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**Testimony of Ruth Whittaker
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**Rhode Island General Assembly
Senate Committee on Commerce**

**S. 2431: An Act Relating to Commercial Law – General Regulatory Commissions –
Disclosure of Information by Online Marketplaces**

Good afternoon Chair Sosnowski and members of the committee,

My name is Ruth Whittaker and I represent the Chamber of Progress, a tech industry coalition promoting technology's progressive future. Our organization works to ensure that all Americans benefit from technological leaps. Our corporate partners include Amazon, Google, and Meta, but our partner companies don't have a vote or veto over our positions.

We appreciate your commitment to combating organized crime, but we urge your committee to **oppose S. 2431**. At least 15 states have considered similar legislation and have chosen not to enact it. This bill will hurt small online sellers and is unnecessary now that big-box retailers and online marketplaces have endorsed a new compromise version of this bill at the federal level.

S. 2431 would make small online sellers collateral damage in Walmart's battle against Amazon. Brick-and-mortar marketplace giants are trying to stifle healthy competition and will ultimately hurt Etsy artisans, eBay sellers, and other online microbusinesses. According to a recent article in The Atlantic, bills like S. 2431 will ultimately help Walmart by **"weaken[ing] the competitive advantage of large-scale online-shopping platforms, whose success is a much larger existential threat to their bottom line than thieves could ever be."** It won't stop sophisticated counterfeiters, who will surely adapt to the new rules.

At least fifteen states have opted not to move forward with bills like S. 2431, prioritizing consumer choice and the needs of online entrepreneurs. 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. Only two states, including Walmart's home state of Arkansas, have enacted similar legislation.

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. House members 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 this bill would exacerbate a patchwork of state laws on an 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 this legislation and **oppose S. 2431**. This bill would take sides for Walmart against Amazon, would hurt small online business owners, and has been rejected in all but two state legislatures. We encourage the Rhode Island legislature to instead support the improved federal compromise version of this legislation that has broader support.

Thank you.