



June 13, 2023

Chair Lina Khan
Commissioner Rebecca Slaughter
Commissioner Alvaro Bedoya

Federal Trade Commission
600 Pennsylvania Avenue NW
Washington, DC 20580

Dear Chair Khan and Commissioners Slaughter and Bedoya:

The members of the Buy Safe America Coalition are writing to express our strong support for the Federal Trade Commission's full and timely implementation and enforcement of the bipartisan INFORM Consumers Act. Congress passed INFORM last year as part of the Omnibus Appropriations Bill and it becomes effective on June 27, 2023.

As you know, in recent years, the sale of counterfeit and stolen goods sold through online marketplaces (platforms) has exploded, resulting in a significant increase in consumer exposure to unsafe and dangerous products while also bringing harm to legitimate businesses and the communities they serve. The INFORM Consumers Act (INFORM) instills needed transparency and accountability on the online marketplace platforms at a time when unscrupulous sellers exploit an opaque system that protects anonymity to sell unsafe, stolen, or counterfeit products with scant enforcement. This lack of transparency and accountability has allowed criminal activity to proliferate and put consumers at risk.

INFORM has two important levers that work together to help safeguard American consumers from unknowingly purchasing these illicit goods. First, INFORM requires the platforms to collect and verify basic information for certain third-party sellers and to require a subset of those sellers to provide important identifying information to consumers. The law also requires each platform to provide an online "reporting mechanism" on each covered seller's product listing page through which consumers (and anyone else) can report suspicious activity to the platform. A user-friendly mechanism that allows concerned citizens to report suspicious activity to the platforms about their sellers is a key ingredient to protecting consumers.

Second, in addition to the express responsibilities that Congress gave online marketplace platforms to "know their sellers," Congress gave the FTC (along with the state Attorneys General and "other state officials") significant new enforcement tools and clear direction to enforce INFORM. The FTC, upon finding a platform failed to follow the law, may treat the violation as

an unfair or deceptive practice subject to significant civil penalties (over \$50,000 per violation). The FTC may also undertake rulemaking if needed. Congress gave the platforms ample time to come into compliance – six months from the date of passage to the June 27 effective date. Accordingly, we urge the FTC to take immediate action once the statute takes effect, so that consumers, communities, employees, and legitimate businesses are protected.

While our respective organizations represent a diverse group of industries and interests, we are singularly united in our belief that INFORM must be fully enforced by the FTC (and the state AGs) to protect consumers and businesses from what has become a serious threat to consumers, honest businesses, and a fair and healthy marketplace. We also offer our assistance to the Commission, given that members of BSAC have a great deal of experience with and insight into the sale of illicit goods and the harm they bring to families and businesses. We strongly encourage the FTC to act quickly and publicly to rigorously enforce the law.

Sincerely,

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Automotive Anti-Counterfeiting Council

Association of Home Appliance Manufacturers

Alliance for Automotive Innovation

American Apparel & Footwear Association

Best Buy Co., Inc.

Birkenstock

Buy Safe America Coalition

Communications Cable and Connectivity Association

Consumer Healthcare Products Association

Coalition of Law Enforcement and Retail

Dick's Sporting Goods

DSM

Fashion Accessories Shippers Association

The Fashion Jewelry & Accessories Trade Association

Floor & Décor

Footwear Distributors and Retailers of America

Gap Inc.

Gemini Shippers Group

GSK

HP

Halloween & Costume Association

The Home Depot

International Council of Shopping Centers

International Housewares Association

JCPenney

Juvenile Products Manufacturers Association

Kroger Co.
Levi Strauss & Co.
Licensing International
Lutron
Motor & Equipment Manufacturers Association
Misses Kisses
National Association of Chain Drug Stores
National Association of Wholesaler-Distributors
National Electrical Manufacturers Association
Neiman Marcus Group
Nordstrom
OpSec Security
Personal Care Products Council
Philips
Plumbing Manufacturers International
Power Tools Institute
Premier Inc.
Retail Industry Leaders Association
Rite Aid
Specialty Equipment Market Association
Stockd
Target
TIC Council
The Toy Association
Transnational Alliance to Combat Illicit Trade
Ulta Beauty
Walgreens

cc: Samuel Levine, Director, Bureau of Consumer Protection
Serena Viswanathan, Associate Director, Division of Advertising Practices