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March 2, 2022

The Honorable Craig Johnson
Judiciary Subcommittee
Iowa State Senate
1007 East Grand Avenue
Des Moines, Iowa 50319

The Honorable Joe Bolcom
Judiciary Subcommittee
Iowa State Senate
1007 East Grand Avenue
Des Moines, Iowa 50319

The Honorable David Rowley
Judiciary Subcommittee
Iowa State Senate
1007 East Grand Avenue
Des Moines, Iowa 50319

RE: HF 2401 Regarding Organized Retail Theft – TechNet Concerns, Oppose

Chair Johnson, Senator Bolcom and Senator Rowley:

Thank you for considering TechNet’s perspective on HF 2401.

TechNet is the national, bipartisan network of technology CEOs and senior executives that promotes the growth of the innovation economy by advocating a targeted policy agenda at the federal and 50-state level. TechNet's diverse membership includes dynamic American businesses ranging from startups to the most iconic companies on the planet and represents over four million employees and countless customers in the fields of information technology, e-commerce, the sharing and gig economies, advanced energy, cybersecurity, venture capital, and finance. TechNet has offices in Austin, Boston, Chicago, Denver, Olympia, Sacramento, San Francisco, Silicon Valley, and Washington, D.C.

On behalf of its membership, TechNet must continue to respectfully oppose this bill to avoid an unworkable state patchwork of laws with which marketplace platforms, and the small businesses and individuals that sell on them, would need to comply. We wish to highlight the federal H.R. 5502, the INFORM Act currently part of the America COMPETES package which recently passed the U.S. House. We urge a great deal of caution in passing a state law contributing to a patchwork of state regulations when H.R. 5502 may imminently become law, as America COMPETES seems destined to pass.

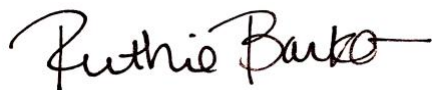
While we understand some lawmakers' reluctance to wait on federal action, TechNet and its members believe strongly that the best approach is a federal standard. A federal standard avoids a mismatched patchwork of state laws that would prove difficult to comply with for online platforms and the small business and individuals that sell on them.

We also would like to highlight that implementing INFORM at the state level will not solve organized retail theft. To truly combat the ever-adapting ways that criminals find ways to commit these crimes, state investment into organized retail crime task forces such as in Illinois, Utah, Arizona, and Connecticut, should be considered as part of a comprehensive solution to addressing organized retail theft. These task forces bring together law enforcement, retail loss prevention experts, online marketplaces, and other key stakeholders to collaborate on investigations and prosecutions. These efforts are proving successful. For example, the task force in Illinois recently recovered thousands of stolen goods from storage units and semi-trailers that are estimated to be worth millions of dollars.

Previous versions of the INFORM Act at the federal level were opposed by TechNet and our membership because they favored large brick-and-mortar retailers at the expense of small businesses that sell online. However, TechNet and our member companies have spent the last year talking to policymakers about the facts, including the measures already put in place by our members to combat fraud and abuse on their marketplace platforms, which are built on consumer trust. This dialogue vastly improved H.R. 5502, because lawmakers learned what they could do to truly help protect consumers, while not punishing the honest small businesses and individuals that sell on these platforms. TechNet and our members are appreciative that Congress added important changes to the version of H.R. 5502 that passed the House, which has the support of both big box retailers and online marketplace platforms.

If you have any questions regarding TechNet's position on HF 2401, please do not hesitate to contact me. TechNet hopes to be a resource on this important issue and we look forward to working with you.

Sincerely,



Ruthie Barko
Executive Director, Colorado & the Central U.S
TechNet