



January 09, 2023

Representative Amy Walen
Chair, House Committee on Consumer Protection & Business
Washington State Legislature

OPPOSITION: HB 1065 (Ryu): Concerning marketplaces

Dear Chair Walen,

On behalf of the Chamber of Progress, a tech industry coalition promoting technology's progressive future, I write to urge you to oppose HB 1065 (Ryu), which would be preempted by recently enacted federal law.

Chamber of Progress works to ensure that all Americans benefit from technological leaps. Our corporate partners include companies like Amazon and Google, but our partners do not have a vote on or veto over our positions.

In December 2022, Congress passed and the President signed into law HR 2617, an omnibus spending bill that included the INFORM Act, which governs the collection, verification, and disclosure of information about high-volume sellers on online marketplaces. **The new federal law includes language explicitly preempting conflicting state laws, rules, and regulations** — please see Title III, Sec. 301(g).¹

Chamber of Progress and its partner companies worked closely with Congress to pass the federal INFORM Act. Importantly, the federal law empowers consumers with greater transparency around the products they choose to purchase. By requiring appropriate verification and transparency of high-volume third party sellers, the law will deter online sales of stolen, counterfeit, and unsafe goods and protect consumers

In addition to supporting the federal INFORM Act, online marketplaces have invested in technologies, clear policies, personnel, and processes that identify suspected bad actors and bad listings, and block them from being published and

¹ <https://www.congress.gov/bill/117th-congress/house-bill/2617/text>
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remove them from their platforms. When there is evidence that bad actors are misusing a marketplace to sell stolen or illicit goods, our partners work directly with law enforcement, retailers, and brands to bring offenders to justice.

Fortunately, there are proven models that can help to address organized retail crime (ORC). The most impactful thing the state can do is ensure law enforcement has the tools and resources necessary to pursue these criminals and prosecute them. Additionally, there are existing examples of ORC task forces in a number of states, including Illinois, Utah, Arizona, and Connecticut. The task forces bring together law enforcement, retail loss prevention experts, online marketplaces, and other key stakeholders to collaborate on investigations and prosecutions of ORC.

Additionally, to help small online sellers continue to be able to reach customers and earn much-needed income, it is important to reduce unnecessary costs. To keep Washington a competitive environment for small sellers, as well as in line with federal law, we urge you to oppose HB 1065.

Chamber of Progress stands ready to be engaged partners in these endeavors. Please do not hesitate to reach out to me if I may be of any assistance.

Thank you,

A handwritten signature in blue ink that reads "Adam Kovacevich".

Adam Kovacevich
Founder & CEO