



October 13, 2021

The Honorable Janice Schakowsky
Chair, Energy & Commerce Committee, Subcommittee on Consumer Protection and Commerce
2125 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Gus Bilirakis
Ranking Member, Energy & Commerce Committee, Subcommittee on Consumer Protection and Commerce
2322-A Rayburn House Office Building
Washington, D.C. 20515

Dear Chairwoman Schakowsky, Ranking Member Bilirakis and Members of the Subcommittee on Consumer Protection and Commerce:

On behalf of National Taxpayers Union (NTU), the nation's oldest taxpayer advocacy organization, I write to express our strong opposition to the Integrity, Notification, and Fairness in Online Retail Marketplaces for Consumers Act ([INFORM Consumers Act](#)). This legislation is being considered at a hearing titled, "Investing in American Jobs: Legislation to Strengthen Manufacturing and Competitiveness." The goal of promoting competitiveness is laudable; unfortunately, the INFORM Consumers Act would have a chilling effect on e-commerce, harm benevolent third-party sellers, and create unnecessary bureaucracy.

On at least an annual basis, this legislation would require "high-volume third-party sellers," (200 or more discrete sales and \$5,000 in revenue within a 12-month period) to provide an online marketplace with a government-issued ID, bank account information, business address, tax identification number, and other personal information. Failure to provide this information within 10 days would result in suspension from the platform. Rather than preventing counterfeits from being sold online, the likely outcome of these burdensome regulations is fewer third-party sellers participating in the online economy. If the goal is promoting competition, lawmakers should avoid burdensome regulations that would stifle online commerce and limit purchasing options for consumers.

This is a "government knows best" approach that will impose unnecessary regulations without addressing the problem. Online platforms, consumers, and lawmakers do not want counterfeit or stolen products sold online. Many e-commerce platforms have policies prohibiting the sale of counterfeit or stolen goods and provide consumers ways to report violations. Consumers shopping online are also capable of making smart purchasing decisions with [over 84 percent](#) of Americans saying it is important for them to compare prices from different sellers, ask questions about what they are buying, and purchase from sellers they are familiar with.

The growth of the gig economy was accelerated with the global pandemic, and legislation like the Advancing the Gig Economy Act ([H.R. 3774](#)) included in this same hearing, would explore how to continue this positive

trajectory. Unfortunately, the INFORM Consumers Act would undercut this important goal. Etsy, an e-commerce platform that would be impacted by these regulations, [reports](#) that half of its majority female sellers had never sold goods until they sold them on Etsy. Gig work provides increased worker flexibility and extends opportunities to individuals who may otherwise be [unable to work](#). Under the proposed regulations, many of the third-party sellers would be forced to choose between compromising their privacy or closing up shop.

Overall, this legislation is a solution in search of a problem. These anti-consumer regulations would likely have a minimal impact on the sale of counterfeit or stolen goods, but they would make it much more difficult for legitimate third-party sellers to reach consumers.

Sincerely,

Will Yopez
Policy and Government Affairs Associate