

# Townhall

## SHOP SAFE Act Endangers U.S. Competitiveness

Matt Mackowiak

May 24, 2022

If the Bipartisan Innovation Act wants to live up to its lofty name, the House and Senate considering the omnibus package must ensure the partisan pork is trimmed from the final bill.

First on the chopping block should be the Stopping Harmful Offers on Platforms by Screening Against Fakes in E-commerce Act, also known as the SHOP SAFE Act, a bill that is valiant in its goal of reducing the proliferation of counterfeit goods, but deeply flawed in its approach.

The SHOP SAFE Act appeared to have bipartisan support in the House when it was first introduced in September 2021, but it was clear that both sides of the aisle still had their reservations.

Republican co-sponsor Rep. Darrell Issa (R-CA) admitted that the legislation was a “work in process” during its House Judiciary Committee markup and even Rep. Zoe Lofgren (D-CA) was concerned it would “raise the administrative burdens and transaction costs of many small businesses and small sellers.”

But before the bill’s glaring issues could be addressed, Speaker Nancy Pelosi (D-CA) jammed it onto page 1,672 of the America COMPETES package, a problematic and progressive boondoggle that passed with just a single Republican vote.

Now, as the House and Senate move to conference over the Bipartisan Innovation Act, lawmakers have one last chance to protect small online sellers and American consumers alike from a partisan and premature SHOP SAFE Act before it becomes the law of the land.

As drafted, SHOP SAFE stands to endanger the backbone of our modern American economy: small online businesses. In its attempt to combat counterfeit sales online, it essentially chooses to empower Goliath over David, giving global trademark holders even more power to stifle their small business competitors with a slew of onerous and nonsensical regulations like enhanced product pre-screenings and country-of-origin requirements that could cost sellers their virtual storefronts.

The online marketplace is a vibrant bazaar running the gamut from custom designs that can’t be preapproved before they’re even made, to vintage finds that date so far back no one may know

where they originated. If passed, this bill could quell the artisans handcrafting everything from totes to tea towels or even shut down the seller thrifting antiques and historical artifacts.

Moreover, as existing small online retailers inevitably grow frustrated with increased government-issued red tape, we may simultaneously see small businesses discouraged from selling online in the first place.

And who unwittingly reaps the consequences of fewer online options? The consumer. As if the historically high inflation rates inflicted by this administration haven't limited consumer choice enough, taking legitimate online sellers offline will only drive the cost of products sold by businesses wealthy enough to survive such convoluted compliance regulations higher.

Clearly, the SHOP SAFE Act is neither bipartisan nor beneficial to the American economy, thus it has no business being included in the upcoming Bipartisan Innovation Act.

As [the Cato Institute](#) points out, "the economic benefits of more stringently policing counterfeits are unproven, likely ephemeral, and would accrue to foreign firms as much as they accrue to American ones. It is counterproductive to include Shop SAFE in any legislative package intended to bolster American competitiveness."

In what has the potential to be a cross-aisle victory, Congress must choose to put our country and its competitiveness before partisan preferences. That means keeping the Bipartisan Innovation Act safe from the SHOP SAFE Act once and for all.