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January 31, 2022

The Honorable Jim McGovern Chair House Committee on Rules 370 Cannon House Office Building Washington, DC 20515 The Honorable Tom Cole Ranking Member House Committee on Rules 2207 Rayburn House Office Building Washington, DC 20515

Dear Chair McGovern and Ranking Member Cole:

The Association of Home Appliance Manufacturers (AHAM) supports the U.S. House of Representatives inclusion of both the INFORM Consumers Act and the SHOP SAFE Act in the proposed amendment to the America Competes in Manufacturing, Pre-Eminence in Technology, and Economic Strength Act (America Competes Act). The inclusion of these measures represents a practical solution to combatting the sale of counterfeit goods sold on third-party marketplaces while simultaneously protecting consumers, families, local businesses, and communities.

The INFORM Consumers Act and SHOP SAFE Act are practical solutions to keeping consumers safe from purchasing counterfeit goods, while simultaneously protecting legitimate American businesses by bringing transparency and accountability to third-party marketplaces. AHAM is concerned with the sale and availability of counterfeit merchandise sold on online marketplaces, especially with a record number of consumers flocking to e-commerce platforms amid the COVID-19 pandemic. AHAM's Filter It Out campaign is a public education drive to inform consumers about the significant problem of counterfeit and deceptively labeled replacement water filters for refrigerators. And especially during the pandemic, consumers, now more than ever rely on these and other home appliances and parts like rechargeable batteries, room air cleaners and their filters, replacement toothbrush heads, and replacement vacuum bags for a healthy and efficient home. The problem is that counterfeit versions of these products present a risk to human health and safety and consumers often have no idea.

Although e-commerce platforms have provided Americans with a convenient shopping option, they also have turned into a hub for illicit merchandise. Despite efforts to mitigate the proliferation of counterfeit products, counterfeit appliances and replacement parts such as counterfeit refrigerator water filters, air filters for air purifiers, replacement batteries, replacement toothbrush heads, and vacuum bags, and other service parts are widely available on leading online marketplaces.

The problem stems directly from a glaring lack of strong verification and disclosure requirements on these platforms, allowing criminals and unscrupulous individuals to pose as legitimate sellers. This has resulted in record numbers of consumers being duped into buying counterfeit goods. According to a <u>report</u>, 68 percent of American shoppers are concerned there may be more unauthentic or poorer quality products sold online.

A substantial number of these items come directly from China-based sellers, who have flooded online marketplaces, looking to profit from the sale of counterfeit products. According to the <u>U.S. Department of Homeland Security last year</u>, eight out of every 10 contraband items seized by U.S. Customs and Border Protection officials came from China and Hong Kong.

Legitimate businesses and unwary shoppers suffer the most unless concrete policies are implemented to support marketplace transparency. These bipartisan measures are carefully and thoughtfully crafted to modernize consumer protection laws and protect consumers and legitimate businesses. It simply requires an online marketplace to verify the people selling on their platform and makes basic business contact information available to any consumer. It gives consumers more transparency to who they are buying from, while simultaneously making it easier to track criminals looking to profit from the sale of knockoffs and dangerous goods.

Ensuring the well-being of American consumers is a bipartisan issue that we should all be able to get behind. We thank you for including these common sense measures in the America Competes Act and urge all members to support it.

Sincerely,

Jacob Cassady

Director, Government Relations

cc: Rules Committee Members