

## UNITED STATES CONSUMER PRODUCT SAFETY COMMISSION 4330 EAST WEST HIGHWAY BETHESDA, MD 20814

## Joint Statement of Commissioners Peter A. Feldman and Douglas Dziak Examining the Operations of Foreign E-Commerce Sites

## SEPTEMBER 3, 2024

Today, we are calling on U.S. Consumer Product Safety Commission staff to evaluate ecommerce platforms Shein, Temu, and others to determine how these foreign-owned firms that rely on overseas suppliers meet their obligations under the Consumer Product Safety Act. Manufacturers, retailers, importers, and distributors of consumer products all fall within the jurisdiction of CPSC, which is charged with protecting consumers from items that pose an unreasonable risk of injury.

This examination will inform the Commission on the legal status of these platforms. To the extent a platform falls outside the Commission's reach, policymakers must understand where gaps exist and how best to address them. Likewise, the Commission must better understand what enforcement challenges exist with respect to foreign third-party sellers. Where agency compliance staff discover safety violations, we expect CPSC to initiate enforcement actions.

Shein and Temu raise specific concerns. We are aware of recent media reports that deadly baby and toddler products are easy to find on these platforms.<sup>1</sup> We are also aware of reporting that "thousands of Chinese factories and vendors have joined the supply chain for Shein and Temu, whose popularity has exploded in the U.S. with their offers of inexpensive made-in-China goods, from T-shirts and handbags to electronics and kitchen items."<sup>2</sup> We seek to better understand these firms, particularly their focus on low-value direct-to-consumer – sometimes called *de minimis* – shipments and the enforcement challenges when firms with little or no U.S. presence distribute consumer products through these platforms.

As the Commission sets its priorities for next year, we expect agency staff to investigate the companies' safety and compliance controls; relationships with third-party sellers and consumers; and any representations they make when products are imported. Third-party sellers, domestic and foreign, are proliferating on online platforms. This form of commerce can benefit consumers and sellers in many ways, but CPSC must make clear its expectations regarding these platforms' responsibilities to ensure safety. We expect this review by Commission staff will inform what further steps are needed to protect American consumers.

<sup>&</sup>lt;sup>1</sup> Ann Gehan, *On Shein and Temu, Deadly Baby and Toddler Goods Are Easy to Find*, THEINFORMATION.COM, Aug. 13, 2024, https://www.theinformation.com/articles/on-shein-and-temu-deadly-baby-and-toddler-goods-are-easy-to-find.

<sup>&</sup>lt;sup>2</sup> Yoko Kubota et al., *Behind Cheap Stuff from Shein and Temu: A Hard Bargain with Suppliers*, WALL ST. J., Jan. 3, 2024, https://www.wsj.com/business/retail/behind-cheap-stuff-from-shein-and-temu-a-hard-bargain-with-suppliers-fa7ba7c0.