



January 5, 2022

**Testimony of Montana Williams  
Director, State and Local Public Policy  
Chamber of Progress**

**Wisconsin Legislature  
Assembly Committee on Criminal Justice and Public Safety  
AB 743: Online Marketplaces**

Good morning Chair Spiros and members of the committee,

My name is Montana Williams and I am the Director of State and Local Public Policy for the Chamber of Progress, a tech industry coalition promoting technology's future. Our organization works to ensure that all Americans benefit from technological leaps. Our partners include Amazon, Google, and Facebook, but our partners don't have a vote or veto over our positions.

We appreciate the committee's effort to make adjustments to AB 743, but, we still remain concerned with the potential threat the bill poses to small online business owners. We encourage this committee to **oppose AB 743**, which continues to erect hurdles for small sellers, is based on a false premise, and addresses an issue that is better addressed through federal legislation.

**AB 743 would make small online sellers collateral damage in Walmart's battle against Amazon.**

The bill represents an effort by Walmart and other big-box retailers to hurt their biggest competitor, Amazon, under the false pretext of eliminating a small number of bad people from selling counterfeit and stolen goods online. As *The Atlantic* recently noted, experts say there's no empirical evidence that shows "flipping stolen makeup or baby formula or designer handbags online" is the reason online sellers hurt retailers.

The marketplace giants are trying to stifle healthy competition and will ultimately hurt Etsy artisans, eBay sellers, and other online microbusinesses. It won't stop sophisticated counterfeiters, who will surely adapt to the new rules. It's an overreaction to an exaggerated problem, with considerable collateral damage.

**Fifteen states have rejected bills similar to AB 743, prioritizing the needs of online entrepreneurs and consumer choice.** Legislators in Republican and Democratic led states agree this legislation would add additional obstacles that would ultimately hurt small sellers, decrease opportunity, increase red tape, and hinder consumers in search of a deal. The only state to pass this legislation is Walmart's home state, Arkansas.

**Finally, a federal compromise version of this bill has already been endorsed by both retailers and leading online marketplaces, making this legislation unnecessary.** In October, U.S. Housemembers introduced the federal INFORM Act to combat the online sale of stolen, counterfeit, and dangerous consumer products. This legislation is supported by retail groups, a coalition including Etsy and eBay, and Amazon.

Online marketplaces are largely borderless and don't observe state by state boundaries. Passing AB 743 would increase a patchwork of laws on issue that is more properly addressed at the federal level. The consensus approach reflected in the federal version of the legislation represents the best model for tackling this issue without harming small online sellers.

We hope you will heed the perspectives of the legislators who have assessed the consequences of passing state versions of INFORM Consumers Act and **oppose AB 743**. We welcome the opportunity to work with this committee to ensure that both traditional retailers and online sellers are treated fairly.

Thank you.