April 13, 2022

The Honorable Maria Cantwell Chairwoman Committee on Commerce, Science, and Transportation U.S. Senate Washington, DC 20510

The Honorable Roger Wicker Ranking Member Committee on Commerce, Science, and Transportation U.S. Senate Washington, DC 20510

The Honorable Richard Durbin Chairman Committee on the Judiciary U.S. Senate Washington, DC 20510

The Honorable Chuck Grassley Ranking Member Committee on the Judiciary U.S. Senate Washington, DC 20510 The Honorable Frank Pallone Chairman Committee on Energy and Commerce U.S. House of Representatives Washington, DC 20515

The Honorable Cathy McMorris Rodgers Ranking Member Committee on Energy and Commerce U.S. House of Representatives Washington, DC 20515

The Honorable Jerry Nadler Chairman Committee on the Judiciary U.S. House of Representatives Washington, DC 20515

The Honorable Jim Jordan Ranking Member Committee on the Judiciary U.S. House of Representatives Washington, DC 20515

Dear Chairwoman Cantwell, Ranking Member Wicker, Chairman Durbin, Ranking Member Grassley, Chairman Pallone, Ranking Member McMorris Rodgers, Chairman Nadler and Ranking Member Jordan:

We the undersigned, representing thousands of businesses, write today in appreciation of your bipartisan efforts to address the growing tide of fake and counterfeit products which are impacting everyday Americans. We urge you to support the inclusion in any final China competition legislative package two pieces of legislation needed to fight this problem – the SHOP SAFE Act (S. 1843 / H.R. 5374) and the INFORM Consumers Act (S. 936 / H.R. 5502).

Counterfeiting has harmed manufacturers, workers and consumers for decades, but the problem has gotten significantly worse with the explosive growth of e-commerce. Counterfeiters and other bad actors have taken advantage of these platforms to expand their reach, as was clearly seen during the COVID-19 pandemic, when bad actors abused online platforms to peddle fake tests, dangerous vaccines and ineffective personal protective equipment. Small- and medium-sized business are particularly at risk as counterfeiters target their core products. Broadly, counterfeit products harm American consumers, support criminal activity, threaten manufacturing investment, and put American jobs at risk: industry estimates show fake and counterfeiting cost the U.S. economy nearly \$131 billion and more than 325,000 jobs in 2019 alone.¹

¹ National Association of Manufacturers, "Countering Counterfeits: The Real Threat of Fake Products," July 2020 *available at* https://www.nam.org/wp-content/uploads/2020/07/CounteringCounterfeits.vF_.pdf.

Fighting this growing epidemic requires strong, practical solutions that curb the availability of counterfeit goods available on online platforms and provide better information to consumers and businesses to protect themselves. Bipartisan groups of lawmakers in both chambers of Congress have spent years crafting two pieces of legislation which provide important new tools in the fight against counterfeiting, the SHOP SAFE Act and the INFORM Consumers Act. These pieces of legislation were included in the America COMPETES Act of 2022 passed by the House of Representatives on Feb. 4, 2022, and we respectfully urge you to include these provisions in any final legislative package.

- The SHOP SAFE Act would hold e-commerce platforms liable for counterfeit products sold on their platforms—just like their brick-and-mortar retail counterparts—unless they take a specific set of common-sense, preventative measures. Specific provisions include requirements for platforms to quickly take down bad listings and terminate repeat offenders, use technology to screen for counterfeit goods and ensure that sellers have a U.S. address or agent to ensure they cannot avoid litigation.
- The **INFORM Consumers Act** would require online marketplaces to verify annually the identity of high-volume sellers, collecting basic identification information and providing it to consumers who have purchased products via the platform. Additionally, the bill establishes a regulatory mechanism enforced by the Federal Trade Commission and state attorneys general.

These two pieces of legislation work in tandem to seek out bad actors and protect Americans from harmful and dangerous goods, with new tools which allow all parties, including platforms, businesses and consumers, to fight against counterfeiters. Both pieces of legislation have been crafted on a bipartisan and bicameral basis and reflect input from a wide range of stakeholders. These proposals have been the subject of extensive Congressional consideration and extensive discussions between committee leadership and bill sponsors, with a majority of both parties voting in strong favor of both bills in committee markups in the House.

The threats posed by fake, dangerous and counterfeit goods underscore the need for swift action. We look forward to working with you to advance these important provisions, as well as to pursue additional legislative actions that can effectively tackle the growing tide of online counterfeit products.

Signed,

A. O. Smith

Abicor Binzel USA, Inc.

Actron Entities, Inc.

African American Chamber of Commerce Foundation Western Pennsylvania

Alliance for Automotive Innovation

AlphaGary

American Cleaning Institute

American Coatings Association

American Composites Manufacturers Association

American Foundry Society

American Honda Motor

Arizona Bioindustry Association, Inc.

Arizona Small Business Association

Arkansas State Chamber

Associated Industries of Missouri

Associated Industries of Vermont

Association of Home Appliance Manufacturers

Aubin Industries Inc.

Auto Care Association

Automotive Anti-Counterfeiting Council

Barrow County Chamber of Commerce

Bayer Corporation

Berkeley Chamber

Brick Industry Association

Buffalo Niagara Manufacturers Alliance

Business + Institutional Furniture Manufacturers Association

California Manufacturers & Technology Association

Capital Area Manufacturing Council

Coalition for Online Accountability

Colorado Advanced Manufacturing Association

Colorado Chamber of Commerce

Communications Cable & Connectivity Association

Council Bluffs Area Chamber of Commerce

Council of Industry of Southeastern New York

CropLife America

Daktronics, Inc.

Delaware County Chamber of Commerce

Dental Trade Alliance

Eaton

Electronic Components Industry Association

Electronic Theatre Controls, Inc.

Eli Lilly & Company

Engis Corporation

Fender Musical Instruments Corporation

Footwear Distributors & Retailers of America

Forging Industry Association

GE Appliances, a Haier company

Georgia Association of Manufacturers

Greater Brighton Chamber of Commerce & Tourism Bureau

Greater Spokane Valley Chamber of Commerce

Gwinnett Chamber of Commerce

Hampton Roads Chamber of Commerce

Household & Commercial Products Association

Illinois Manufacturers' Association

INDA Association of the Nonwoven Fabrics Industry

Independent Lubricant Manufacturers Association

Industrial Packaging Alliance of North America

Innova Electronics Corporation

International Anti-Counterfeiting Coalition

JPM Advanced Manufacturing

Juniata River Valley Chamber of Commerce

Juvenile Products Manufacturers Association

Kansas Chamber and the Kansas Manufacturing Council

Kentucky Association of Manufacturers

Lakeland Industries, Inc.

Leggett & Platt, Inc.

Leviton Manufacturing Co., Inc.

Lodge Cast Iron

Loudoun County Chamber of Commerce

Lutron Electronics

Manufacturing Alliance of Philadelphia

Mattel, Inc.

Metal Powder Industries Federation

Michigan Manufacturers Association

Miles Fiberglass & Composites Inc.

Mississippi Manufacturers Association

Montana Chamber of Commerce

Motor & Equipment Manufacturers Association

National Association of Electrical Manufacturers

National Association of Manufacturers

National Tooling and Machining Association

Nebraska Chamber of Commerce & Industry

New Mexico Business Coalition

Next Generation Manufacturing

Nite Ize, Inc.

North American Association of Food Equipment Manufacturers

Northeast PA Manufacturers & Employers Association

Pavon and Busch Truck Sales, LLC

Pennsylvania Manufacturers' Association

Pernod Ricard USA

Personal Care Products Council

Philip Morris International

Phoenix Closures

Pinnacle West

Plastics Pipe Institute

Plumbing Manufacturers International

Power Tool Institute

Precision Machined Products Association

PRINTING United Alliance

Rapid Stream Guide Service

REELEX Packaging Solutions, Inc.

Reshoring Institute

Rhode Island Manufacturers Association

Robert Bosch LLC

Roberts Automatic Products, Inc.

Sazerac

Schuylkill Chamber of Commerce

Sight Machine, Inc.

South Carolina Chamber of Commerce

Specialty Equipment Market Association

Sports & Fitness Industry Association

Steel Manufacturers Association

STIHL Incorporated

Technology & Manufacturing Association

Texas Association of Manufacturers

The American Apparel & Footwear Association

The Association for Manufacturing Technology

The Carpet and Rug Institute

The Independent Packaging Association

The L. S. Starrett Co.

The Ohio Manufacturers' Association

The Toy Association

TIC Council Americas

Transnational Alliance to Combat Illicit Trade

United Veterinary Services Association

Uniweld Products, Inc.

Utah Manufacturers Association

Vail Valley Partnership

Valley Industrial Association

West Virginia Manufacturers Association

Wire Experts Group

Wisconsin Manufacturers & Commerce

Xuron Corporation

CC: Speaker of the House Nancy Pelosi House Minority Leader Kevin McCarthy Senate Majority Leader Chuck Schumer Senate Minority Leader Mitch McConnell