

Additional Questions for the Record

Subcommittee on Consumer Protection and Commerce Hearing on “Buyer Beware: Fake and Unsafe Products on Online Marketplaces” March 4, 2020

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The Honorable Jan Schakowsky (D-IL)

1. Would requiring sellers to provide safety documentation help stop the flood of generic helmets that don't meet federal safety standards?

Answer: The generic economy presents unique hurdles to current safety standards in multiple categories, not just cycling helmets.

Just asking the sellers to provide safety documentation will only encourage a whole sub industry of fake documentation. There is no “company” to take responsibility & investigate. So verification of actual ID is also part of the requirements, more important is assigning responsibility and liability.

After much thought, I think safety documentation is only the initial salvo. It must go deeper. There only 2 organizations that have the oversight capacity to regulate the generic economy in key vectors. The CPSC, and platforms themselves.

The CPSC has enormous power. Legislation requiring them to engage fully with the ecommerce marketplace will inspire the platforms to rapidly clean up these categories at internet speed, or the larger risk to their business via penalties will be dramatic.

The CPSC should do regular audits with massive testing and fake ID buys of key parts of ecommerce platform marketplaces. Since the companies producing unsafe products are essentially unreachable, the penalties should fall on the marketplaces themselves.

If this requirement is put in, and the CPSC is looming- overnight the ecommerce platforms will put some of their massive resources to implement very aggressive verification processes, and companies found violating will be barred with their most powerful tools.

If the ecommerce companies can't clean up certain categories, maybe these categories should not exist in pure 3rd party ecommerce format. That is a question no one really knows the answer to.

2. Should third-party sellers be required to disclose their full contact information, including location and country of origin of the seller and the product?

Answer: This is a great first step, and one already required under European law. In fact sellers on Amazon.co.uk are required to also disclose their trade register number, their VAT number, and their address. Check any listing on amazon.co.uk, it's pretty clear, and doesn't inhibit their business there.

This info can of course be faked, but it is one more step of visibility. Some ecommerce platforms are pretty open about visibility, others are very obscure by design. Country of origin of the seller will also be useful. Some platforms, like eBay, already make that very clear. Others hide it.

For the product country of origin, that is vastly more complicated, as many products (such as many bicycles) have a large number of countries contributing components creating a finished product. It can be enormously difficult to declare that accurately for some products.

Third party sellers also absolutely need to play by the container economy rules in the info they need to provide into shipping systems.

Someone needs to take public responsibility for a shipment. The companies that play by the rules will welcome these consumer safety-based rule changes. The ones that are profiting from a deep fog as the optimal ecommerce environment- much less so.

As many other panelists noted, the Demimis shipping issue is also essential in the fight. Attached below are other countries Demimis levels. The USA level of Demimis set at \$800 is an absolute outlier and should be dramatically lessened.

Thank you again for the opportunity to engage.

Country	Di Minimus US\$
Andorra	\$15.00
Angola	\$187.00
Argentina	\$25.00
Armenia	\$300.00
Australia	\$810.00
Austria	\$186.00
Azerbaijan	\$1,000.00
Bahrain	\$265.00
Bangladesh	\$0.00

Belarus	\$27.00
Belgium	\$186.00
Belize	\$50.00
Bhutan	\$79.00
Bolivia	\$100.00
Bosnia and Hercegowina	\$12.00
Bulgaria	\$186.00
Brazil	\$50.00
Brunei	\$295.00
Cambodia	\$50.00
Canada	\$15.00
Chile	\$30.00
China	\$8.00
Colombia	\$200.00
Costa Rica	\$0.00
Croatia	\$186.00
Cyprus	\$186.00
Czech Republic	\$186.00
Denmark	\$186.00
Dominican Republic	\$176.00
Ecuador	\$400.00
El Salvador	\$0.00
Ethiopia	\$25.00
Fiji	\$50.00
Finland	\$186.00
France	\$186.00
Gambia	\$259.00
Ghana	\$2.00
Georgia	\$217.00
Germany	\$186.00
Greece	\$186.00
Guatemala	\$0.00
Honduras	\$500.00
Hungary	\$186.00
Iceland	\$15.00
India	\$150.00
Indonesia	\$100.00
Iran	\$50.00
Ireland	\$186.00
Israel	\$100.00
Italy	\$186.00
Japan	\$90.00
Jordan	\$28.00
Korea	\$110.00
Kyrgyzstan	\$70.00
Latvia	\$186.00
Liberia	\$2.00

Lithuania	\$186.00
Luxembourg	\$186.00
Macedonia	\$27.00
Madagascar	\$2.00
Malaysia	\$128.00
Malta	\$186.00
Mexico	\$50.00
Montenegro	\$186.00
Morocco	\$33.00
Myanmar	\$50.00
Netherlands	\$186.00
New Zealand	\$295.00
Norway	\$45.00
Panama	\$100.00
Paraguay	\$0.00
Peru	\$200.00
Philippines	\$192.00
Poland	\$186.00
Portugal	\$186.00
Qatar	\$0.00
Romania	\$186.00
Russia	\$89.00
Rwanda	\$400.00
Saint Lucia	\$22.00
Saudi Arabia	\$98.00
Singapore	\$305.00
Slovakia	\$186.00
Slovenia	\$186.00
Spain	\$186.00
Sweden	\$186.00
Switzerland	\$5.00
Chinese Taipei	\$68.00
Thailand	\$28.00
Turkey	\$37.00
Uganda	\$10.00
Ukraine	\$100.00
United Kingdom	\$186.00
Uruguay	\$0.00
United States	\$800.00
Venezuela	\$100.00
Vietnam	\$40.00