



COMMITTEE ON  
**ENERGY & COMMERCE**  
DEMOCRATS  
RANKING MEMBER FRANK PALLONE, JR.

**FOR IMMEDIATE RELEASE**  
March 7, 2018

**CONTACT**  
[CJ Young](#) – (202) 225-5735

## **Pallone Opening Remarks at e-Commerce Hearing**

**Washington, DC** – *Energy and Commerce Ranking Member Frank Pallone, Jr. (D-NJ) delivered the following opening remarks today at a Subcommittee on Digital Commerce and Consumer Protection hearing on “Review of Emerging Tech’s Impact on Retail Operations and Logistics:”*

There is no question that the internet has changed the way we live nearly every aspect of our lives. It certainly has changed the way we shop. At any hour of the day, by phone, tablet, or a smart speaker on our kitchen counter, we have access to a dizzying array of products that appear almost magically at our doorstep overnight. The evolution of e-commerce presents exciting opportunities for business, and I look forward to learning more about the new technologies that are making them possible.

The consumer benefits of e-commerce are obvious—ease of shopping, unlimited selection, and the convenience of fast home delivery or easy in-store pickup. Consumers of every demographic appreciate the advantages of online shopping.

Yet, as with all online activities, the constant amassing of personal information that makes benefits of online shopping possible, presents privacy and data security concerns. We also know that the sophisticated algorithms analyzing all that data can have structural flaws that create racial and other biases in how products are marketed, priced, and delivered. Additionally, the growth of e-commerce has increased freight traffic in our residential neighborhoods and led to more packaging waste than necessary.

I am particularly concerned that the trend toward e-commerce is increasingly resulting in consumers purchasing counterfeit goods. Just last month, the Government Accountability Office released a report finding that of 47 products it purchased from third-party sellers hosted by major e-commerce websites, 20 of those products were counterfeits. While we all want more choice, consumers do not want fake products—especially counterfeits that are dangerous such as cosmetics laced with lead and mercury. Today, [I wrote to the five e-commerce websites GAO investigated](#) asking them to explain how they are addressing the

problem of sales of counterfeit products through their platforms. I hope our discussions at this hearing will include a review of the consumer protection challenges I have mentioned.

The commerce landscape is changing for sellers as well. Online sellers are reaching a larger and more diverse customer base across the world. Low start-up costs allow even more people to benefit from online selling. Moreover, sellers are able to reach customers at all hours and employ workers who need a flexible work arrangement.

At the same time, I am troubled by two big hurdles small businesses face in the growing world of e-commerce. The first is an outdated and decaying infrastructure. Our energy grid is precarious and inefficient, something as basic as a clean water supply is not a given, and many areas of our country still lack reliable broadband access. The second is the FCC's dismantling of free and fair access to the internet—this action by the Trump FCC will significantly handicap any business without major economic clout.

Committee Democrats, in May, took on the infrastructure crisis by proposing \$40 billion for secure and resilient broadband. We must stay focused on making reliable broadband access a reality everywhere. It is essential to small retailers, in both rural and urban communities.

Net neutrality is also essential for small retailers. Without free and open access to the internet, the entrepreneurs that drive our economy will struggle to survive, let alone thrive. Last year, I toured four businesses in Asbury Park and witnessed firsthand just how integral the internet is to engaging new customers and generating sales.

We should also be mindful of how the decline of physical stores, the rise of large fulfillment warehouses, and the incorporation of robotics and automation into the supply chain will affect the job market. I am not suggesting we resist innovation, but that we continue to assess how to ensure our workforce is able to adjust to this shifting marketplace.

Thank you, I yield back.

###

---

[democrats-energycommerce.house.gov](https://democrats-energycommerce.house.gov) | [Twitter](#) | [Facebook](#) | [Instagram](#) | [YouTube](#) | [Flickr](#)