



May 15, 2019

Assemblymember Buffy Wicks
State Capitol
Sacramento, CA 95814

RE: Support for equitable market competition in online e-commerce marketplaces (AB 1790)

Dear Assemblywoman Wicks,

As a representative of the 28 million small businesses in America and the more than 3.5 million in California, Small Business Majority writes today in support of AB 1790, which would establish guidelines that promote fair competition in online e-commerce marketplaces for small business sellers. We believe this bill is an important step towards helping California's entrepreneurs grow and thrive.

Small Business Majority is a national small business advocacy organization with multiple offices throughout California, founded and run by small business owners to ensure America's entrepreneurs are a key part of a thriving and inclusive economy. We actively engage small business owners and policymakers in support of public policy solutions, and deliver information and resources to entrepreneurs that promote small business growth and drive a strong, sustainable job-creating economy. A key component of our work involves outreach and education to small business owners on key small business issues, including healthcare, retirement security, access to capital and more.

California's small businesses employ 6.7 million people, which amounts to about half of the private workforce, and created a quarter of a million jobs in 2013, according to the U.S. Small Business Administration. Many of these small businesses rely on the ability to sell their goods and services on online e-commerce marketplaces. Yet, many e-commerce marketplaces fail to provide transparent information about how third-party sellers' revenue will be handled by the platform, or how a small business seller can resolve complaints.

AB 1790 would solve this problem by requiring online e-commerce marketplaces make clear their terms and policies to third-party sellers by ensuring sellers have access to that information online, in plain language, and by setting objective guidelines for resolving disputes about the disbursement of funds between third-party sellers and the platform. This will also help clarify policies related to the collection and payment of online sales tax in light of recent legislation passed in California (AB 147) requiring online e-commerce marketplaces to collect sales tax.

We support any legislative action that reduces administrative burden for small businesses and in turn helps entrepreneurs thrive, and AB 1790 will do just that.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Herbert".

Mark Herbert
California Director, Small Business Majority