



November 17, 2021

The Honorable Frank Pallone
Chair
House Energy and Commerce Committee
2125 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Cathy McMorris Rodgers
Ranking Member
House Energy and Commerce Committee
2322 Rayburn House Office Building
Washington, D.C. 20515

Dear Chair Pallone and Ranking Member McMorris Rodgers,

Consumer Reports and the AFL-CIO thank the Committee for their attention to HR 5502, the INFORM Consumers Act, and write to you in support of the bill, which is coming before the Energy and Commerce Committee today.

As CR highlighted last spring at the House Consumer Protection Subcommittee hearing (“Buyer Beware: Fake and Unsafe Products on Online Marketplaces”), the sale of unsafe counterfeit goods online poses a demonstrable and unacceptable threat to consumer safety.¹ Effectively addressing this danger is crucial to consumer confidence and safety in the marketplace.

H.R. 5502 would curb the effectiveness of counterfeiters who seek to mislead consumers and bring consumers much needed transparency while appropriately balancing considerations to ensure consumers have continued access to a richly varied online marketplace. The bill would require reasonable verification of seller identities over a certain threshold, and disclosures, upon purchase, over a higher threshold, offering a key baseline in building a marketplace that consumers can place more trust in. It would further require that online marketplaces ensure that consumers can contact such sellers in order for sellers to continue utilizing the marketplace’s service, making sure that consumers can have confidence they won’t be left high and dry.

Counterfeit goods, wherever they are sold, hurt not only American consumers but also American workers. H.R. 5502 ensures that the Federal Trade Commission has the tools it needs to crack down on businesses that seek to illegally profit off counterfeit goods and holds those

¹ CR’s March 4, 2020 testimony is available online here: <https://advocacy.consumerreports.org/research/testimony-of-david-friedman-vice-president-advocacy-consumer-reports-for-u-s-house-hearing-on-fake-and-unsafe-products-on-online-marketplaces/>.

who would profit off these counterfeit goods accountable. Every counterfeit product sold online steals the sale of a safe, legitimate product from American businesses and their workers. Put simply: fraudulent products cost jobs. Verification of sellers by third party platforms will dramatically slow the proliferation of counterfeit goods being sold online, and protect American businesses, jobs, and above all, consumers.

Absent such legislation, online platforms have no obligation to verify the identity of their sellers or to ensure that consumers can directly contact sellers from whom they make their purchases. Especially at a time when Americans are still recovering from the financial impacts of the pandemic, and when counterfeiters are looking to take advantage of their situations, consumers require transparency and the ability to communicate directly with the purveyors of products as part of a safe online marketplace.

Sincerely,



Laurel Lehman
Policy Analyst, Consumer Reports



William Samuel
Director, Government Affairs, AFL-CIO