ONE HUNDRED SIXTEENTH CONGRESS

Congress of the United States House of Representatives

COMMITTEE ON ENERGY AND COMMERCE 2125 RAYBURN HOUSE OFFICE BUILDING WASHINGTON, DC 20515-6115

> Majority (202) 225-2927 Minority (202) 225-3641

October 7, 2020

Mr. Jeff Bezos CEO and Chairman Amazon 410 Terry Avenue North Seattle, Washington 98109

Dear Mr. Bezos:

We write with concern regarding a recent report revealing alarming product safety issues with AmazonBasics, one of Amazon's budget-friendly private labels. As uncovered by CNN, users have reported that many of AmazonBasics' popular electronic products, such as USB cables and surge protectors, have exploded, caught fire, sparked, melted, or otherwise created hazardous situations at rates well above comparable products. According to reports, many of these products were never recalled and continue to be sold. We have long been concerned with the proliferation of recalled, defective, mislabeled, counterfeit, and fundamentally unsafe products sold on Amazon.com. The new concerns regarding Amazon's own product line add to mounting questions about Amazon's priorities and oversight of its sprawling platform. We call on you to thoroughly investigate this matter, immediately issue recalls of defective products, and take comprehensive corrective action to protect your customers from all dangerous products on your platform, including those from your own private label brands.

For savvy shoppers trying to avoid products sold by third-party sellers on Amazon's platform, AmazonBasics products can seem like a smart choice because they are shipped and sold by Amazon.com—an established, well-known brand. Indeed, AmazonBasics products often garner the sought-after "Amazon's Choice" or "Bestseller" labels, but these products are largely manufactured by contract manufactures, mostly in China. This information is not readily available on product pages.

¹ Dozens of Amazon's Own Products Have Been Reported as Dangerous—Melting, Exploding or Even Bursting into Flames. Many Are Still on the Market, CNN (Sept. 10, 2020) (www.cnn.com/2020/09/10/business/amazonbasics-electronics-fire-safety-invs/index.html).

 $^{^{2}}$ Id.

³ *Id*.

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Most problematic, Amazon's oversight of its own products has been grossly inadequate. Despite starkly worded reviews and even photographs posted by consumers warning of the grave safety dangers experienced while using AmazonBasics products, it appears that Amazon has turned a blind eye to these problems, prioritizing sales at the expense of safety.

Especially troubling is Amazon's habit of simply deleting product listings, with nothing more than "SORRY we couldn't find that page," when it decides to take down a product—burying bad reviews and leaving no way for consumers to verify past purchases or to even learn that the product was deliberately taken down.⁴ An untold number of AmazonBasics product listings have reportedly been surreptitiously removed.⁵ We are concerned that this practice may make it more difficult for safety regulators to investigate product hazards.

A closer look at Amazon's response on official recalls does little to assuage our concerns. Amazon issued official recalls for AmazonBasics products just twice: once in 2018 for a portable power bank and another time in 2019 for a space heater, both of which were prone to overheating posing fire and burn hazards.⁶ These were significant recalls, involving 260,000 units and 380,000 units, respectively.⁷ As both the retail platform and the seller, Amazon was well-positioned to mount an effective campaign to make sure these dangerous products were removed from households. Instead, Amazon seems more eager to brush such recalls under the rug.

Unlike most retailers and manufacturers whose products have been subject to recalls, Amazon's homepage does not have a link directing consumers to where they can find more information about safety recalls. Amazon's only help page on recalls, which itself is difficult to find on the website, bizarrely links to only two recalls of infant products from 2012 and has zero mention of its AmazonBasics recalls or any of the myriad of other recalled products sold by Amazon or third-party sellers on your platform over the years.⁸

We are also concerned that CNN's report on safety issues concerning AmazonBasics products could represent just the tip of the iceberg in terms of safety issues with Amazon's

⁴ *Id*.

⁵ *Id*.

⁶ Consumer Product Safety Commission, *Amazon Recalls Portable Power Banks Due to Fire and Chemical Burn Hazards* (*Recall Alert*) (Mar. 13, 2018). (www.cpsc.gov/Recalls/2019/amazon-recalls-amazonbasics-ceramic-space-heaters-due-to-fire-and-burn-hazards-recall); Consumer Product Safety Commission, *Amazon Recalls AmazonBasics Ceramic Space Heaters Due to Fire and Burn Hazards* (*Recall Alert*) (June 11, 2019) (www.cpsc.gov/Recalls/2019/amazon-recalls-amazonbasics-ceramic-space-heaters-due-to-fire-and-burn-hazards-recall).

⁷ *Id*.

⁸ Amazon, *About Product Safety at Amazon* (www.amazon.com/gp/help/customer/display.html?nodeId=565166); Amazon, *Recalls Warranties and Legal Notices* (www.amazon.com/gp/help/customer/display.html?nodeId=201889190).

private label products. Amazon now owns over 400 brands in product categories ranging from lighting fixtures and home furnishings to jewelry and clothing. Amazon must be transparent and forthright with its customers about the safety of all its products.

As we consider measures to hold companies like yours responsible for ensuring the safety of the products they sell and acting swiftly to recall and refund consumers when a defective product is sold, we respectfully request you respond to the following questions:

- 1. Please provide detailed information regarding all products from Amazon-owned brands that are no longer for sale on your site due at least in part to safety concerns, but which were not officially recalled. For each product, please provide the following;
 - a. Product information (product name, model number, ASIN, brand, manufacturer).
 - b. Number of safety complaints received, how the complaints were received (e.g., website reviews, by telephone, etc.), and the nature of the complaints.
 - c. Notification provided to consumers, if any, and description of how consumers were provided such notification.
 - d. Remedy offered to consumers, if any, and description of how consumers were provided such remedy.
 - e. Current status of the product listing page (i.e., if the product listing page has been removed, displays a different product, displays a warning, ¹⁰ etc.).
 - f. Whether you shared any information with the Consumer Product Safety Commission (CPSC) regarding the safety of this product.
- 2. Please provide detailed information regarding all products from Amazon-owned brands that have been officially recalled (including the two AmazonBasics recalls noted above). For each such product, please provide the following:
 - a. Product information (product name, model number, ASIN, brand, manufacturer).
 - b. Number of safety complaints received, how the complaints were received, and the nature of the complaints.

⁹ Marketplace Pulse, *Amazon Private Label Brands* (www.marketplacepulse.com/amazon-private-label-brands).

¹⁰ Amazon, *About Product Safety at Amazon* (www.amazon.com/gp/help/customer/display.html?nodeId=202074030) (accessed Sept. 29, 2020).

- c. Notification provided to consumers, if any, and description of how consumers were provided such notification.
- d. Remedy offered to consumers, if any, and description of how consumers were provided such remedy.
- e. Current status of the product listing page (i.e., if the product listing page has been removed, displays a different product, displays a warning, 11 etc.).
- f. Data regarding recall completion rates or any other metrics available regarding recall effectiveness.
- 3. How many times have you taken down a product sold by a third-party seller due at least in part to safety concerns?
 - a. How many safety complaints trigger the removal of such a product?
 - b. What percent of such product removals were first requested by Amazon? By the third-party seller? By another party?
- 4. With respect to all products sold on your platform, including those sold by third-party sellers, what notification do you provide directly to customers who have purchased products later recalled, or found to be counterfeit, mislabeled, or otherwise unsafe?
 - a. Please provide a representative sample of all types of such notifications provided to customers.
 - b. For how many products sold on Amazon have you issued such notices for each of the years 2020 to date, 2019, and 2018? Of those products for which you issued such a notice, how many were recalled? How many were counterfeit? How many were mislabeled? How many were defective? How many were notices issued for another reason? Please describe the reasons.
 - c. For products for which notices of safety problems are issued, do you also place a notice on the product listing page or provide a link to the notice? If so, please provide examples of all such notices.
 - d. How do you determine who receives the notification? If you know the product was sent to someone other than the buyer, what do you do to ensure the recipient of the product is also notified?

- e. What do you do to keep track of whether customers properly dispose of, repair, or seek another remedy as a result of the direct notifications? Under what circumstances do you send follow-up notifications?
- 5. In addition to direct notification to consumers, what other kinds of consumer or public outreach (e.g., advertising, social media, or alerts on Amazon's homepage) do you conduct to ensure consumers properly dispose of, repair, or seek another remedy for a product with safety issues?
 - a. Please provide a representative sample of all such outreach, including screenshots.
 - b. Please include information about how your outreach differs for products that have been officially recalled from those that have not.
 - c. Please also include information about how your outreach for products from Amazon-owned brands differs from products from non-Amazon-owned brands.
- 6. How many products that have been sold on your platform have been subject to official recalls in the United States?
- 7. How can consumers find information regarding all products sold on Amazon that have been recalled? If they cannot, why is that information not available, and do you have any plans to make it available?
- 8. How can consumers report product safety issues to Amazon?
- 9. The Help & Customer services pages on Amazon.com note that Amazon may report product safety concerns to applicable government agencies. 12
 - a. For Amazon-owned brands, what policies and procedures do you have in place to report safety concerns, including safety concerns raised in reviews posted on your site, to the CPSC? How many times have you done so?
 - b. For all products sold on your platform, what policies and procedures do you have in place to report safety concerns to the CPSC based on reviews posted on your site that indicate a product may be hazardous? How many times have you done so?

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- 10. How many staff do you currently have devoted to ensuring products sold on your platform follow all applicable laws and regulations and that Amazon is in compliance with its obligations under Section 15 of the Consumer Product Safety Act to notify the CPSC when it has information that a product may contain a substantial product hazard?
- 11. Please describe your understanding of Amazon's legal obligation to notify the CPSC when it has information that a product may contain a substantial product hazard, including whether you believe reviews on Amazon's website providing evidence of products causing fires, melting, or burning constitute information regarding a substantial product hazard?

Thank you for your prompt attention to this matter. We look forward to receiving a response no later than October 21, 2020. If you have any questions, please contact Anna Yu from the Majority Committee staff at (202) 225-2927.

Sincerely,

Frank Pallone, Jr. Chairman

Frank Pallowip.

Jan Schakowsky

Chair

Subcommittee on Consumer Protection and Commerce

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