"). Utility patent claims are enforced pursuant to court and agency orders, or, in the absence of such orders, resolved by the affected parties or resolved through Amazon's Neutral Utility Patent Evaluation Process. The Neutral Utility Patent Evaluation Process is a new,

innovative, and entirely voluntary dispute resolution procedure that enables fast, inexpensive, and accurate disposition of utility patent claims as an alternative to federal litigation.

If a violation is found, Amazon removes the infringing content or, in some circumstances, such as in cases of repeated violations, suspends the offending selling partner's account. Where Amazon takes action with respect to a violation, the goal is to provide clear communications to sellers, describe the policy violation that led to the suspension, and offer an appeals process where selling partners can tell Amazon if they believe that a mistake was made. Those appeals are handled by specialized teams, and selling partners are able to submit information to support their case. Selling partners are often contacted before suspensions occur to try to address the underlying issue and prevent account suspension in the first instance. When selling partners provide information that leads to a reversal of an initial removal or suspension, Amazon promptly reverses the takedown or suspension at issue. Even when selling partners are suspended for verified policy violations, Amazon realizes that selling partners can make mistakes and should have a chance to try again if they can implement controls to prevent past issues from reoccurring. Amazon works hard to be responsive to inquiries from selling partners. In 2018, for example, more than 90% of emails from selling partners were responded to in under 12 hours; more than 90% of phone calls from selling partners were answered in under 90 seconds; more than 90% of chats from selling partners were answered in under 90 seconds; and more than 80% of all selling partner issues were fully resolved in under 24 hours.

106 How many U.S. sellers are enrolled in Seller Fulfilled Prime?

More than 25,000 seller partner accounts are enrolled in Seller Fulfilled Prime.

107 Amazon's website states that "Seller Fulfilled Prime is not accepting new registrations at this time." When did Amazon stop accepting new registrations for Seller Fulfilled Prime?

Amazon stopped accepting new registrations for Seller Fulfilled Prime on February 18, 2019.

108 Why did Amazon stop accepting new registrations for Seller Fulfilled Prime?

Amazon is focused on working with existing sellers in the program to improve the experience of their customers and to meet Prime customer standards for delivery speed and reliability.

109 What factors will determine if and when Amazon reopens registration for Seller Fulfilled Prime?

Amazon's decisions with respect to Seller Fulfilled Prime will be guided by its focus on the customer and the Prime customer experience, including delivery speed and reliability.

- 110 Please identify all the factors that Amazon considers when placing products on its “best sellers” lists and describe why each factor is considered. If Amazon considers different factors for different product categories, please describe those differences and explain all the reasons for each difference.**

Products are placed on the “best sellers” lists based on the number of sales, downloads, or qualifying borrows in the Amazon store. Amazon applies fraud checks and weighs recent sales or borrows more heavily than older sales or borrows.

- 111 For the purposes of Amazon’s list of best seller books, how does Amazon account for books borrowed through Kindle Unlimited? How does this accounting of books borrowed through Kindle Unlimited compare to Amazon’s accounting of à la carte purchases of books? Please explain all the reasons for each difference.**

To accurately reflect customer activity, a Kindle Unlimited borrow is treated the same as an à la carte purchase for the purpose of Amazon's list of best seller books.

- 112 How are producers that provide products or content for Amazon’s subscription services compensated for providing those products or content? If the compensation scheme differs by product or content, please describe those differences.**

Amazon seeks productive relationships with producers of products and content. Compensation for providers of content for Amazon’s subscription services varies. For example, for participation in Kindle Unlimited and Kindle Owners’ Lending Library, Amazon pays Kindle Direct Publishing (i.e., self-published) authors and publishers a share of a monthly, publicly announced fund established by Amazon based on the number of pages read by customers. All other authors and publishers are paid the amount they negotiate with Amazon for participation in these programs. For participation in Prime Book Box (Amazon’s physical subscription program), Amazon purchases copies from the publisher of each book included in the program based on Amazon’s terms with that publisher.

- 113 Please identify the number of print books sold on Amazon’s Marketplace on a monthly basis in 2010, 2011, and 2012.**

While exact sales figures are sensitive confidential information, during the period in question, millions (and in some months, tens of millions) of new and used print books were sold each month by Amazon and by sellers in the Amazon store.

- 114 Please identify all the ways in which the Amazon platform treats Amazon-published books (both imprints and self-published books) differently from books published by non-Amazon publishers and explain all the reasons for treating them differently.**

Amazon publishes books through its Amazon Publishing business, negotiating and purchasing publication rights from authors and providing traditional publishing services such as editorial

review and marketing services. Authors and publishers using Amazon's Kindle Direct Publishing service to self-publish books are not "Amazon-published" books as these authors and publishers retain control of rights to their content. Books from traditional publishers/distributors, self-published authors using Amazon's Kindle Direct Publishing service, and Amazon Publishing generally have the same standard store experience. For example, they utilize the same search and discovery functionality and there is a single detail page for each book (irrespective of source or format). Books from each source have access to features like Author Follow and can be displayed in advertising or merchandising purchased by the content provider. Like all retailers, Amazon looks for opportunities to merchandize its products, such as Amazon Publishing titles, in its store, but the amount and location varies.

115 For each year since 2014, please identify the percentage of book sales on Amazon captured by Amazon-published books (both imprints and self-published books)

Amazon Publishing is the only part of Amazon's book business in which Amazon publishes books (i.e., negotiates and purchases publication rights from authors and provides traditional publishing services, such as editorial review and marketing services). Authors and publishers using Amazon's Kindle Direct Publishing service to self-publish books are not "Amazon-published" books as these authors and publishers retain control of rights to their content.

For each year since 2014, the percentage of book sales in the United States that comes from titles published by Amazon Publishing has been 0.5%. Over that same period, the percentage that comes from authors and publishers who use KDP has been between 8.5% and 11%.

116 Does Amazon sell non-Kindle e-books on its platform? If no, please explain why.

Amazon, like other e-book retailers, must render books properly on screens and protect e-book files from piracy with digital rights management technology, which is accomplished through the Kindle format. Therefore, Amazon does not sell books in its store that are not Kindle format. However, recognizing that customers like to read across many different surfaces, Amazon makes reading Kindle e-books possible on other devices without the need to purchase Kindle hardware. The free Kindle app is available for customers to download on a variety of devices, including Android phones, Android tablets, iPhone, iPad, Windows (versions 7, 8 and 10) and Mac OS X (version 10.10 or later). Amazon also offers a web reader that allows customers to access their Kindle e-book library and read through their web browser on other devices.

117 Does Amazon distribute Kindle e-books on non-Kindle readers and non-Kindle applications? If no, please explain why.

Yes, Amazon makes Kindle e-books available on almost any device without the need to purchase a Kindle reader. The Kindle app is free and available for customers to download on a variety of devices, including Android phones, Android tablets, iPhone, iPad, Windows (versions 7, 8 and 10) and Mac OS X (version 10.10 or later). Amazon also offers a free web reader application that allows customers to access their Kindle e-book library and read through their web browser.

In order to render books properly and to protect e-book files from piracy with digital rights management measures, either a Kindle reader or free Kindle application is required to read a Kindle book.

- 118 Has Amazon ever used consumer data collected from third-party products distributed through Amazon’s platform to inform Amazon’s bidding on author publishing rights? If yes, please describe the relevant circumstances, including how this data has informed Amazon’s bidding strategy.**

Amazon Publishing editors rely on various data sources, including for example third parties like NPD Bookscan, to inform its bidding on author publishing rights. Like other publishers, when Amazon Publishing bids to acquire publishing rights, its editors create a sales forecast for the title they are bidding on. This sales forecast is one data point Amazon Publishing uses when considering how much it should bid for publishing rights. Like editors at other publishers, editors from Amazon Publishing develop the sales forecast in part by reviewing data for books they think are comparable to the title they are bidding on. Editors select comparable books based on their judgment and knowledge of books. Comparable titles may be other titles sold by Amazon Publishing or titles sold by third parties. Examples of data that can be reviewed for comparable books include sales or downloads through Amazon retail channels, average number of customer reviews, the average customer rating, and data Amazon Publishing sources from third parties like NPD Bookscan.

- 119 Are Amazon-published books (both imprints and self-published books) the only books that are eligible to be part of the Amazon “First Reads” program?**

119a If yes, please explain why.

119b If no, please identify books not published by Amazon that Amazon has selected to be part of Amazon “First Reads.”

No. While Amazon First Reads is available to them, to date traditional publishers have declined to participate.

- 120 For each year since 2014, what percentage of Kindle Unlimited content read by consumers is content produced by Amazon publishing (including imprints and self-published books)?**

Amazon Publishing is the only part of Amazon’s book business in which Amazon publishes books (i.e., negotiates and purchases publication rights from authors and provides traditional publishing services, such as editorial review and marketing services). Authors and publishers using Amazon’s Kindle Direct Publishing service to self-publish books are not “Amazon-published” books as these authors and publishers retain control of rights to their content. For each year since 2014, the percentage of Kindle Unlimited content read by consumers in the United States that comes from titles published by Amazon Publishing has been approximately 10%. The percentage that comes from authors and publishers who use KDP is in the mid 80’s.

Please note that most large traditional publishers have elected not to participate in Kindle Unlimited—if they chose to participate in the future, the mix of content borrowed by subscribers would likely also change.

121 Please explain how Amazon calculates payments to authors whose books are part of Kindle Unlimited.

For participation in Kindle Unlimited and Kindle Owners' Lending Library, Amazon pays Kindle Direct Publishing (i.e., self-published) authors and publishers a share of a monthly, publicly announced fund established by Amazon based on the number of pages read by customers in the author or publisher's self-published title. All other authors and publishers are paid the amount they negotiate with Amazon. Traditional publishers independently decide how to pay their own authors for participation in Kindle Unlimited, and Amazon does not have visibility into those amounts.

122 Please identify when and explain why Amazon shifted from a "pay-per-borrow" model to a "pay-per-page-read" model.

Amazon shifted from a pay-per-borrow to a pay-per-page-read model for self-publishing Kindle Direct Publishing authors and publishers in August 2015 to increase the accuracy and fairness of the allocation of KDP author payments to reward KDP authors and publishers whose books are most engaging to customers.

123 Please identify the average payment that this "pay-per-page-read" payment model generates for authors enrolled in Kindle Unlimited since Amazon implemented the payment model.

The payment that the "pay-per-page-read" model generates varies greatly by author depending on the pages read. The payment-per-page-read for books self-published through Kindle Direct Publishing and read in Kindle Unlimited in the United States is approximately \$0.005.

124 Please identify the average payment per-page-read that this payment method generates for authors enrolled in Kindle Unlimited for each of the last five years.

Over the past five years, the average payments-per-page-read for books self-published through Kindle Direct Publishing and read in Kindle Unlimited and Kindle Owners' Lending Library in the United States have been approximately \$0.005.

125 Does Amazon require any exclusivity commitments from authors who publish through Kindle Direct Publishing?

No.

KDP offers an optional program called KDP Select. KDP Select provides authors and publishers access to unique promotional tools including participation in Kindle Unlimited, in exchange for a 90-day exclusivity commitment.

125a If yes, please describe these exclusivity provisions.

125b If yes, please explain why Amazon requires these exclusivity commitments from self-publishing authors.

126 Does Amazon permit authors who publish through Kindle Direct Publishing to opt out of Kindle Unlimited? If no, please explain why Amazon imposes this restriction.

Yes. Every 90 days, Kindle Direct Publishing authors who are enrolled in Kindle Unlimited by virtue of having enrolled in its optional program (KDP Select) may choose not to re-enroll in KDP Select.

127 Please identify how much it costs Amazon to produce an Echo Dot.

Costs to produce an Echo Dot fluctuate during its product lifespan. Amazon strives at all times to minimize costs for components, labor, shipping, etc., so that it can offer Echo Dot to customers at an appealing price point.

128 What percentage of consumers purchase the product that Amazon recommends when a consumer is voice shopping through Alexa?

There are a variety of ways to shop using Alexa, and Amazon is still in the early stages of learning what is most helpful to customers. Most Alexa shopping interactions provide product suggestions customers can review later on their phone or computer, rather than purchasing directly through Alexa. Customers only complete the purchase of a product suggested by Alexa on Alexa a low single digit percent of the time.

129 Please describe what types of data Amazon collects through its Alexa and Echo products and explain how each is used.

Alexa is Amazon's voice service that allows customers to ask questions and make requests using only their voices. For example, customers can use the Alexa service to play music, obtain information, such as news, sports scores, and weather, communicate with others, control their smart home devices, and use a wide range of "skills" created by third party developers. The Alexa service is available through a range of products, including Amazon's Echo products and devices developed by third party manufacturers.

From the beginning, Amazon built privacy deeply into the design of Echo devices and the Alexa service. By default, Echo devices are designed to detect only the wake word (e.g., when a customer says, "Alexa"). Echo devices detect the wake word using on-device "keyword spotting" technology to identify acoustic patterns that match the wake word. No audio is stored or sent to the cloud unless the device detects the wake word or the customer presses a button to activate Alexa. When a customer speaks to the Alexa service, a recording of the customer's request is sent to the Amazon cloud, where Amazon's systems for automatic speech recognition and natural language understanding convert the audio recording to text and interpret the meaning

of the text. Based on the nature of the request, Alexa then sends information about the request to an Amazon service or third party skill capable of responding to the request. If the customer's request requires a verbal response, the Amazon service or third party skill handling the request sends the text of that response to Alexa, where it is converted to audio of Alexa's voice using Amazon's text-to-speech system. In order to help the Alexa service interpret customers' requests and understand which skills are capable of responding to which requests, Amazon receives information from skill developers about the functionality and capabilities of their skills.

Amazon may also receive additional types of information based on the specific Alexa functionality and skills a customer uses and the type of device a customer uses to access the Alexa service. For instance, if a customer accesses Alexa from a mobile phone, Alexa may receive information about the customer's location in order to provide more relevant responses (e.g., if the customer asks for the location of the nearest coffee shop). If a customer connects Alexa to their smart home devices, Alexa may receive information about the use of those smart home devices (e.g., whether a light is on or off). Or, if a customer links Alexa to a third party calendar skill, Alexa may receive information about the events on the customer's calendar.

Amazon uses the information received through Alexa and its Echo devices to provide, personalize, and improve its products and services. This includes responding to customers' requests, allowing customers to review their requests to Alexa and Alexa's responses, and training Alexa to better understand, interpret, and respond to customers' requests.

More detail about the information Amazon collects from customers in connection with Alexa and Echo and how it is used can be found in the Alexa Terms of Use (www.amazon.com/alexaterms) and on the Alexa Privacy Hub (www.amazon.com/alexaprivacy).

130 Does Amazon allow developers to make a skill available through Echo and/or compatible with Alexa without sharing user skill data with Amazon? Please explain why or why not.

As explained in response to Question 129, when a customer uses Alexa to interact with a third party skill, information about that interaction is processed by Amazon. For instance, Alexa's automatic speech recognition and natural language understanding systems process and interpret the customer's request to determine that the request should be sent to the skill. If the skill provides a response to the customer using Alexa's voice, Alexa's text-to-speech system processes the text of that response to speak the response in Alexa's voice.

131 Please identify which categories or teams of Amazon employees have access to data or information that Amazon collects through Alexa and Echo products, specify the types of data to which each has access, and describe where in Amazon's organization chart the teams or employees are located.

1. Teams responsible for core Alexa functionality. These include the teams responsible for Alexa's automatic speech recognition systems, natural language understanding systems,

text-to-speech systems, and the infrastructure and services responsible for processing, routing, transmitting, and storing customers' interactions with Alexa.

2. Teams responsible for features and services made available through Alexa. Alexa provides customers access to Alexa-specific features (e.g., weather, news, sports scores, timers, alarms, jokes, calendar, calling and messaging, smart home functionality), to other Amazon services (e.g., music, shopping, video), and to third party skills. There are separate teams dedicated to ensuring each of these features and services work well on Alexa, continue to improve over time, and meet Amazon customers' needs.
3. Teams responsible for products and services that incorporate Alexa or Alexa technology. Alexa is available through a range of products, including Amazon's family of Echo devices, other Amazon devices such as FireTV and Fire tablets, the Alexa mobile app, and numerous products from third party manufacturers. Alexa functionality is also included in other services Amazon makes available, such as the Alexa for Business service offered by AWS. Again, there are separate teams responsible for ensuring Alexa works well in each of these products and services.
4. Teams responsible for administrative and support functions. These include teams from finance, tax, accounting, customer service, and legal.

132 Please describe what types of data Amazon collects through Eero.

Information about the types of data collected from customers as part of their purchase or use of eero devices can be found in the company's relevant privacy policies at <https://eero.com/legal/privacy-website> and <https://eero.com/legal/privacy>, as well as in Amazon's support pages for customers, such as <https://support.eero.com/hc/en-us/articles/207957013-What-type-of-data-does-eero-collect-and-why->.

133 Does Eero enable Amazon to track a user's usage of non-Amazon smart home products that the user connects to Eero? If yes, please describe what types of information Amazon collects on non-Amazon smart home products that a user connects to Eero and explain how each type of information is used.

Like any wireless router, in order to route internet data from the internet router to the device making the request, devices like eero must continually understand which devices are connected to the network, including the IP addresses of those devices. This information is used to improve the performance of customers' systems and to support customers. The data is not linked to a person's Amazon account.

134 Please identify which categories or teams of Amazon employees have access to data or information that Amazon collects through Eero, specify the types of data to which each has access, and describe where in Amazon’s organization chart the teams or employees are located.

These teams fall into three general categories:

- 1) Teams responsible for core eero functionality. These include the teams responsible for developing and improving eero hardware and device software and integration with services provided through eero Secure and Secure+ services.
- 2) Teams responsible for the functionality and services made available through eero. eero provides customers access to eero-specific features (e.g., wireless connectivity), to other Amazon services (e.g., Alexa skills to pause WiFi user profiles, frustration-free setup), and to third party security features (e.g. password locker, VPN, malware protection). There are separate teams dedicated to ensuring each of these features and services work well through eero, continue to improve over time, and meet Amazon’s customers’ needs.
- 3) Teams responsible for administrative and support functions. These include teams from finance, tax, accounting, customer service, and legal.

135 Does Amazon include or has it ever included in any contract with business partners a waiver of some or all intellectual property rights whereby a business partner agrees not to bring some or all intellectual property infringement claims with regards to an Amazon product? If yes, please describe the relevant circumstances.

It is not Amazon’s practice to require third party selling partners who list products in Amazon’s store to waive some or all intellectual property rights or otherwise agree not to bring some or all intellectual property infringement claims with regards to an Amazon product. However, in order to provide a dispute resolution process for utility patent infringement claims asserted against Amazon’s selling partners, Amazon requires utility patent owners (who may also be selling partners) who agree to participate in the process, not to sue Amazon based on sales of the products under evaluation. This process was launched in 2018 to provide a voluntary, fast, inexpensive, and accurate alternative to slow and costly federal court litigation. In this way, the Utility Patent Neutral Evaluation Process functions like any other binding alternative dispute resolution procedure, where parties voluntarily elect to abide by the result of a procedure that is different from and, in their sole judgment, superior to federal litigation.

When Amazon is developing or sharing device technology with third parties—such as when Amazon procures component parts for an Amazon device, or supplies Amazon technology to third parties for use in their own products, or for resale—Amazon has required that third parties not assert IP claims against the Amazon product or service that incorporates the third party component or against the Amazon technology supplied to those third parties.

Prior to June 2017, Amazon required that AWS customers agree not to assert any intellectual property claim against any AWS service actually used by that customer. That condition was removed from the AWS online customer agreement on June 28, 2017. AWS customers were not required to take any action to benefit from that change, which today applies to all AWS customers who use AWS services under the online customer agreement.

- 136 Does Amazon include or has it ever included in any contract with business partners a waiver of some or all antitrust claims whereby a business partner agrees not to bring some or all antitrust claims with regards to Amazon’s conduct? If yes, please describe the relevant circumstances.**

It is not Amazon’s practice to include in a contract with a business partner such a waiver of antitrust claims.

- 137 Please identify any egress fees charged by Amazon Web Services (AWS) and describe how Amazon determines these fees.**

AWS makes it easy for customers to leave AWS and does not charge customers an egress fee to stop using AWS’s services. AWS charges fees based on the use its services. For example, transfer fees are the same irrespective of the reason for the data transfer.

To transfer data, customers use services including Amazon S3 Data Transfer, Amazon EC2 Data Transfer, AWS Direct Connect, and AWS Snowball. The rates AWS charges for data transfer services depend on factors including AWS’s bandwidth costs, the distance and infrastructure required to provide the services, regulations and taxes, as well as fees paid to third party providers. Changes in those factors may cause changes in data transfer prices. Rates for specific AWS data transfer services are described at

<https://aws.amazon.com/s3/pricing/> (Amazon S3 Data Transfer),
<https://aws.amazon.com/ec2/pricing/on-demand/> (Amazon EC2 Data Transfer),
<https://aws.amazon.com/directconnect/pricing/> (AWS Direct Connect), and
<https://aws.amazon.com/snowball/pricing/> (AWS Snowball).

- 138 Please describe the pricing of AWS egress fees for each of the past five years. Please identify all pricing changes over that period and explain all the reasons for each change.**

As noted above, AWS makes it easy for customers to leave AWS and does not charge customers an egress fee to stop using AWS’s services. AWS charges fees to the extent customers use its services, including fees for service to move data and any such fees are calculated irrespective of the reason for the data transfer. AWS has not increased data transfer fees, but has on occasion decreased data transfer fees. These price reductions are described here:

<https://aws.amazon.com/blogs/aws/aws-data-transfer-price-reductions-up-to-34-japan-and-28-australia/> and <https://aws.amazon.com/blogs/aws/aws-data-transfer-price-reduction/>.

139 Please identify what services and/or software AWS makes available for free and the costs to Amazon of providing these services and/or software for free.

AWS offers a “free tier”—providing customers with hands-on experience using AWS with limited services without incurring charges—for over 60 services as of September 25, 2019. The free tier offers consist of “always free” offers (for limited free usage per account), 12-months free offers, and trial offers. More information about the AWS free tier can be found here: <http://aws.amazon.com/free>. AWS’s financial accounting does not track the total cost to AWS of providing the free tier.

In addition, AWS provides certain services at no additional cost that aid customers in using paid AWS services like Amazon EC2 and Amazon S3. For example, AWS provides AWS Identity and Access Management, AWS Organizations, Service Quotas and AWS Single Sign-On to customers at no additional cost because they allow customers to securely access and manage access to their AWS resources.

AWS also provides certain software at no additional cost, or as open source software, that is necessary to use AWS services, or improves customers’ use of AWS services. The cost of AWS software cannot be extricated from the cost of the associated AWS services.

140 Please describe what types of data Amazon collects through AWS and how each is used.

AWS collects and uses data on AWS users including: (1) information related to users’ access to AWS, (2) metrics including AWS offering usage, technical errors, diagnostic reports, API calls, and other logs, and (3) information to bill for services, provide security, and create audit trails. AWS uses the information it collects to provide, measure, support, and develop AWS's services, as well as to prevent and detect fraud and abuse. AWS discloses how AWS collects and uses data on AWS users in the AWS Privacy Notice, available online at <https://aws.amazon.com/privacy/>, and the AWS Service Terms (for specific services), available online at <https://aws.amazon.com/service-terms/>.

Non-AWS Amazon employees are not permitted to have access to data and information that AWS collects for non-AWS business purposes. In limited circumstances, as necessary to perform shared operational functions, non-AWS Amazon personnel in organizations such as Finance and Accounting, Legal, Corporate Affairs, and Facilities have access to certain metadata and personal information to support the AWS business.

141 Please identify any types of information Amazon tracks on an AWS user that are not made available to the AWS user and explain how each type of information is used.

AWS fully discloses how AWS collects and uses data on AWS users including: (1) information related to users’ access to AWS, (2) metrics including AWS offering usage, technical errors, diagnostic reports, API calls, and other logs, and (3) information to bill for services, provide security, and create audit trail. AWS uses the information it collects to provide, measure,

support, and develop AWS's services, as well as to prevent and detect fraud and abuse. AWS discloses how AWS collects and uses data on AWS users in the AWS Privacy Notice, available online at <https://aws.amazon.com/privacy/>, and the AWS Service Terms (for specific services), available online at <https://aws.amazon.com/service-terms/>.

The actual data AWS collects on users is also generally made available to users through the individual AWS services, or through management and governance services such as AWS CloudTrail (to track user activity), AWS CloudWatch (to monitor resources and applications). In some instances, the actual data on AWS users collected and used by AWS, and AWS's analysis of that data, may not be made available to customers, either because the data is not useful to customers, similar data is provided to customers, or sharing the data would hurt its ability to detect and prevent fraud and abuse.

142 Has Amazon ever used a company's AWS usage patterns or any other AWS data to inform Amazon's investment decisions? If yes, please describe the relevant circumstances.

AWS uses data on individual customers' use of AWS to provide or improve the AWS services and grow the business relationship with that customer. This data may inform AWS's decisions about how AWS invests in infrastructure, such as data centers, edge networks, hardware, and related software solutions in order improve the customer experience. AWS has policies that prohibit sharing an individual customer's data or content with any other Amazon businesses, except as necessary to provide operational functions like accounting and finance.

143 Has Amazon ever used aggregate forms of AWS usage data to inform Amazon's investment decisions? If yes, please describe the relevant circumstances.

AWS uses aggregated AWS usage data to improve the AWS customer experience and develop new AWS features and services. In some cases, AWS will improve its features and services by partnering with another company, which sometimes results in an equity investment or acquisition. For example, AWS decided to optimize the performance and reduce the cost of Amazon Elastic Cloud Compute (EC2) by developing purpose-built hardware and software after having discussions with customers about their Amazon EC2 needs and evaluating aggregated usage of Amazon EC2. AWS discussed options with numerous vendors and selected Annapurna Labs, an integrated circuit design company, to create new solutions for customers. The promise of this relationship led AWS to acquire Annapurna Labs in 2015 to continue expanding AWS's capability to offer more choices, better performance, and lower costs for Amazon EC2. It is not Amazon's practice to use aggregated AWS usage data in non-AWS related investment decisions made by Amazon. Non-AWS Amazon employees are not permitted to have access to customer data and information that AWS collects for non-AWS business purposes.

144 Has Amazon ever used a company's AWS usage patterns or any other AWS data to inform Amazon's product strategy? If yes, please describe the relevant circumstances.

AWS has policies that prohibit sharing an individual customer's data or content with any other Amazon businesses except as necessary to provide operational functions like accounting and finance. AWS uses data on individual customers' use of AWS to provide or improve the AWS services and grow the business relationship with that customer. AWS has policies that prohibit using any data regarding an individual customer's use of AWS for any purpose other than providing or improving the AWS services or growing AWS's business relationship with that customer. This includes prohibiting using an individual customer's data or content to compete with that customer. We have been unable to identify any case in which Amazon has used AWS data to inform Amazon's product strategy.

145 Has Amazon ever used aggregate forms of AWS usage data to inform Amazon's product strategy? If yes, please describe the relevant circumstances.

Non-AWS Amazon employees are not permitted to have access to customer data and information that AWS collects for non-AWS business purposes. AWS uses aggregated usage data to improve the AWS customer experience and develop new AWS features and services. For example, AWS looks at aggregated AWS usage data to understand the regions its customers are located in to help determine where AWS should build new AWS data centers so that AWS can offer customers faster access to their content on AWS. We have been unable to identify any case in which Amazon has used aggregate AWS usage data to inform Amazon's product strategy.

146 Please identify which categories or teams of Amazon employees have access to data or information that Amazon collects through AWS, specify the types of data and information to which each has access, and describe where in Amazon's organization chart the teams or employees are located.

Non-AWS Amazon employees are not permitted to have access to customer data and information that AWS collects for non-AWS business purposes. In limited circumstances, as necessary to perform shared operational functions, non-AWS Amazon personnel in organizations such as Finance and Accounting, Legal, Corporate Affairs, and Facilities have access to certain metadata and personal information to support the AWS business. The Amazon retail business, as well as other Amazon businesses, are AWS customers and must comply with the same terms of service that its other customers must comply with. They have access to the same types of data and information that are available to other customers. Within AWS, data and information is shared on a need-to-know basis, to the extent necessary for AWS personnel to perform their job responsibilities.

- 147 Please identify the percentage of Amazon consumers that are subject to a mandatory arbitration clause and/or class action waiver in their agreement with Amazon, describe the relevant provisions, and identify any types or categories of Amazon consumer contracts that do not contain a mandatory arbitration clause and/or class action waiver.**

To enjoy Amazon's products and services, all Amazon customers agree to Amazon's Conditions of Use (COU). Among other provisions, the COU includes provisions governing disputes. The customer agrees that any dispute or claim related to Amazon's products or services will be resolved through binding arbitration with the American Arbitration Association. The COU informs the customer that while there is no judge or jury in arbitration, the arbitrator has the power to award the same damages and relief that a court could order, including injunctive and declaratory relief and statutory damages. The COU also provides that any dispute resolution proceedings will be conducted only on an individual basis and not in a class, consolidated, or representative action. The COU provides further that a customer may pursue in small claims court, rather than in arbitration, any claims that qualify for small claims treatment, and either party may go to court to enjoin infringement or other misuse of intellectual property rights.

- 148 Since 2014, how many Amazon consumers have initiated arbitration proceedings to adjudicate a legal claim against Amazon, in total and broken down by type of legal claim?**

The vast majority of customer complaints and disputes are resolved amicably and informally by Amazon's customer service teams, due in large measure to Amazon's generous customer concessions policies and Amazon's A-to-Z guarantee (which provides refunds for items sold by third parties). For those disputes that cannot be informally resolved, most customers choose to pursue claims in small claims court rather than arbitration. Amazon's records reflect that 24 customers have initiated arbitration proceedings since 2014. Those arbitrations involved the following types of claims:

- Product refund or return dispute (9)
- Gift card use or balance dispute (3)
- Problem with a product (3)
- Account closure or suspension (2)
- Audible account credits dispute (2)
- Removal of product review privileges (2)
- Deceptive advertising by third party seller (1)
- Dissatisfaction with trade-in program (1)
- IMDb content removal issue (1)

- 149 Please identify the percentage of Amazon employees that are subject to a mandatory arbitration clause and/or class action waiver in their agreement with Amazon, describe the relevant provisions, and identify any types or categories of Amazon employee contracts that do not contain a mandatory arbitration clause and/or class action waiver.**

Amazon has no U.S. employees who are subject to a mandatory arbitration clause or class action waiver in an employment agreement with Amazon. Amazon makes offers of employment at-will to employees in the United States through offer communications that do not contain a mandatory arbitration clause or class action waiver.

- 150 Since 2014, how many current or former Amazon employees have initiated arbitration proceedings to adjudicate a legal claim against Amazon, in total and broken down by type of legal claim?**

Amazon's records reflect that since 2014, no current or former Amazon employees have initiated arbitration proceedings to adjudicate a legal claim against Amazon.

- 151 Please identify the percentage of Amazon contractors that are subject to a mandatory arbitration clause and/or class action waiver in their agreement with Amazon, describe the relevant provisions, and identify any types or categories of Amazon contractor contracts that do not contain a mandatory arbitration clause and/or class action waiver.**

Contractors are a small percentage of Amazon's overall workforce. The terms and structure of Amazon's relationships with contractor workers vary by business and circumstance.

Many of Amazon's contractor workers (non-employee individuals who perform work for Amazon) are Amazon Flex Independent Contractor "last-mile" Delivery Partners. They each enter into an Amazon Flex Independent Contractor Terms of Service agreement ("AmFlex TOS") with Amazon under which they agree to resolve disputes through arbitration with the American Arbitration Association on an individual basis.

The AmFlex TOS contains four provisions addressing arbitration, which: (1) state that Amazon and the Independent Contractor ("IC") mutually agree to subject disputes between them to final, binding arbitration on an individual basis; (2) describe the process for initiating an arbitration with the American Arbitration Association ("AAA"), identify the applicable AAA rules, limit the total amount of AAA fees and costs to be paid by the IC to \$200, and describe other arbitration-process aspects; (3) state that the arbitration provisions will survive any termination of the AmFlex TOS; and (4) remind the IC that, by signing the AmFlex TOS, s/he is waiving certain rights in favor of arbitration on an individual basis and highlight that the IC has the opportunity to seek an attorney's advice before signing the AmFlex TOS.

Amazon contractor workers who are supplied by staffing agencies, employed by Amazon vendors, and engaged as independent contractors by a managed service provider do not sign an

agreement with Amazon that contains a mandatory arbitration clause and/or class-action waiver.

152 Since 2014, how many current or former Amazon contractors have initiated arbitration proceedings to adjudicate a legal claim against Amazon, in total and broken down by type of legal claim?

Amazon values its contractors and tries to address contractor concerns, with the vast majority of contractor complaints and disputes resolved amicably and informally by Amazon. Amazon's records reflect that 33 contractors have initiated arbitration proceedings since 2014. Twenty-four contractors initiated arbitration proceedings under wage and hour and/or unfair competition laws. Nine contractors initiated arbitration proceedings based on Amazon's alleged breaches of their contractor agreements.

153 Please identify the percentage of Amazon Marketplace participants that are subject to a mandatory arbitration clause and/or class action waiver in their agreement with Amazon, describe the relevant provisions, and identify any types or categories of Amazon Marketplace contracts that do not contain a mandatory arbitration clause and/or class action waiver.

To sell on Amazon's store, all third party sellers agree to the Amazon Services Business Solutions Agreement (BSA). Among other provisions, the BSA includes provisions governing disputes. The seller agrees that any dispute or claim related to the BSA or to Amazon's services will be resolved through binding arbitration with the American Arbitration Association. The BSA informs the seller that while there is no judge or jury in arbitration, the arbitrator has the power to award the same damages and relief that a court could order, including injunctive and declaratory relief and statutory damages. The BSA also provides that any dispute resolution proceedings will be conducted only on an individual basis and not in a class, consolidated, or representative action. The BSA provides further that a seller may pursue in small claims court, rather than in arbitration, any claims that qualify for small claims treatment, and either party may go to court to enjoin infringement or other misuse of intellectual property rights.

154 Since 2014, how many current or former Marketplace participants have initiated arbitration proceedings to adjudicate a legal claim against Amazon, in total and broken down by type of legal claim?

Amazon views sellers as trusted partners and tries to address seller concerns, with the vast majority of seller complaints and disputes resolved amicably and informally by Amazon's seller service teams. Even after a seller expresses its intention to initiate arbitration proceedings, Amazon continues to engage with that seller to attempt to negotiate a mutually agreeable resolution. For those disputes that cannot be informally resolved, some sellers opt to initiate arbitration pursuant to the Amazon Services Business Solutions Agreement. Although Amazon has hundreds of thousands of sellers, Amazon's records reflect that 163 sellers have initiated arbitration proceedings since 2014. Those arbitrations involved the following types of claims:

- Funds withholding/inventory reimbursement dispute (100)
- Account closure or suspension (22)
- Reimbursement for lost, damaged, or disposed of inventory (16)
- Account compromise or unauthorized funds transfer (8)
- Infringing or counterfeit sales by other third party seller (5)
- Challenge to customer refund (5)
- Removal or restriction on certain product listings (4)
- Shipping charge dispute (2)
- Challenge to infringement complaints by others (1)

155 Please identify the percentage of Amazon vendors that are subject to a mandatory arbitration clause and/or class action waiver in their agreement with Amazon, describe the relevant provisions, and identify any types or categories of Amazon’s contracts with vendors that do not contain a mandatory arbitration clause and/or class action waiver.

To sell products to Amazon for sale to customers, most vendors agree to the Amazon Vendor Terms and Conditions (VTC). Among other provisions, the VTC includes provisions governing disputes. The vendor agrees that any dispute or claim arising out of the VTC and related policies will be resolved through binding arbitration with the American Arbitration Association. The VTC informs the vendor that while there is no judge or jury in arbitration, the arbitrator has the power to award the same damages and relief that a court could order, including injunctive and declaratory relief and statutory damages. The VTC also provides that any dispute resolution proceedings will be conducted only on an individual basis and not in a class, consolidated, or representative action. The VTC provides further that either party may go to court to enjoin infringement or other misuse of intellectual property rights. Some of Amazon’s negotiated contracts with vendors do not contain a mandatory arbitration clause or class action waiver.

156 Since 2014, how many current or former Amazon vendors have initiated arbitration proceedings to adjudicate a legal claim against Amazon in total and broken down by type of legal claim?

Amazon views vendors as trusted partners and tries to address vendor concerns, with the vast majority of vendor complaints and disputes resolved amicably and informally by Amazon’s vendor management teams. Even after a vendor expresses its intention to initiate arbitration proceedings, Amazon continues to engage with that vendor to attempt to negotiate a mutually agreeable resolution. For those disputes that cannot be informally resolved, some vendors opt to initiate arbitration pursuant to the Amazon Vendor Terms and Conditions. Amazon’s records

reflect that 16 vendors have initiated arbitration proceedings since 2014. Those arbitrations involved the following types of claims:

- Challenge to chargebacks or various deductions from payments (7)
- Nonpayment or underpaid invoices (7)
- Challenge to withheld payments due to counterfeiting or restricted product issues (2)

157 Please identify the percentage of Amazon employees and contractors that are subject to a non-compete clause in their agreement with Amazon, describe the relevant provisions, and identify any types or categories of Amazon employees and contractors that are not subject to a non-compete clause.

As of September 23, 2019, less than 22% of Amazon's U.S. employees work in positions subject to a contractual non-compete clause. These non-compete clauses vary by location, and the applicable law in the relevant location. In general, these clauses restrict those employees, for a limited number of months after leaving Amazon, from working on or supporting any product or service that competes with any Amazon product or service they worked on or supported, or about which they received confidential information, at Amazon. Amazon's U.S. employees who are paid on an hourly basis or who work in jurisdictions where non-compete clauses are impermissible under applicable law are not subject to them. The terms and structure of Amazon's agreements with contractors vary significantly by business and circumstance.

158 Since 2014, how many former Amazon employees and contractors has Amazon sued or initiated arbitration proceedings against in connection with an alleged breach of a noncompete clause? Please break down this number by type of legal relationship (e.g., employee or contractor) and describe the relevant circumstances that gave rise to each suit or arbitration.

Amazon has sued or initiated arbitration proceedings against six former employees, and no contract workers, in connection with an alleged breach of a non-compete clause since 2014. Each of the six former employees accepted a new position working with products or services that were competitive with the products or services they were responsible for (or learned confidential information about) at Amazon. Three former employees left the sales, machine learning, or partner organizations in Amazon's cloud computing business to join those same groups at another cloud computing business. Another former employee left an applications organization in Amazon's cloud computing business to become the head of product for another applications company. Another former employee was an executive responsible for Amazon's supply chain delivery logistics effort who left to develop the same infrastructure for another retailer. The other former employee was a country leader for one of Amazon's boutique fashion businesses who left to become the head of business development for another boutique fashion business.

APPENDIX

Appendix A (Question 23)

Referral Fee Rates

Fees Effective February 19, 2019; referral fee percentages apply to the total price paid by the buyer. They can be found both online

(<https://sellercentral.amazon.com/gp/help/external/200336920>) and reproduced below:

Category	Referral Fee	Min Fee	Closing Fee	Referral Changes	Min/Closing Changes
Health & Personal Care ¹	8% for products with a price up to \$10	\$0.30	-	Feb 19, 2019 lowered from 15% to 8%	Feb 19, 2019: min lowered from 1.00 to 0.30
	15% for products with a price above \$10				Feb 19, 2019: min lowered from 1.00 to 0.30
Personal Care Appliances	8% for products with a price up to \$10	\$0.30	-	Feb 19, 2019 lowered from 15% to 8%	Feb 19, 2019: min lowered from 1.00 to 0.30
	15% for products with a price above \$10				Feb 19, 2019: min lowered from 1.00 to 0.30
Beauty	8% for products with a price up to \$10	\$0.30	-	Feb 19, 2019 lowered from 15% to 8%	Feb 19, 2019: min lowered from 1.00 to 0.30
	15% for products with a price above \$10				Feb 19, 2019: min lowered from 1.00 to 0.30
Luxury Beauty	15% referral fee	\$0.30	-		Feb 19, 2019: min lowered from 1.00 to 0.30
	15% Luxury Beauty Access Fee				Feb 19, 2019: min lowered from 1.00 to 0.30
Baby	8% for products with a price up to \$10	\$0.30	-	Feb 19, 2019 lowered from 15% to 8%	Feb 19, 2019: min lowered from 1.00 to 0.30
	15% for products with a price above \$10				Feb 19, 2019: min lowered from 1.00 to 0.30

Grocery	8% for products with a price up to \$15		-	Oct 15, 2017: lowered from 15% to 8%	Feb 19, 2019: min lowered from 1.00 to 0.30
	15% for products with a price above \$15				Feb 19, 2019: min lowered from 1.00 to 0.30
Home	15%	\$0.30	-		Feb 19, 2019: min lowered from 1.00 to 0.30
Kitchen	15%	\$0.30	-		Feb 19, 2019: min lowered from 1.00 to 0.30
Furniture	15% for portion of the price up to \$200, 10% of portion of the price above \$200	\$0.30	-		Feb 19, 2019: min lowered from 1.00 to 0.30
				Feb 19, 2019 lowered from 15% to 10%	Feb 19, 2019: min lowered from 1.00 to 0.30
Large Appliances	15% for portion of the price up to \$300 8% of portion of the price above \$300	\$0.30	-		Feb 19, 2019: min lowered from 1.00 to 0.30
					Feb 19, 2019: min lowered from 1.00 to 0.30
Electronics Base Devices <i>(Camera, Cell Phone Devices, CE)</i>	8%	\$0.30	-		Feb 19, 2019: min lowered from 1.00 to 0.30
					Feb 19, 2019: min lowered from 1.00 to 0.30
Electronics Accessories <i>(Includes Bundled Products)</i>	15% for portion of the price up to \$100 8% of portion of the price above \$100	\$0.30	-		Feb 19, 2019: min lowered from 1.00 to 0.30
					Feb 19, 2019: min lowered from 1.00 to 0.30
PC Base Devices	6%	\$0.30	-		Feb 19, 2019: min lowered from 1.00 to 0.30

Office Products	15%	\$0.30	-		Feb 19, 2019: min lowered from 1.00 to 0.30
Amazon Device Accessories	45%	\$0.30	-		Feb 19, 2019: min lowered from 1.00 to 0.30
Toys	15%	\$0.30	-		Feb 19, 2019: min lowered from 1.00 to 0.30
Pets	15%	\$0.30	-		Feb 19, 2019: min lowered from 1.00 to 0.30
Musical Instruments	15%	\$0.30	-		Feb 19, 2019: min lowered from 1.00 to 0.30
BISS	12%	\$0.30	-		Feb 19, 2019: min lowered from 1.00 to 0.30
Automotive	12%	\$0.30	-		Feb 19, 2019: min lowered from 1.00 to 0.30
Tires & Wheel Products	10%	\$0.30	-		Feb 19, 2019: min lowered from 1.00 to 0.30
Sporting Goods	15%	\$0.30	-		Feb 19, 2019: min lowered from 1.00 to 0.30
Outdoor Recreation	15%	\$0.30	-		Feb 19, 2019: min lowered from 1.00 to 0.30
Home Improvement	15%	\$0.30	-	Oct 23, 2014: raised from 12% to 15%	Feb 19, 2019: min lowered from 1.00 to 0.30
Tools	15%	\$0.30	-	Oct 23, 2014: raised from 12% to 15%	Feb 19, 2019: min lowered from 1.00 to 0.30
Base Equipment Power Tools	12%	\$0.30	-		Feb 19, 2019: min lowered from 1.00 to 0.30

Shoes	15% for products with a price up to \$75 18% for products with a price above \$75	\$0.30	-		Feb 19, 2019: min lowered from 1.00 to 0.30
				April 15, 2018 raised from 15% to 18%	Feb 19, 2019: min lowered from 1.00 to 0.30
Apparel	17%	\$0.30	-	April 15, 2018 raised from 15% to 17%	Feb 19, 2019: min lowered from 1.00 to 0.30
Luggage	15%	\$0.30	-		Feb 19, 2019: min lowered from 1.00 to 0.30
Jewelry	20% for portion of the price up to \$250 5% of the portion of the price above \$250	\$0.30	-		Feb 19, 2019: min lowered from 2.00 to 0.30
				Feb 22, 2018: Lowered from 20% to 5%	Feb 19, 2019: min lowered from 2.00 to 0.30
Watches	16% for portion of the price up to \$1,500 3% of portion of the price above \$1,500	\$0.30	-		Feb 19, 2019: min lowered from 2.00 to 0.30
					Feb 19, 2019: min lowered from 2.00 to 0.30
Books	15%	-	\$1.80	Mar 1, 2017: referral fee applicable to the shipping inclusive price (from exclusive)	Mar 1, 2017: closing fee increased from 1.35 to 1.80
DVD	15%	-	\$1.80	Mar 1, 2017: referral fee applicable to the shipping inclusive price (from exclusive)	Mar 1, 2017: closing fee increased from 1.35 to 1.80
Music	15%	-	\$1.80	Mar 1, 2017: referral fee applicable to the shipping	Mar 1, 2017: closing fee increased from 1.35 to 1.80

				inclusive price (from exclusive)	
Video Game Consoles	8%	-	\$1.8 0	Mar 1, 2017: referral fee applicable to the shipping inclusive price (from exclusive)	Mar 1, 2017: closing fee increased from 1.35 to 1.80
Video Games	15%	-	\$1.8 0	Mar 1, 2017: referral fee applicable to the shipping inclusive price (from exclusive)	Mar 1, 2017: closing fee increased from 1.35 to 1.80

US Refund Administration Fee

For refunds, Amazon charges 20% of the referral fee capped at \$5 for non-media. This fee has not changed in the last five years.

High-Volume Listing Fee

Amazon charges a monthly High-Volume Listing Fee of \$0.005 per eligible ASIN to cover its system costs associated with cataloging and maintaining large numbers of ASINs in Amazon's store. To be eligible for the High-Volume Listing Fee in a given month, an ASIN must meet the following criteria:

1. The ASIN is listed in a non-Media category. Media categories include: Books, DVDs, Music, Software, Computer/Video games, Video Game Consoles, and Video Game Accessories, among others.
2. The seller has had an active offer on the ASIN at some point during the month.
3. The ASIN was created at least 12 months ago.
4. The ASIN has not sold in the previous 12 months.

Amazon waives the High-Volume Listing for the first 100,000 ASINs that meet the above criteria. Amazon applies the fee to the highest number of eligible ASINs above 100,000 during that month. This fee has not changed in the last five years.

Selling Plans

Selling Plan	Monthly Subscription Fee	Per Item Fee
Professional	\$39.99	\$0
Individual	\$0	\$0.99

These fees have not changed in the last five years.

Appendix B (Question 60)

U.S. FBA Fulfillment Rates

February 2019 Change

			Before February 19, 2019	February 19, 2019, and after
Size tier	Shipping weight	Packaging weight	Fulfillment fee per unit ¹	Fulfillment fee per unit ^{1, 2}
Small standard	10 oz or less	4 oz	\$2.41	\$2.41
	10+ to 16 oz			\$2.48
Large standard	10 oz or less	4 oz	\$3.19	\$3.19
	10+ to 16 oz			\$3.28
	1 to 2 lb	4 oz	\$4.71	\$4.76
	2 to 3 lb	4 oz	\$5.09	\$5.26
	3 lb to 20 lb	4 oz	\$5.09 + \$0.38/lb above first 3 lb	\$5.26 + \$0.38/lb above first 3 lb
Small oversize	70 lb or less	1 lb	\$8.13 + \$0.38/lb above first 2 lb	\$8.26 + \$0.38/lb above first 2 lb
Medium oversize	150 lb or less	1 lb	\$9.44 + \$0.38/lb above first 2 lb	\$9.79 + \$0.39/lb above first 2 lb
Large oversize	150 lb or less	1 lb	\$73.18 + \$0.79/lb above first 90 lb	\$75.78 + \$0.79/lb above first 90 lb
Special oversize	N/A	1 lb	\$137.32 + \$0.91/lb above first 90 lb	\$137.32 + \$0.91/lb above first 90 lb

¹Add \$0.40 per unit for clothing items

²Add \$0.11 per unit for items with lithium batteries

February 2018 Change

	Prior to February 22, 2018		February 22, 2018 and after
Standard-size	January - September	October - December	Year-round Rates
<i>Small (1 lb. or less)</i>	\$2.41	\$2.39	\$2.41
<i>Large (1 lb. or less)</i>	\$2.99	\$2.88	\$3.19
<i>Large (1 lb. to 2 lb.)</i>	\$4.18	\$3.96	\$4.71
<i>Large (over 2 lb.)</i>	\$4.18 +\$0.39/lb. above first 2 lb.	\$3.96 +\$0.35/lb. above first 2 lb.	\$4.71 +\$0.38/lb. above first 2 lb.

Oversize	January - September	October - December	Year-round Rates
<i>Small Oversize</i>	\$6.85 +\$0.39/lb. above first 2 lb.	\$6.69 +\$0.35/lb. above first 2 lb.	\$8.13 +\$0.38/lb. above first 2 lb.
<i>Medium Oversize</i>	\$9.20 +\$0.39/lb. above first 2 lb.	\$8.73 +\$0.35/lb. above first 2 lb.	\$9.44 +\$0.38/lb. above first 2 lb.
<i>Large Oversize</i>	\$75.06 +\$0.80/lb. above first 90 lb.	\$69.50 +\$0.76/lb. above first 90 lb.	\$73.18 +\$0.79/lb. above first 90 lb.
<i>Special Oversize</i>	\$138.08 +\$0.92/lb. above first 90 lb.	\$131.44 +\$0.88/lb. above first 90 lb.	\$137.32 +\$0.91/lb. above first 90 lb.
<i>Add \$0.40 per unit for clothing items</i>			

February 2017 Change

FBA Fulfillment Fees (standard Non-Media)				
Prior to February 22, 2017				
Order Handling, Pick & Pack, and Weight Handling fees (per-unit total)				
	<i>Small standard-size (1 lb. or less)</i>	<i>Large standard-size (1 lb. or less)</i>	<i>Large standard-size (1 to 2 lbs.)</i>	<i>Large standard-size (over 2 lbs.)</i>
January–October	\$2.56	\$3.02	\$4.01	\$4.01+ \$0.39/lb. above the first 2 lbs.
November–December	\$2.53	\$2.88	\$3.72	\$3.72 + \$0.35/lb. above the first 2 lbs.
Effective February 22, 2017				
Fulfillment Fee (per-unit total)				
	<i>Small standard-size (1 lb. or less)</i>	<i>Large standard-size (1 lb. or less)</i>	<i>Large standard-size (1 to 2 lbs.)</i>	<i>Large standard-size (over 2 lbs.)</i>
January–September	\$2.41	\$2.99	\$4.18	\$4.18 + \$0.39/lb. above the first 2 lbs.
October–December	\$2.39	\$2.88	\$3.96	\$3.96 + \$0.35/lb. above the first 2 lbs.
FBA fulfillment Fees (standard-size Media)				
Prior to February 22, 2017				
Order Handling, Pick & Pack, and Weight Handling fees (per-unit total)				
	<i>Small standard-size (1 lb. or less)</i>	<i>Large standard-size (1 lb. or less)</i>	<i>Large standard-size (1 to 2 lbs.)</i>	<i>Large standard-size (over 2 lbs.)</i>
January–October	\$1.56	\$1.91	\$2.30	\$2.30 + \$0.41/lb. above the first 2 lbs.
November–December	\$1.53	\$1.77	\$2.01	\$2.01 + \$0.37/lb. above the first 2 lbs.
Effective February 22, 2017				
Fulfillment Fee (per-unit total)				
	<i>Small standard-size (1 lb. or less)</i>	<i>Large standard-size (1 lb. or less)</i>	<i>Large standard-size (1 to 2 lbs.)</i>	<i>Large standard-size (over 2 lbs.)</i>
January–September	\$2.41	\$2.99	\$4.18	\$4.18 + \$0.39/lb. above the first 2 lbs.
October–December	\$2.39	\$2.88	\$3.96	\$3.96 + \$0.35/lb. above the first 2 lbs.
FBA Fulfillment Fees (oversize)				
Prior to February 22, 2017				
Order Handling, Pick & Pack, and Weight Handling fees (per-unit total)				
	<i>Small oversize</i>	<i>Medium oversize</i>	<i>Large oversize</i>	<i>Special oversize</i>
January–October	\$6.15 + \$0.39/lb. above the first 2 lb.	\$7.93 + \$0.39/lb. above the first 2 lb.	\$72.38 + \$0.80/lb. above the first 90 lb.	\$135.11 + \$0.92/lb. above the first 90 lb.
November–December	\$5.94 + \$0.35/lb. above the first 2 lb.	\$7.30 + \$0.35/lb. above the first 2 lb.	\$64.97 + \$0.76/lb. above the first 90 lb.	\$126.26 + \$0.88/lb. above the first 90 lb.
Effective February 22, 2017				
Fulfillment Fee (per-unit total)				
	<i>Small oversize</i>	<i>Medium oversize</i>	<i>Large oversize</i>	<i>Special oversize</i>
January–September	\$6.85 + \$0.39/lb. above the first 2 lb.	\$9.20 + \$0.39/lb. above the first 2 lb.	\$75.06 + \$0.80/lb. above the first 90 lb.	\$138.08 + \$0.92/lb. above the first 90 lb.
October–December	\$6.69 + \$0.35/lb. above the first 2 lb.	\$8.73 + \$0.35/lb. above the first 2 lb.	\$69.50 + \$0.76/lb. above the first 90 lb.	\$131.44 + \$0.88/lb. above the first 90 lb.

Add \$0.40 per unit for clothing items

November 2016 Change

Weight handling fees return to the amounts listed in the Prior to November 1, 2016 columns beginning January 1, 2017 (as seen below).

	Standard-size		Effective November 1 – December 31, 2016	
	Prior to November 1, 2016		Media	Non-Media
	Media	Non-Media		
Order handling per order	\$0.00	\$1.00	No change	No change
Pick & Pack* per item	\$1.06	\$1.06	No change	No change
Weight handling based on outbound shipping weight				
Small standard-size 1 lb or less	\$0.50	\$0.50	\$0.47	\$0.47
Large standard-size 1 lb or less	\$0.85	\$0.96	\$0.71	\$0.82
Large standard-size 1 lb to 2 lb	\$1.24	\$1.95	\$0.95	\$1.66
Large standard-size over 2 lb	\$1.24 + \$0.41/lb above the first 2 lb	\$1.95 + \$0.39/lb above the first 2 lb	\$0.95 + \$0.37/lb above the first 2 lb	\$1.66 + \$0.35/lb above the first 2 lb

*Clothing items incur an additional \$0.40 per item in Pick & Pack fulfillment fees.

	Oversize	
	Prior to November 1, 2016	Effective November 1 – December 31, 2016
Order handling per order	\$0.00	No change
Pick & Pack per item		
Small oversize	\$4.09	No change
Medium oversize	\$5.20	No change
Large oversize	\$8.40	No change
Special oversize	\$10.53	No change
Weight handling based on outbound shipping weight		
Small oversize	\$2.06 + \$0.39/lb above the first 2 lb	\$1.85 + \$0.35/lb above the first 2 lb
Medium oversize	\$2.73 + \$0.39/lb above the first 2 lb	\$2.10 + \$0.35/lb above the first 2 lb
Large oversize	\$63.98 + \$0.80/lb above the first 90 lb	\$56.57 + \$0.76/lb above the first 90 lb
Special oversize	\$124.58 + \$0.92/lb above the first 90 lb	\$115.73 + \$0.88/lb above the first 90 lb

February 2016 Change

	Prior to February 18, 2016		Effective February 18, 2016	
	Media	Non-Media	Media	Non-Media
Order Handling per order	\$0	\$1	\$0	\$1
Pick & Pack per unit	\$1.04	\$1.04 (\$1.44 for Clothing)	\$1.06	\$1.06 (\$1.46 for Clothing)
Weight Handling				
Based on the Outbound Shipping Weight				
Small Standard-Size 1 lb. or less	\$0.50	\$0.50	\$0.50	\$0.50
Large Standard-Size 1 lb. or less	\$0.63	\$0.63	\$0.85	\$0.96
Large Standard-Size 1 lb. to 2 lbs.	\$0.88	\$1.59	\$1.24	\$1.95
Large Standard-Size Over 2 lbs.	\$0.88 + \$0.41/lb. above the first 2 lbs.	\$1.59 + \$0.39/lb. above the first 2 lbs.	\$1.24 + \$0.41/lb. above the first 2 lbs.	\$1.95 + \$0.39/lb. above the first 2 lbs.

	Prior to February 18, 2016		Effective February 18, 2016	
	All Oversize except Clothing	Clothing	All Oversize except Clothing	Clothing
Order Handling per order	\$0	\$0	\$0	\$0
Pick & Pack per unit				
Small Oversize	\$4.05	\$4.45	\$4.09	\$4.49
Medium Oversize	\$5.12	\$5.52	\$5.20	\$5.60
Large Oversize	\$8.21	\$8.61	\$8.40	\$8.80
Special Oversize	\$10.34	\$10.74	\$10.53	\$10.93
Weight Handling				
Based on the Outbound Shipping Weight				
Small Oversize	\$1.59 + \$0.39/lb. above the first 2 lbs.		\$2.06 + \$0.39/lb. above the first 2 lbs.	
Medium Oversize	\$2.23 + \$0.39/lb. above the first 2 lbs.		\$2.73 + \$0.39/lb. above the first 2 lbs.	
Large Oversize	\$63.09 + \$0.80/lb. above the first 90 lbs.		\$63.98 + \$0.80/lb. above the first 90 lbs.	
Special Oversize	\$124.58 + \$0.92/lb. above the first 90 lbs.		\$124.58 + \$0.92/lb. above the first 90 lbs.	

February 2015 Change

February 18, 2015: Pick & Pack and weight handling fees will increase across all product sizes and weights. Additionally, for heavier and larger products, Amazon will use dimensional weight — which is equivalent to the unit's cubic volume (length x width x height in inches) divided by 166 — to determine fulfillment fees. Previously, dimensional weight was used only when oversize units reached a certain threshold. Now it will be used when the dimensional weight for small, medium or large oversize units is greater than the unit weight.

	Prior to February 18, 2015		Effective February 18, 2015	
	Media	Non-Media	Media	Non-Media
Order Handling per order	\$0.00	\$1.00	\$0.00	\$1.00
Pick & Pack per unit	\$1.02	\$1.02 (\$1.42 for Clothing)	\$1.04	\$1.04 (\$1.44 for Clothing)
Weight Handling Based on the Outbound Shipping Weight*				
Small Standard-Size 1 lb. or less	\$0.46	\$0.46	\$0.50	\$0.50
Large Standard-Size 1 lb. or less	\$0.55	\$0.55	\$0.63	\$0.63
Large Standard-Size 1 lb. to 2 lbs.	\$0.82	\$1.34	\$0.88	\$1.59*
Large Standard-Size Over 2 lbs.	\$0.82 + \$0.41/lb. above the first 2 lbs.	\$1.34 + \$0.39/lb. above the first 2 lbs.	\$0.88 + \$0.41/lb. above the first 2 lbs.	\$1.59 + \$0.39/lb. above the first 2 lbs.*

	Oversize Products	
	Prior to February 18, 2015	Effective February 18, 2015
Order Handling (Per order)	\$0.00	\$0.00
Pick & Pack (Per unit)		
Small Oversize	\$4.02	\$4.05
Medium Oversize	\$5.07	\$5.12
Large Oversize	\$8.15	\$8.21
Special Oversize	\$10.25	\$10.34
Weight Handling (based on Outbound Shipping Weight)		
Small Oversize	\$1.17 + 0.39/lb. above the first 2 lbs.	\$1.59 + 0.39/lb. above the first 2 lbs.
Medium Oversize	\$1.54 + 0.39/lb. above the first 2 lbs.	\$2.23 + 0.39/lb. above the first 2 lbs.
Large Oversize	\$60.17 + \$0.79/lb. above the first 90 lbs.	\$63.09 + \$0.80/lb. above the first 90 lbs.
Special Oversize	\$124.08 + \$0.92/lb. above the first 90 lbs.	\$124.58 + \$0.92/lb. above the first 90 lbs.

Add \$0.40 per unit for clothing items effective February 18, 2015

US FBA Monthly Storage Rates

February 2019– No Change on Core Rates

Monthly storage fees for most products will remain unchanged from 2018.

Monthly inventory storage fees		
Storage month	Standard size	Oversize
January – September	\$0.69 per cubic foot	\$0.48 per cubic foot
October – December	\$2.40 per cubic foot	\$1.20 per cubic foot

April 2018 Change

Prior to April 1, 2018		
Storage month	Standard-size	Oversize
January – September	\$0.64 per cubic foot	\$0.43 per cubic foot
October – December	\$2.35 per cubic foot	\$1.15 per cubic foot

April 1, 2018 and after		
Storage month	Standard-size	Oversize
January – September	\$0.69 per cubic foot	\$0.48 per cubic foot
October – December	\$2.40 per cubic foot	\$1.20 per cubic foot

March 2017 Change

Monthly Inventory Storage fees		
Prior to March 1, 2017		
	<i>Standard-size</i>	<i>Oversize</i>
January–October	\$0.54 per cubic foot	\$0.43 per cubic foot
November–December	\$2.25 per cubic foot	\$1.15 per cubic foot
Effective March 1, 2017		
	<i>Standard-size</i>	<i>Oversize</i>
January–September	\$0.64 per cubic foot	\$0.43 per cubic foot
October–December	\$2.35 per cubic foot	\$1.15 per cubic foot

October 2016 Change

	Prior to October 1, 2016		Effective October 1, 2016	
	Standard-size	Oversize	Standard-size	Oversize
January to September	\$0.54 per cubic foot	\$0.43 per cubic foot	No change	No change
October	\$0.72 per cubic foot	\$0.57 per cubic foot	\$0.54 per cubic foot	\$0.43 per cubic foot
November to December	\$0.72 per cubic foot	\$0.57 per cubic foot	\$2.25 per cubic foot	\$1.15 per cubic foot

March 2016 Change

	Prior to March 1, 2016		Effective March 1, 2016	
	Standard-Size	Oversize	Standard-Size	Oversize
January to September	\$0.51 per cubic foot	\$0.40 per cubic foot	\$0.54 per cubic foot	\$0.43 per cubic foot
October to December	\$0.68 per cubic foot	\$0.53 per cubic foot	\$0.72 per cubic foot	\$0.57 per cubic foot

March 2015 Change

	Prior to March 1, 2015		Effective March 1, 2015	
	Standard-Size	Oversize	Standard-Size	Oversize
January – September	\$0.48 per cubic foot	\$0.48 per cubic foot	\$0.51 per cubic foot	\$0.40 per cubic foot
October – December	\$0.64 per cubic foot	\$0.64 per cubic foot	\$0.68 per cubic foot	\$0.53 per cubic foot

US FBA Long Term Storage Rates

February 2019 Change

As of February 15, 2019, items that have been in a fulfillment center for 181 to 365 days are no longer subject to long-term storage fees. Long-term storage fees still apply for items that have been in a fulfillment center for more than 365 days.

These changes also affect storage fees for the [Multi-Channel Fulfillment](#) program.

Long-term storage fee	
Inventory cleanup date	Items in a fulfillment center more than 365 days
15th of every month	\$6.90 per cubic foot

Minimum long-term storage fee, February 15, 2019, and after	
Inventory cleanup date	Items in a fulfillment center more than 365 days
15th of every month	\$0.15 per unit

Lowered minimum per unit from \$0.50 to \$0.15

September 2018 Change

	Inventory Assessment Date	Days Items Are in Fulfillment Centers	Days Items Are in Fulfillment Centers
		181-365 Days	365 Days or more
Prior to September 15, 2018	Semi-Annual: February 15 & August 15	\$11.25 / cubic foot	\$22.50 / cubic foot
September 15, 2018 and after	Monthly: 15th of every month	\$3.45 / cubic foot	\$6.90 / cubic foot

For items in inventory more than 365, minimum per unit charge is \$0.50 per month

March 2015 Change

	Assessed on February 15, 2015 (scheduled semi-annual cleanup date, not subject to latest fee change)	Assessed semi-annually beginning August 15, 2015
Length of time inventory units have been in Amazon fulfillment centers	Charge Amount	Charge Amount
6 to 12 months	\$0.00	\$11.25 per cubic foot
12 months or more	\$22.50 per cubic foot	\$22.50 per cubic foot

US FBA Multi-Channel Fulfilment Rates

June 2017 – present:

Standard-size products (per unit)					
1 Size	1 unit order	2 unit order	3 unit order	4 unit order	5+ unit order
2 STANDARD 3-5 business day shipping					
3 Small: 1 lb or less	\$5.85	\$3.75	\$3.35	\$3.25	\$2.20
4 Large: 1 lb or less	\$5.90	\$3.90	\$3.40	\$3.30	\$2.80
5 Large: 1 to 2lb	\$5.95	\$3.95	\$3.45	\$3.35	\$2.95
6 Large: above first 2lb	\$5.95 + \$0.39/lb	\$3.95 + \$0.39/lb	\$3.45 + \$0.39/lb	\$3.35 + \$0.39/lb	\$2.95 + \$0.39/lb
7 EXPEDITED 2 day shipping					
8 Small: 1 lb or less	\$7.90	\$4.65	\$3.55	\$3.40	\$2.41
9 Large: 1 lb or less	\$8.30	\$4.80	\$3.80	\$3.55	\$2.99
10 Large: 1 to 2lb	\$8.35	\$5.35	\$5.15	\$4.95	\$4.18
11 Large: above first 2lb	\$8.35 + \$0.39/lb	\$5.35 + \$0.39/lb	\$5.15 + \$0.39/lb	\$4.95 + \$0.39/lb	\$4.18 + \$0.39/lb
12 PRIORITY next day shipping					
13 Small: 1 lb or less	\$12.80	\$7.30	\$6.30	\$5.80	\$4.30
14 Large: 1 lb or less	\$13.80	\$7.80	\$6.80	\$5.90	\$4.80
15 Large: 1 to 2lb	\$13.85	\$7.85	\$6.85	\$5.95	\$4.85
16 Large: above first 2lb	\$13.85 + \$0.39/lb	\$7.85 + \$0.39/lb	\$6.85 + \$0.39/lb	\$5.95 + \$0.39/lb	\$4.85 + \$0.39/lb
17 Oversize products (per unit)					
17 Size	1 unit order	2 unit order	3 unit order	4 unit order	5+ unit order
18 STANDARD 3-5 business day shipping					
19 Small: above first 2lb	\$12.30 + \$0.39/lb	\$6.80 + \$0.39/lb	\$5.80 + \$0.39/lb	\$4.80 + \$0.39/lb	\$3.80 + \$0.39/lb
20 Medium: above first 2lb			\$15.30 + \$0.39/lb		
21 Large: above first 90lb			\$78.30 + \$0.80/lb		
22 Special: above first 90lb			\$143.30 + \$0.92/lb		
23 EXPEDITED 2 day shipping					
24 Small: above first 2lb	\$13.30 + \$0.39/lb	\$7.80 + \$0.39/lb	\$7.30 + \$0.39/lb	\$7.15 + \$0.39/lb	\$6.85 + \$0.39/lb
25 Medium: above first 2lb			\$16.80 + \$0.39/lb		
26 Large: above first 90lb			\$78.30 + \$0.80/lb		
27 Special: above first 90lb			\$143.30 + \$0.92/lb		
28 PRIORITY next day shipping					
29 Small: 1 lb or less	\$20.80 + \$0.39/lb	\$11.30 + \$0.39/lb	\$8.20 + \$0.39/lb	\$7.70 + \$0.39/lb	\$7.30 + \$0.39/lb
30 Large: 1 lb or less			\$31.30 + \$0.39/lb		
31 Large: 1 to 2lb			\$78.30 + \$0.80/lb		
32 Large: above first 2lb			\$143.30 + \$0.92/lb		

Prior to June 2017

Standard						
Size	Order Handling (per order)	Pick & Pack (per unit)	Weight Handling (per lb)			
			First 15 lbs	next 16-70 lbs	next 71-150 lbs	
1 Standard-Size Media	\$1.90	\$0.60	\$0.45	\$0.45	\$0.45	
2 Standard-Size Non-Media	\$4.75	\$0.75	\$0.45	\$0.45	\$0.45	
3 Oversize	\$7.00	\$3.00	\$0.50	\$0.70	\$0.90	

Expedited						
Size	Order Handling (per order)	Pick & Pack (per unit)	Weight Handling (per lb)			
			First 15 lbs	next 16-70 lbs	next 71-150 lbs	
1 Standard-Size Media	\$7.40	\$0.60	\$0.55	\$0.70	\$0.85	
2 Standard-Size Non-Media	\$7.75	\$0.75	\$0.55	\$0.70	\$0.85	
3 Oversize	\$10.00	\$3.00	\$0.60	\$0.80	\$1.00	

Priority						
Size	Order Handling (per order)	Pick & Pack (per unit)	Weight Handling (per lb)			
			First 15 lbs	next 16-70 lbs	next 71-150 lbs	
4 Standard-Size Media	\$14.40	\$0.60	\$1.50	\$1.75	\$2.00	
5 Standard-Size Non-Media	\$14.75	\$0.75	\$1.50	\$1.75	\$2.00	
6 Oversize	\$17.00	\$3.00	\$1.50	\$1.75	\$2.00	

[1] Special Handling for qualified LCD and CRT television units have flat weight handling fee of \$85

[2] Special Handling for qualified Projection and Plasmatelevision units have flat weight handling fee of \$125