

The Online Sellers Bill of Rights

Protecting Independent Businesses in Online Commerce

Over the last twenty years, online commerce has become a major driver of the American economy. Online commerce has grown every year as a share of total retail, driven largely by the dominance of a few platforms: Amazon and Walmart. More than 255 million Americans shop on Amazon annually, and roughly 40% of all online transactions occur on its marketplace.

Hundreds of thousands of independent businesses are at the whim of these platforms' ability to steer shoppers to certain products and sellers, often without advance notice or explanation, in ways that directly affect their revenue. But the immense scale and reach of these platforms makes them effectively unavoidable—ask any online seller, and they will tell you they cannot operate without being on one of these platforms.

This dominance also means that mistakes can destroy livelihoods overnight. A single, arbitrary tweak to Amazon's algorithm can wipe out a business's sales with no warning, no explanation, and no avenue for appeal. Sellers report they have been wrongfully excluded from the marketplace after Amazon falsely labeled their products in violation of its seller agreement. Rather than promptly investigating and resolving these errors, Amazon often did nothing for several months while sellers lose sales and are forced to pay storage fees as their inventory sits unsold in Amazon's warehouses.

For businesses operating on razor-thin margins, even a temporary suspension can be existential. And yet, without access to these platforms, they are effectively shut out of online commerce entirely.

This legislation would:

- Give sellers adequate notice of any policy changes that affect a seller's business.
- Demonstrate proof of a violation of a rule or law before suspending or deactivating a third-party seller.
- Provide prompt notice to sellers about inventory or funds due to suspicion of unlawful conduct, and release that inventory or those funds after 30 days if no proof of illegal conduct is found.
- Give sellers access to their products that receive a hold or restriction after it has been received and processed by a fulfillment center.
- Provide sellers with real information and transparency regarding any investigation involving account deactivation or listing suspension.

The Online Sellers Bill of Rights would ensure fair play for all businesses, from the very smallest third-party sellers to the world's largest household brands.

Endorsing Organizations: The Responsible Online Commerce Coalition (ROCC), Open Markets Institute, Tech Oversight Project, Main Street Alliance, Public Citizen, American Economic Liberties Project (AELP), Strategic Organizing Center (SOC), Institute for Local Self Reliance (ILSR), and Small Business Majority

For more information, please reach out to Matt Kent (matt.kent@mail.house.gov)