



November 16, 2023

The Honorable Isabel Guzman
Secretary of the U.S. Small Business Administration
409 3rd St., SW
Washington, DC 20416

The Honorable Major L. Clark
Deputy Chief Counsel for Advocacy
U.S. Small Business Administration Office of Advocacy
409 3rd St., SW
Washington, DC 20416

Dear Secretary Guzman and Deputy Chief Clark:

The undersigned members of the Small Business Rising write to express our disappointment with the U.S. Small Business Administration's (SBA) past financial partnerships with monopolistic corporations—such as Amazon, Google, and Visa—for National Small Business Week (NSBW). We urge the agency to enlist partners who are aligned with the SBA's mission to “help Americans start, grow, and build resilient businesses,” not mega-corporations that use their power and dominance in the market to stifle competition from smaller competitors.

Small Business Rising is a coalition of more than 40 independent business associations across the United States, representing the voices of more than 300,000 small business members in diverse industries including grocers, pharmacists, restaurateurs, toy sellers, book sellers, hardware store owners, and many more. Our coalition has identified monopoly power as a top threat to small businesses' ability to compete on a level playing field and serve their communities. Our coalition advocates for policies to address corporate power, such as reining in exorbitant credit card swipe fees¹ and regulating and breaking up tech monopolies, like Amazon.²

In 2023 and preceding years, the financial sponsors for NSBW included corporations targeted by policymakers and regulators for their predatory tactics and harms to smaller competitors and consumers. Amazon is currently the target of a complaint brought by the U.S. Federal Trade

¹ See “Small Business Leaders & Advocates Urge Support for Credit Card Competition Act,” *Small Business Rising* (2023) <https://www.smallbusinessrising.net/updates/ccca-event>

² See “A New Coalition of Small-Business Groups Is Urging Congress to Break Up Amazon,” *Inc.com* (2023) <https://www.inc.com/amrita-khalid/amazon-calls-coalition-of-small-businesses-urging-congress-to-break-it-up-misguided.html>

Commission and 17 state attorneys general. Along with Mastercard, Visa's monopoly power is the focus of the 2023 Credit Card Competition Act in Congress, which would inject competition into the duopolistic credit card processing industry.

The very corporations identified as posing the biggest threat to our diverse network of independent businesses are given top billing to promote their products and services in the 2023 NSBW programming. Each of these corporations – particularly Amazon and Visa – extracts a monopoly tax from small businesses and each of these corporations has been heavily subsidized by Americans' tax dollars. Not only does Amazon withdraw a 45 percent monopoly tax from third party seller small businesses on its platform,³ the corporation and its subsidiaries received \$6.3 billion in public subsidies.⁴ Visa and Mastercard control 85 percent of the credit card market, extracting seven times more from American businesses than European businesses in swipe fees, averaging two to three percent of every sale despite an actual hard cost of just 3.6 cents per transaction.⁵

The SBA was created “as an independent agency of the federal government to aid, counsel, assist and protect the interests of small business concerns; preserve free competitive enterprise; and maintain and strengthen the overall economy of our nation.” It is important to the small business owners of America that the agency conducts its signature annual event with partners supporting these values through their business practices.

Signed,

American Booksellers Association

American Independent Business Alliance

American Specialty Toy Retailing Association

Cambridge Local First

Institute for Local Self-Reliance

Local First Arizona

Local First Ithaca

Local Return

³ See “Amazon's Monopoly Tollbooth in 2023,” *Institute for Local Self-Reliance* (2023) <https://ilsr.org/amazonmonopolytollbooth-2023/>

⁴ See “Discover How Much the Public is Subsidizing One of the Largest Retailers,” *Good Jobs First* (2023) <https://goodjobsfirst.org/amazon-tracker/>

⁵ See “Credit Card Swipe Fees — A Hidden Monopoly Tax on Small Businesses and Shoppers,” *Institute for Local Self-Reliance* (2023) <https://ilsr.org/factsheet-credit-cards/>

Love Live Local Inc

Lowcountry Local First

Main Street Alliance

New Atlantic Independent Booksellers Association

North American Hardware and Paint Association

Provender Alliance

Running Industry Association

Shop Local Raleigh

SMSBF

Sonoma County GO LOCAL

Spokane Independent Metro Business Alliance

StayLocal, an initiative of Urban Conservancy

Workplace Solutions Association

Yorktown Small Business Association

cc

The President
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The Honorable Jeanne Shaheen
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