

October 10, 2023

The Honorable Chris Coons
Chairman
Subcommittee on Intellectual Property
U.S. Senate Judiciary Committee
218 Russell Senate Office Building
Washington, DC 20510

The Honorable Thom Tillis
Ranking Member
Subcommittee on Intellectual Property
U.S. Senate Judiciary Committee
113 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairman Coons and Ranking Member Tillis:

On behalf of the Footwear Distributors & Retailers of America (FDRA), thank you for introducing the SHOP SAFE Act. This legislation is a critical step in the fight against counterfeits.

FDRA is the footwear industry's trade and business association, representing more than 500 footwear companies and brands across the U.S. This includes the majority of U.S. footwear manufacturers and over 95 percent of the industry. FDRA has served the footwear industry for more than 75 years. Our members include a broad and diverse cross section of the companies that make and sell shoes, from small family-owned businesses to global brands that reach consumers around the world.

Counterfeits threaten jobs in our industry and put U.S. consumers at risk. This is particularly concerning when it comes to the potential risk of health and safety implied in counterfeits:

- Footwear companies must comply with multiple laws and regulations – at both the federal and state level – to ensure that dangerous chemicals are not found in shoes, including those directed to children. This includes a federal lead content ban.
- The U.S. footwear industry's commitment to use non-hazardous chemicals in materials and final products requires significant investment. Companies maintain robust chemical safety programs and undertake time consuming and expensive product testing.
- Counterfeiters show a disregard for the law when they steal the intellectual property (IP) of U.S. brands. These same illicit entities do not follow the numerous federal and state chemical safety rules. They do not have chemical safety programs in place. There is no way to know whether a counterfeit shoe contains a chemical that could harm consumers, including a child.
- The U.S. has also put in place safeguards to protect U.S. consumers from buying goods made with forced labor, including the Uyghur Forced Labor Prevention Act (UFLPA). Counterfeiters operate outside of this legal system, and there is no way to ensure a counterfeit product is free of forced labor.

MATT PRIEST, President & CEO

- In addition, it is often impossible for footwear customers to distinguish a legitimate product from an illicit good due to the sophistication of today's counterfeiting operations.
- Many consumers are unaware that popular e-commerce sites contain counterfeits as well as legitimate goods. These consumers assume a third-party seller has been thoroughly vetted before a platform grants them permission to sell on the platform.

SHOP SAFE will help address these key challenges facing brands and consumers. It will incentivize e-commerce platforms to implement best practices to prevent bad actors from selling counterfeit goods on their sites. These best practices include common-sense steps like screening and vetting sellers, banning repeat offenders, removing counterfeit listings, and requiring sellers to use accurate product images on the site. In considering and defining these steps, the legislation should ensure clarity, so as to avoid unintended loopholes that might undermine the effectiveness of this proposal.

These reforms are needed now more than ever. E-commerce has grown exponentially over the past decade, and the COVID-19 pandemic accelerated this trend. SHOP SAFE will create a stronger e-commerce environment and better protect consumers.

FDRA looks forward to working to help advance this critical legislation through the Senate and the House.

Sincerely,



Matt Priest
President & CEO
Footwear Distributors and Retailers of America