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United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

A. JAY KHOSLA, STAFF DIRECTOR
JOSHUA SHEINKMAN, DEMOCRATIC STAFF DIRECTOR

May 30, 2018

Dear [REDACTED]

The Senate Committee on Finance is collecting information on the proliferation of counterfeit goods sold through e-commerce websites. This process began shortly after the passage of the Trade Facilitation and Trade Enforcement Act of 2015 (TFTEA), which was signed into law on February 24, 2016 and contained new provisions strengthening the tools for U.S. Customs and Border Protection to combat counterfeit imports. After the passage of TFTEA, Chairman Hatch commissioned GAO to evaluate the law's effectiveness in aiding U.S. Customs and Border Protection (CBP) as well as how the U.S. Immigration and Customs Enforcement agencies curtail the importation and distribution of counterfeit goods sold through e-commerce. On February 27, 2018, GAO published its report, "Agencies Can Improve Efforts to Address Risks Posed by Changing Counterfeits Market" and one week later the Committee held a hearing titled "Protecting E-commerce Consumers from Counterfeits."

The hearing focused on assessing CBP and other federal agencies efforts to protect American consumers from imported counterfeit goods. We have learned that private companies who buy, sell, distribute, holds rights to, facilitate delivery for, transact and process payments for, and otherwise engage with American consumers via e-commerce websites also play an instrumental role in protecting U.S. consumers.

As part of our ongoing work, we write today to request information from your company on the types of activities you participate in, facilitate, or otherwise have knowledge of to help us better inform American consumers of the dangers of counterfeit goods as well as to curtail the illegal sale of counterfeits through e-commerce sites.

Through this endeavor, we hope to learn more about your organization's experience with counterfeit goods and to collect information on ways in which organizations can better protect consumers from such goods in the future. The information we receive will be used to help inform a public report. Therefore, we ask that you provide answers to the following questions as they apply to you and/or your affiliated organizations:

1. Does your organization collect data on likely counterfeiters both in the U.S. and abroad? If so, what information do you collect, and from what sources?
2. Do you coordinate with e-commerce platforms to reduce the risk of consumers purchasing counterfeits unknowingly? If so, how?
3. Do you offer tools to right holders to enforce and protect their intellectual property rights? If so, what are those tools?
4. Describe your cooperation with CBP and other federal authorities in identifying and curtailing the distribution of counterfeit products in international shipments destined for the United States.
5. Please explain your biggest difficulties in targeting counterfeiters and removing counterfeits from the global stream of commerce.
6. How do you coordinate with payment processors—if at all—to combat counterfeits?
7. Can you broadly describe the tools—if any—you provide to consumers to verify, return, destroy, complain about, or seek recourse against counterfeits or their manufacturers?
8. To what extent do you have the authority to remove or block counterfeit goods from the stream of commerce into or within the U.S.?
9. Are there different challenges with respect to purely domestic shipments and those that are international? If so, please explain.
10. What federal and local government agencies do you work with on domestic shipments to identify counterfeit products or distributors of counterfeit products?
11. What services, tools, protections, and assistance do you provide consumers with respect to combatting counterfeits?
12. Do you engage with international authorities and foreign governments to curtail the proliferation of counterfeits? If so, what types of activities and coordination efforts have proven successful? What has not?
13. If you were to become aware of a counterfeit either already delivered to a consumer or that is already within your control or stewardship, what actions can you take to prevent the delivery of the good?
 - a. Can you provide us with statistical information regarding the frequency in which you have taken actions against suspected counterfeit products—either through investigation, destructions, abandonment, or otherwise?
14. If there are any other pieces of information, details, or data you feel would be helpful to the committee, we respectfully request that you submit them as part of your answers as well.

We also ask that your organization respond electronically to this request no later than Friday, June 29, 2018. Provide your answers on a question-by-question basis, indicating which question you are answering. Thank you in advance for your cooperation with this request. If you have any questions, please contact [REDACTED]
[REDACTED]

Sincerely,



Orrin G. Hatch
Chairman



Ron Wyden
Ranking Member