





November 16, 2021

The Honorable Frank Pallone Chair, Committee on Energy & Commerce U.S. House of Representatives Washington, D.C. 20515

The Honorable Jan Schakowsky Chair, Subcommittee on Consumer Protection and Commerce Committee on Energy & Commerce U.S. House of Representatives Washington, D.C. 20515 The Honorable Cathy McMorris Rodgers Ranking Member, Committee on Energy & Commerce U.S. House of Representatives Washington, D.C. 20515

The Honorable Gus Bilirakis Ranking Member, Subcommittee on Consumer Protection and Commerce Committee on Energy & Commerce U.S. House of Representatives Washington, D.C. 20515

Dear Chairman Pallone, Chair Schakowsky, and Ranking Members Rodgers and Bilirakis:

On behalf of the <u>Alliance for Automotive Innovation</u> ("Auto Innovators"), <u>the Automotive Anti-Counterfeiting Council</u> (A2C2), and the <u>Motor & Equipment Manufacturers Association</u> (MEMA) we thank you for the Energy & Commerce Committee's work to advance H.R. 5502, the Integrity, Notification, and Fairness in Online Retail Marketplaces for Consumers Act (the "INFORM Consumers Act"). We also welcome the opportunity to offer the following perspectives on the dangers of counterfeit motor vehicle parts and how this important legislation can help to stop the proliferation of such parts being sold online.

The motor vehicle industry has made significant investments and innovations in the United States that help improve the safety of vehicles for consumers. A comprehensive white paper released by A2C2 found that many of these safety improvements are being thwarted by the use of counterfeit automotive parts, which are being sold to consumers through third-party marketplaces. Counterfeit motor vehicle parts are not subject to any of the testing and quality standards adhered to by vehicle manufacturers and suppliers and, when tested, such parts generally <u>fail to meet</u> those standards, thereby putting drivers and other road users at risk. Examples of vehicle components that are frequently counterfeited and can negatively impact vehicle operation, performance, and emissions include airbags, brake pads, glass, body

and structural components, grilles, headlights and taillights, wheels, ignition coils, fuel injectors, fuel pumps, spark plugs, oil filters, mass airflow sensors, oxygen sensors, and pressure sensors.

During the pandemic, a record number of American consumers have turned to <u>e-commerce</u> <u>platforms</u> for their shopping needs, underscoring the need to be able to verify independent merchants, especially those located overseas. An automaker <u>examined</u> counterfeit seller data on one established marketplace, finding that over 75 percent of foreign-seller addresses were completely or partially unverifiable. In 2019, a California man was <u>sentenced</u> to six months in federal prison after authorities uncovered a scheme involving the sale of counterfeit airbag covers on another established online marketplace. Far too many criminals are slipping through the cracks of these leading online marketplaces where unwitting consumers go to shop.

Our associations maintain that online marketplaces should strengthen their efforts to vet thirdparty sellers, their suppliers, and their products to provide greater transparency for consumers and rights-holders. H.R. 5502, the INFORM Consumers Act, represents a common-sense, bipartisan solution to an escalating consumer health and safety and economic threat, and we thank the Committee and the bill's bipartisan list of cosponsors for continued leadership on this important legislation.

By addressing the root of the online counterfeit sales issue directly, we can both protect consumers and ensure that the automotive industry can continue to develop safe vehicles while driving long-term economic growth and continued innovation. We look forward to working with you to enact meaningful legislation that will shield consumers from the dangers of purchasing counterfeit automotive components online and help to keep Americans safe while on the road.

Sincerely,

Alliance for Automotive Innovation Automotive Anti - Counterfeiting Council Motor & Equipment Manufacturing Association