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The Honorable Delores G. Kelley
Senate Finance Committee
3 East Miller Senate Office Building
Annapolis, Maryland 21401

Re: Support of SB 610: Commercial Law - Consumer Protection - Online Marketplace Disclosure Requirements (INFORM Consumers Act of 2022)

Dear Chairman Kelley and Honorable Members of the Committee:

Walmart supports Senate Bill 610: INFORM Consumers Act of 2022 (SB 610) as this important piece of legislation would increase transparency and accountability for online marketplaces and protect Marylanders. HB 610 addresses both the serious concern of counterfeit goods and stolen property sold via online marketplace platforms and offers essential protections for consumers in Maryland.

The U.S. Department of Homeland Security (DHS) has estimated that counterfeit and pirated goods now represent more than \$500 billion in global trade¹. In recent years, seizures of infringing goods at U.S. borders have increased significantly to nearly 33,000 in FY2019². In some instances, items are falsely labeled, made from substandard or dangerous materials such as lead, or do not meet U.S. safety regulations.

As both a brick-and-mortar retailer and an online marketplace operator, Walmart believes that the seller disclosure and verification requirements within HB 610 are best practices for all marketplaces and are needed to empower consumers, law enforcement officials, and health officers to reduce fraudulent sales. The legislation would not harm law-abiding small sellers but would make it harder for bad actors to compete with lawful sellers by deceiving and defrauding customers in Maryland.

Federal and state laws are already in place and enforced against brick-and-mortar retailers who sell fraudulent items in a physical retail environment. As DHS noted, "The U.S. brick-and-mortar retail store economy has a well-developed regime for licensing, monitoring, and otherwise ensuring the protection of intellectual property rights[.]"³ HB 610 addresses the

¹ U. S. Department of Homeland Security. (2020). "Combatting Trafficking in Counterfeit and Pirated Goods: Report to the President of the United States."

² Id.

³ Id.



problem of insufficient transparency and accountability specific to online marketplaces that do not adhere to best practices of seller information disclosure and verification.

Walmart is proud to employ nearly 18,456 associates across 60 retail locations in the State of Maryland. In FY 2021 alone, Walmart spent over \$1.9B with local suppliers, supporting over 31,209 in-state jobs, and donated \$5.3M to charitable organizations operating in local communities. Maintaining the trust and confidence of our online customers is essential to our business, and we believe all online marketplaces should do the same.

For these reasons, Walmart respectfully requests a favorable report on HB 610. Thank you for your consideration of this practical legislative solution that will help reduce the sale of stolen and pirated items on online marketplaces and protect Maryland consumers.

Please do not hesitate to contact Walmart with any questions or to discuss this issue further. Thank you for your consideration.

Sincerely,
Jennifer Hoehn
Director, Public Affairs and State and Local Government Relations
Walmart Stores, Inc.