

# Oppose H.R. 3429 – *SHOP SAFE Act of 2021*

The SHOP SAFE Act makes it even harder for small, medium, and independent sellers to compete online. It removes the ability of small sellers to easily sell their products. It does little to address the actual purpose of the legislation: stopping the sale of counterfeit goods. The main beneficiaries of the SHOP SAFE Act are the legacy big-box stores who want Congress to eliminate their online competitors. NetChoice strongly opposes the legislation and respectfully calls on members to withhold their support.

## Targeting Companies



The text makes clear that third-party and small seller platforms like Etsy, Ebay, Craigslist, and Amazon are the target. It doesn't cover the big-box stores that don't run small seller platforms. It doesn't target stores that fail to protect their goods or identify shippers with criminal connections.

Writing a law with only one business model in mind doesn't protect consumers and does nothing to target actual counterfeiters. It also means that the bill addresses none of the underlying causes of organized retail crime.

## Barrier to Entry



The provisions of the *SHOP SAFE Act* burden shifts from criminals to small businesses and independent sellers. Rather than identifying the person that stole something, this Act assumes that someone trying to resell some old clothes or furniture is the criminal. It demands the seller show a history for those goods and provide a personal data to the platform.

When the small sellers can't comply fully with those requests, e-commerce platforms are encouraged to block the small seller from using the platforms at all. In the end, the consumer is no safer than before the law was passed, and the little guys get hurt all the same.

## Privacy Concerns



The bill fails to address how forcing small businesses and individuals to hand over private information to those platforms violates their privacy and exposes small businesses to breaches of personal data.

## Winners and Losers



The *SHOP SAFE Act* is a government mandated business model that will decimate the little guys. Online retailers have market incentives to protect their consumers and make them whole if anyone is ever scammed as customers don't buy from a store where they routinely get ripped off.

Government mandated best-practices benefit large companies who can afford to comply, and force smaller players out of the market. In the end the winners are legacy big-box stores that don't operate platforms that help small businesses reach new customers.

*NetChoice and its members share Congress' concerns regarding the sale of counterfeit and stolen goods, both on and offline. Legislation aimed at tackling this important issue should engage online platforms as partners in this fight, not treat them worse than the criminals it seeks to punish.*