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January 10, 2018

Honorable William Botzow, Chair
House Commerce and Economic Development Committee
Vermont State House
115 State Street
Montpelier, VT 05633-5301

Re: Draft 18-0030 of An Act Relating to Miscellaneous Consumer Protection Provisions by Representative Marcotte

Dear Chairman Botzow:

I am the executive director of the Internet Coalition (IC), which is a trade association representing a wide range of national and global Internet companies focusing on state public policy. We strive to protect and foster the Internet economy while simultaneously providing expertise to state lawmakers enacting thoughtful, forward-thinking laws.

I want to express IC's opposition to Draft 18-0030, specifically Sections 1 and 2 related to automatic renewal of consumer contracts. For example, Section 1 contains language that would require a customer to double-opt in to an automatically renewing contract (Sec. (a)(2) "*...in addition to accepting the contract, the consumer takes an affirmative action to opt in to the automatic provision.*")

Vermont companies would be adversely impacted by this double opt-in mandate which is unnecessary and burdensome. IC members already provide customers with clear and conspicuous notice at the time a customer signs up to receive a service, and discloses all material terms and conditions in a clear, informed way at the time of sign up. This gives customers the option to conveniently opt-in to automatic renewal of services until they want to cancel. The customer then need not correspond with the service again unless they want to make changes or upgrades, or wish to cancel.

The unnecessarily double-opt in would force companies to implement and maintain expensive changes to their business model just to comply with it. This would put Vermont businesses, and anyone that transacts with Vermonters, at a competitive disadvantage. It could actually penalize companies for transacting with Vermonters as those located beyond our borders, and those choosing not doing business with state residents, would not be forced to have to implement and maintain a special system just for issuing annual notices and opt in consents requests for Vermonters.

Small and medium sized companies in Vermont would be hit the hardest if forced to implement costly changes to their business practices and these companies already may find it difficult to stay financially viable here so it could prove detrimental in efforts to keep companies in the state and attract potential entrepreneurs and this could deter companies from setting up shop here and that would put Vermont's economy even further behind bordering states.

In summary, here are just some of the unintended consequences with Sections 1 and 2 to consider:

- It unnecessarily removes a company's ability to offer convenient billing options to customers.
- The double opt-in is not feasible nor does it make great business sense. Companies do not want to inconvenience customers and this mandate would require customers to take time out to respond to another opt-in.
- Customers could easily overlook opt-in requests, or delete emails thinking they are spam, or are just busy and don't respond in a timely way. Those customers would find their services irritatingly disrupted or cancelled. Remember, these customers already were notified once and gave permission at sign up to be billed automatically.
- Customers would be more at risk of being charged reactivation fees if they miss, ignore or delay opt-in responses.
- Would companies have to hire attorneys to review or design new customer notice and opt ins?
- Companies that previously were not required to obtain yearly customer consent will have to go through their entire customer system to revamp it and to distinguish and separate which customers are located in Vermont. That may not be as easy as you think.
 - Companies may not know a customer's physical location now as some internet services only use Internet Protocol (IP) addresses for customers which do not necessarily point to their exact location. This could exclude customers that may appear to be located just over the state border or in Canada.
 - Businesses would be forced to look at every customer to find out and collect additional information from Vermonters as they must collect and maintain updated physical addresses and well as email addresses to send the opt-ins
 - They must design or purchase software to comply. What would such a system entail and how much would it cost?
 - Physical and email addresses would have to be entered in the system, as well as opt in renewal dates.
 - Possibly additional hiring of staff would be needed or diverting current staff resources would be required. Staff must then be trained.
 - Must keep track of Vermont users' contract renewal dates and figure out a system to alert them to when the customer notice and opt-in renewal requests must be sent out.
 - Maintain and regularly update database of opt-ins and those that did not respond which would need services suspended or canceled.

IC urges you to oppose Draft 18-0030 for the reasons stated above. Please feel free to contact me with questions.

Sincerely,


Tammy Gota

cc: House Commerce and Economic Development Committee members