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**Testimony of Tyler Smith  
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Chamber of Progress**

**New Hampshire House  
Commerce Committee**

**SB 355: An act requiring online marketplaces to  
disclose certain information to consumers**

On behalf of Chamber of Progress, a center-left tech industry association that works to ensure that all Americans benefit from technological leaps, we urge your committee to **oppose SB 355**. 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.

**SB 355 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. It won't stop sophisticated counterfeiters, who will surely adapt to the new rules.

Throughout the pandemic, we saw families turning to entrepreneurship, and online marketplaces opened the door to a new generation. Passing this bill would destroy the hard work of small entrepreneurs. This bill would push them into a compliance rabbit hole that does little to solve the issue at hand. Instead, this legislation would force smaller businesses to submit documents at speeds that most prominent tech companies can barely operate.

According to a recent article in The Atlantic, bills like SB 355 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's an overreaction to an exaggerated problem, with considerable collateral damage.

**Fifteen states have rejected bills similar to SB 355, 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. Since SB 355 greatly differs from the federal version, 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 SB 355**. This bill would take sides for Walmart against Amazon, would hurt small online business owners, and has been rejected in all but one state legislature. We encourage the New Hampshire legislature to instead support the improved federal compromise version of this legislation that has broader support.

Thank you.