

**Statement of Andrew Love
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Specialized Bicycles
before the
United States House of Representatives Committee on Energy and Commerce
Subcommittee on Consumer Protection and Commerce
March 4, 2020**



Thank you very much for this kind invite, Chairwoman Schakowsky, Ranking Member McMorris Rodgers, and all the members of the Subcommittee in attendance. As spring is just around the corner and beautiful riding weather is at hand, your invite is a timely one.

First of all, how many people in this room ride a bike, casual or serious? can I see a show of hands.

Cyclists are everywhere and our sport is exploding in popularity and is practiced in so many ways

I believe this committee truly understands why cycling matters. Because when I researched the current members, it seems that most of you have worked on local infrastructure in your districts that involve bike trails, some of you are serious cyclists, and some of you have even engaged on the legislative level

Chairwoman Schakowsky is a sponsor of the Bicycle commuter act of 2019 and a member of the broadly Bipartisan bike Caucus. Thank you for that, it truly matters.

But this panel is not about the growth of cycling, wonderful though that is;

This panel is concerned with how online ecommerce marketplaces and platforms impact consumers with counterfeit and unsafe products.

How big are the ecommerce platforms? Amazon makes it impossible to search the scope of their marketplace in broad brush strokes, but I can do that on eBay. eBay has been a great partner to Specialized in the fight vs fakes for a long time, and I appreciate all they do.

So last night, the eBay Cycling section had 2,574,328 new items. 154,886 used items. Of the new items. 1,274,212 were direct from China. Half of those were "unbranded" generic items I will speak more about later.

As you can see, I have brought a wide sampling of some of the counterfeits my teams and I fight on ecommerce and social media every single day. These items have an economic impact for sure, and

some of them have profound public safety implications.

So why is Specialized a target? Why did these criminal enterprises go to such lengths to knock off something as technically advanced and hard to make, as an ultra-light carbon fiber racing bicycle?

Specialized made the first production mountain bike, the Stumpjumper, in 1981, and Innovation has been our DNA since. Our entire mission is to become the brand of choice for discerning riders, both experienced cyclists, and those just discovering the sport.

Everyone counts.

Specialized also cares deeply about developing cutting edge technologies to give an edge to best professional Athletes in the world.

Specialized sponsored riders win events like the Tour De France, the IronMan triathlon, as well as World Championships and multiple Olympic medals.

Our cutting-edge bikes and equipment, designed with creativity, and passion for great rides, are why Specialized has become an apex target for counterfeits from multiple industries.

The counterfeit bicycle you see here, is a model called the Specialized Tarmac SL6. One of our Athletes, Julian Alaphilippe, led the Tour De France for 2 weeks, on a bike that looked exactly like that.

When this counterfeit was surrendered to Specialized, it was a complete bike, so I took it for a ride, and compared it with my own real Tarmac SL6.

The rear wheel /frame interface was so badly made, I pulled my real wheel out of the dropouts twice in the first mile. In a 15-minute ride, it showed itself to be a terrible bike, with all sorts of basic construction problems, and front fork with the structural integrity of an overcooked noodle

I found it incredible- that a company could make something that looks so good, but is so fundamentally bad.

Specialized cares a lot about helping everyday cyclists enjoy their ride, and we spend enormous energy, creativity, and resources to make amazing products that not only help you enjoy your ride, but are also safe to use.

We all ride at Specialized, so do our families.

Safety is not an abstract euphemism; it is extremely personal. So when we encounter these terrible counterfeit products, we take it very seriously, and spare no effort in hunting counterfeiters, and have raided numerous factories and ecommerce resellers all over the world.

However, the very worst items when it comes to consumer safety are the counterfeit and generic helmets.

Please roll the YouTube clip—

<https://www.youtube.com/watch?v=yA9DF7mDz1k&feature=youtu.be>

During the question and answer session, if someone asks me to, I will happily destroy one of these fake helmets in a rough approximation of the CPSC test, and demonstrate in a very visceral way, how bad they are.

I also want to make a very important distinction about generics vs counterfeits.

Legally, I can take down a counterfeit helmet if it has our trademarked logo on it. But if the counterfeiters remove the logo, then I can't.

There is, in practice, no testing and not regulation of the carbon fiber bike category or the cycling helmet category on online marketplaces. This is a problem, a big problem. I am sure that we are having preventable fatalities. The problem is, if someone does have a severe head injury or does die, no one asks if maybe their helmet was substandard.

The cycling industry is at a key crossroads with the impact of online commerce and the ease of ordering packages from anyone, anywhere in the world.

We have some detailed suggestions, especially about the deMinimus customs issue, that we think can help.

Our only advantage vs the bad guys is collaboration, exactly what we are doing here today- Specifically a 3 part collaboration, where Brands, Technology professionals, and government comes together with a common goal.

We have an internal saying at Specialized, "Together we win" I hope today kickstarts that process.