



September 27, 2019

The Honorable Richard Blumenthal
United States Senate
706 Hart Senate Office Building
Washington, DC 20510

Dear Senator Blumenthal,

Thank you for your letter on September 12, 2019, regarding Amazon's delivery standards and practices. We appreciate the opportunity to answer your questions and describe our delivery services and safety commitments.

Historically we worked almost exclusively with large, nationwide delivery companies like UPS, the United States Postal Service, and regional delivery companies. As demand for deliveries grew, we saw an opportunity to empower hundreds of small local and regional logistics businesses to deliver packages to Amazon customers. In 2018 we launched the Delivery Service Partner (DSP) program where we partner with aspiring entrepreneurs and assist them in creating their own last mile delivery companies. We built the technology and support infrastructure to enable them to partner with us, and provide guidance, resources, and tools for safety and labor compliance and business success. This letter describes our work with these companies, and we welcome the opportunity to meet with you to review the entirety of our operations network.

Safety is Amazon's top priority. Amazon complies with all applicable safety laws, labor laws, and U.S. Department of Transportation (DOT) regulations, and we require our DSPs to do the same. We also require DSPs to comply with all applicable state and local laws. Though DOT safety regulations do not govern vehicles 10,000 lbs. or less Gross Vehicle Weight Rating, including most delivery vans, we apply many federal safety standards for drivers, vehicles, and operations to these smaller vehicles and DSP drivers. Across our entire transportation network, our philosophy and approach remains consistent: we set standards that meet and often exceed legal requirements, we run checks when we onboard new delivery companies, we verify compliance on an ongoing basis, and cease working with companies who repeatedly fail to meet the standards required by law or our policies.

We work hard to provide a safe, quality work environment for the many thousands of associates who are on the road or in our facilities. For example, we require all drivers, whether they are employed by us or a DSP, to conduct daily vehicle inspections and report the results through a mobile app. Amazon employees at delivery stations check the condition of vehicles before they leave, and any vehicle found to be in an unsafe condition is immediately grounded. DSPs also have access to safety technology, including tools that monitor seat belt use and unsafe driving behavior, so DSP supervisors can provide coaching to improve their company's safety performance. We are also working to further leverage technology and telematics to drive additional safety improvements. For example, we are piloting a program to identify and reduce distracted driving, and will continue to experiment with emerging technology to further improve safety.

Although we set a high bar for our partners when it comes to safety and working conditions, we work to set realistic performance expectations that do not place undue pressure on our partners or their employees. For example, we have sophisticated technology that plans routes to be completed within a

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specified time period taking into account numerous factors and data from prior routes. Drivers are subject to driving time policies similar to federal Hours of Service requirements, and we take steps to reduce the risk of fatigue. For example, we ensure that drivers who are running late are called back to the delivery station, even if they have packages left to deliver, or a support driver is dispatched to help complete the route.

We right-size our operations to ensure vehicles are appropriate for their task. Small packages do not need to be delivered in big trucks, so DSPs typically operate smaller vehicles that are a better fit for neighborhoods in which they deliver. Using smaller vehicles is more efficient, they keep emissions to a minimum, and reduce congestion. We require all DSPs to carry commercial auto insurance with no less than one million dollars of coverage per occurrence, which is more than triple the federal insurance requirement for motor carriers that operate lightweight vehicles and significantly higher than the federal insurance requirements for motor carriers that operate larger commercial motor vehicles.

The answers to your questions are as follows:

1. How does Amazon currently determine its contracts with third-party delivery companies? What safeguards are in place to prevent the company from contracting with organizations that have open lawsuits against them for unsafe working conditions? Will Amazon commit to ending contracts with companies that have violated labor laws, or have long and checkered track records?

In order to determine which third-party providers can safely and effectively meet our customers' needs, we review prospective DSP owners in a thorough application process, including written submissions, video and in-person interviews, criminal background checks, and financial assessments. We also evaluate compliance with legal and safety requirements, commitment to customer service, and ability to meet Amazon service level standards. In addition, we work to develop local capacity by working with entrepreneurial business owners who in most cases deliver within their own communities.

Our goal is to partner with business owners who are committed to developing safe and compliant operations. We provide guidance, resources, and tools to DSPs to ensure compliance with Amazon's safety and labor policies, as well as state and federal law. To contract with Amazon, DSPs must carry appropriate insurance that exceeds minimum federal standards, follow applicable labor and workplace laws, and meet our Supplier Code of Conduct, which can be found at:

<https://sustainability.aboutamazon.com/social-responsibility>.

Amazon does not condone violations of labor laws. Where we find repeated violations, or an inability to correct labor violations, we terminate contracts with DSP program participants.

We will continue to hold DSPs to high standards and take appropriate actions when DSPs fail to meet those standards.

- 2. How many delivery companies does Amazon currently contract with across the United States? How many of these companies have registered worker treatment complaints by their employees? Will Amazon commit to publicly disclosing the delivery companies with which it contracts?**

In the United States, we currently partner with over 800 delivery providers. Amazon does not publicly disclose the delivery companies or other vendors it works with as we consider such information competitive, confidential business information. However, the U.S. DOT Operating Authority registrations for our delivery providers are publicly available.

We hold our DSPs, and all of our partners, to their contractual requirements. In addition to our Supplier Code of Conduct, our contracts outline specific safety and labor standards that are regularly audited. We offer DSP employees a secure network to raise concerns about their workplace 24 hours a day, seven days a week, at Amazon facilities or via a hotline. We investigate, track, and resolve all complaints received. When Amazon learns of a DSP employee complaint, we review the concerns and work with DSPs to ensure they are compliant with legal requirements and Amazon standards. As a result of information received through the reporting network, we have terminated contracts with DSPs.

- 3. What steps does Amazon enlist to ensure its drivers and warehouse employees are treated fairly, according to the law? How often and to what extent does Amazon audit its delivery contractors and warehouses for compliance with labor laws?**

Amazon provides employees with world class benefits, safe workplaces, training and continuing education, and competitive wages, with a minimum wage of \$15 an hour. We have an internal audit team focused on workplace safety, and HR professionals who focus on supporting employees.

We require that our DSPs provide their employees with competitive wages of at least \$15 an hour, well above the federal minimum wage. We require all DSPs to provide health care coverage that meets or exceeds federal standards for affordability and minimum value, as defined by the Affordable Care Act, for all employees who average at least 30 hours per week. Full time drivers must receive no less than 80 hours of paid time off per year. We work with DSPs to establish strong safeguards against unsafe working conditions, and we regularly audit them to ensure operations carrying Amazon packages are complying with applicable laws and our standards.

We audit DSPs when they are on-boarded, at the 90-day mark, and regularly thereafter. We examine their compliance with wage, hour, and benefits requirements, and if shortcomings are identified, we document issues and give the DSP two weeks to implement a corrective plan or risk having their contract terminated.

- 4. Has Amazon ever taken any action to thwart the creation of a union? Does Amazon believe that its third-party drivers and warehouse workers should be able to unionize?**

Amazon respects its employees' right, and those of our delivery providers, to choose to join or not join a labor union. Amazon maintains an open-door policy that encourages employees to bring their comments, questions, and concerns directly to their management team for discussion and resolution.

5. What training and qualifications does Amazon require of its drivers? To what extent is Amazon involved in the hiring, firing, and delivery oversight of drivers it independently contracts? How often and to what extent does Amazon audit its delivery contractors for compliance with transportation safety standards?

To be eligible for the program, DSPs must ensure that drivers have a valid driver's license, pass a criminal background check, motor vehicle record check, and a drug test. DSPs must also follow all federal, state, and local requirements relating to the safety, registration, and operation of the vehicle in use. To ensure safe operations, drivers are required to use a seat belt, follow speed limits, and obey distracted driving laws and policies. DSP drivers are also required to take safety training from experts at Amazon, including a two-day classroom-based training program and two days of ride-alongs with experienced drivers.

DSPs hire and manage their own employees, who must be qualified to safely operate delivery vehicles. Amazon insists upon the highest standards and we work to ensure our DSP partners do not employ drivers with problematic safety records while performing services for Amazon. When we are aware of safety concerns with specific drivers, we offboard them from the program after which they are no longer able to deliver Amazon packages.

As noted in the response to question 3, Amazon regularly audits DSPs to ensure compliance with the law and our safety standards. During audits, we examine driver eligibility (motor vehicle records check, driver's license, criminal background check, drug test), and we monitor driver safety and incident reporting. In addition, DSPs contracting with Amazon are required to register as interstate motor carriers with the Federal Motor Carrier Safety Administration. We do not continue to work with carriers that no longer meet federal requirements.

We invite you to tour any of our facilities, including our fulfillment centers, sort centers, and delivery stations, to see first-hand how we are committed to safe operations for our customers, employees, and third party delivery partners across our network.

Thank you again for your interest in these issues. All signatories to your letter will receive this response.

Sincerely,



Brian Huseman
Vice President, Public Policy