



April 3, 2024

Office of the Honorable Brian Kemp, Governor of Georgia
Attn: Chief of Staff, Lauren Curry
111 State Capitol Building, Suite 203
206 Washington Street
Atlanta, GA 30334

RE: SB 472 - "Combating Organized Retail Crime Act" (Veto Request)

Dear Governor Kemp:

On behalf of the Computer & Communications Industry Association (CCIA), I write to respectfully request a veto on SB 472. CCIA is an international, not-for-profit trade association representing a broad cross-section of communications and technology firms.¹ Proposed regulations on the interstate provision of digital services therefore can have a significant impact on CCIA members.

In 2022, the U.S. Congress passed the Integrity, Notification, and Fairness in Online Retail Marketplaces for Consumers Act, also known as “the INFORM Act”, a bipartisan bill that requires online marketplaces to disclose and verify the identity of its sellers. CCIA ultimately praised the bill for its ability to build more trust between sellers and consumers online, while enacting a more-balanced approach that addressed concerns with previous bill iterations that would have otherwise targeted online retailers disproportionately. The law went into effect less than a year ago on June 27, 2023.

It is worth noting that the National Retail Federation retracted its original claims stating that organized retail theft accounted for nearly half of all inventory losses in 2021 after finding that incorrect data was used for analysis.² Nevertheless, CCIA understands that amid certain big-box retailers raising concerns about retail shrink and organized retail crime, Georgia lawmakers advanced SB 472. However, the proposed modifications under the bill risk undermining the certainty that sellers currently benefit from under the uniform, nation-wide, federal INFORM Act.

CCIA is concerned that state-by-state attempts to modify the INFORM Act could negatively impact and overly burden online marketplaces while doing little to address and reduce the incidence of organized retail theft. The reality is that these problems are shared industry-wide by both traditional offline retailers and online marketplaces alike, and SB 472 would do nothing to address local dynamics, individual retail location security measures, employee training, or other ways in which this complex and nuanced problem could be addressed.

SB 472 would amend the definition of “high-volume third-party seller” in such a way that would render enforcement and oversight by covered online marketplaces virtually impossible.

¹ For more than 50 years, CCIA has promoted open markets, open systems, and open networks. CCIA members employ more than 1.6 million workers, invest more than \$100 billion in research and development, and contribute trillions of dollars in productivity to the global economy. A list of CCIA members is available at <https://www.ccianet.org/members>.

² Katherine Masters, *US retail lobbyists retract key claim on 'organized' retail crime*, Reuters (Dec. 5, 2023), <https://www.reuters.com/business/retail-consumer/us-retail-lobbyists-retract-key-claim-organized-retail-crime-2023-12-06>.



Because the definition would no longer require that payments be processed by the online marketplace or a third party, it would likely now capture transactions made off the online marketplace. Further, by adjusting the definition of “high-volume third-party seller” to apply to offline transactions, this creates an unenforceable framework as an online marketplace would not have any meaningful way of tracking sales that were initiated online but completed offline. For example, a college student may find a good deal through an online marketplace for a textbook, but meet the seller in-person and pay for the book in cash, or via another application, such as Venmo, PayPal, or Cash App.

Before rushing to enact additional piecemeal legislation across the states, further evidence is needed to examine the impacts of the INFORM Act. The law strengthens trust between consumers, sellers, and online marketplaces, but SB 472 risks introducing a patchwork of constantly evolving laws that would erode regulatory certainty – an impact that would undo the very trust the law is intended to promote within the business community.

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For the above mentioned reasons, we urge you to resist signing SB 472. We appreciate your consideration of our veto request and stand ready to provide additional information related to technology policy.

Sincerely,

Khara Boender
State Policy Director
Computer & Communications Industry Association