



Hearing on
The Past, Present, Future of SNAP
before the
Committee on Agriculture
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Testimony of

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Thank you, Chairman Conaway and Ranking Member Peterson. My name is Eric French, and I am Amazon's Director of Grocery.

Amazon's mission is to be Earth's most customer-centric company. In everything we do – every product or service we design – we start with the customer and work backwards. This approach has served our customers – and Amazon – well, and this is also the approach we're taking as the U.S. Department of Agriculture (USDA) explores opening the SNAP program to e-commerce. Given our extensive experience in e-commerce, our demonstrated commitment to excellent customer service, and our more recent investment in e-commerce grocery delivery, Amazon looks forward to the opportunity to work with the USDA to ensure a successful expansion of the SNAP program into e-commerce, which we believe can improve access to nutritious foods, selection, and value for SNAP households.

I. The Benefits of SNAP E-Commerce Grocery Delivery

The current SNAP program is limited to traditional brick-and-mortar channels, which can create significant limitations and challenges for the individuals and families the SNAP program is intended to

support. Not every community is home to a grocery store, let alone multiple stores that drive competitive pricing and selection. For the elderly, and individuals with disabilities, even a nearby grocery store can be difficult to access due to mobility challenges. In addition, single parent families and those lacking access to reliable transportation also may struggle to get to a grocery store.

The current restriction on redeeming SNAP benefits online limits the ability of those with food insecurity to stretch their SNAP dollars by comparison shopping and allocating SNAP dollars where they can provide the most benefit. Those with special dietary needs (e.g., gluten intolerance, diabetes) also face limited options and selection when they have access to only what their nearest grocery store carries.

The promise for extending the SNAP program to e-commerce is that those with food insecurity can benefit from the same access to value, selection, and convenience that many of us enjoy.

A. Value

E-Commerce allows consumers the unprecedented ability to choose the most affordable options in making purchase decisions, allowing them to stretch limited food budgets further. This option should be accessible to those with food insecurity, who could benefit the most.

Amazon's customers expect to come to Amazon and find the lowest prices across our vast selection, so we do the hard work for them. Amazon monitors prices – both offline and online – in order to make sure we offer the lowest prices available.

B. Selection

E-commerce retailers have the ability to offer massive selection to customers by leveraging fulfillment networks and sophisticated logistics systems that can determine where best to store items to ensure the quickest, most efficient delivery to customers. Knowing how to leverage such resources is something Amazon not only excels at, but has also developed significant technology to accomplish. The two-day, one-day, and same-day shipping Amazon has become famous for has been enabled by this technology and our fulfillment network, and has fostered our expansion into grocery retailing and

delivery. As a result, we can offer SNAP recipients access to a broad selection of SNAP-eligible foods to meet their dietary needs and preferences.

C. Convenience

By allowing for doorstep delivery, e-commerce also provides SNAP recipients with a new level of convenience. This is particularly important for those with mobility challenges, lack of easy access to reliable transportation, and working and parenting schedules that make getting to the grocery store a challenge, as well as those in food deserts.

II. Potential Challenges

While Amazon already carries an extensive selection of SNAP-eligible healthy, staple foods, we're constantly innovating around the challenge of delivering perishable foods cost-effectively so that the savings can continue to be passed on to our customers. We leverage our significant logistics tools and fulfillment network to accomplish this, and this will become easier as we continue to scale our grocery delivery. We continue to iterate and learn, and hope to have the opportunity to apply our extensive knowledge to the SNAP space and enable a successful expansion of the program to e-commerce, which would provide tremendous benefits to SNAP recipients.

A. Potential Challenges and Opportunities with Delivery

Theft of grocery deliveries has been raised as a concern by Committee staff, and this challenge is not limited to the SNAP e-commerce delivery space; this is a challenge the e-commerce model has confronted more broadly, but one that has been largely mitigated over the years. Amazon is constantly inventing on behalf of customers, including inventing new ways to deliver products. Two examples of recent innovations include Amazon Fresh attended delivery and Amazon Lockers. In the unlikely event a package is stolen, Amazon has a longstanding record of offering customers refunds or replacements for missing deliveries, and this would extend to customers using SNAP benefits should the program be expanded to e-commerce.

B. Online EBT Payments

Current SNAP regulations require the use of a customer PIN at check-out, and this requirement extends to the online redemption of SNAP benefits under the USDA online demonstration project. The capability to accept PINs for online debit transactions is not widespread, largely because alternative technology exists to more effectively secure transactions and authenticate customers. For example, Amazon allows for PIN-less debit because the PIN does not necessarily provide better security or authentication than other tools and technology currently available. As a technology company and an e-commerce retailer, Amazon continues to innovate around security and authentication to protect our customers and maintain their trust.

III. Recommendations

The USDA's current SNAP regulations were written for a brick-and-mortar SNAP program. While Amazon is encouraged by the willingness of Congress and the USDA to explore the benefits of the online redemption of SNAP benefits, we also urge consideration of the unique opportunities and challenges of e-commerce. Rather than simply extending the existing SNAP regulations to e-commerce (assuming a successful pilot), there should be some consideration of the unique characteristics of e-commerce retail and grocery delivery. Modernizing the SNAP program should also include modernization of the regulations, taking into account the many learnings expected from the online demonstration project. Amazon stands ready to share our expertise and be a part of this process.

Amazon agrees the goal of online SNAP benefit redemption should be for door-step delivery; after all, this is one of the largest value propositions of e-commerce and has been offered by Amazon since our founding in 1995. While Amazon offers customers flexible options for grocery delivery, such as attended delivery, the USDA should explore additional options for food delivery under the SNAP program. Amazon is aware of food delivery programs in communities like Baltimore that employ a neighborhood-based pick-up option as a way to mitigate the potential challenges with door-step

delivery.

Amazon shares the goal of ensuring online SNAP payments are secure. Security and customer trust are central to everything Amazon does and creates, and we invest heavily in protecting our customers and securing payments. As outlined earlier, more effective tools and technology currently exist to secure online transactions and authenticate customers. PINs should be a floor rather than a ceiling in securing online payments, and the SNAP program should provide some flexibility for innovation around security to better protect SNAP recipients and mitigate new security risks that may emerge. Amazon would like to work with Congress and the USDA to develop a framework that ensures the security of these transactions without prescribing specific technologies that could quickly become outdated. Furthermore, allowing for flexibility in meeting security standards could allow for broader participation of e-commerce grocery retailers, which would benefit SNAP recipients by offering them greater selection in online retailers.

IV. Conclusion

Amazon is excited that Congress and the USDA support the exploration of online SNAP benefit redemption.

By enabling online redemption of SNAP benefits, recipients would have access to Amazon's wide variety of SNAP-eligible food options available for home delivery. This would open up new options for millions of SNAP recipients, while providing our existing customers who are SNAP recipients with the ability to stretch their SNAP dollars and choose the payment type that is best for them. We are excited about this prospect and stand ready to assist Congress and the USDA during the upcoming pilot program and beyond.

Thank you for inviting me to testify. I look forward to your questions.