



To: House Committee on Commerce and Economic Development

From: Braden Cox, Director, US State & Local Public Policy
Amazon

Friday, April 27, 2018

Chair Botzow, Vice Chair Marcotte, and Members of the Committee:

We write regarding Sections 1 and 2 of HB 593, which would impose new requirements on consumer contracts that contain automatic renewal provisions. We respectfully oppose this provision of the legislation, at least as it is currently written, and offer the following on potential alternatives that would promote consumer protection without mandating onerous requirements for subscription services that are not required by any other state.

Many of you know Amazon as the retailer we've become since first opening our virtual doors in 1995. You may not know, however, that there are more than 5,000 authors, sellers, and developers in Vermont growing their businesses and reaching new customers on Amazon products and services. At Amazon, we are committed to being the most customer-centric company on earth, and that's why we strive to make it easy for customers to sign up or end their membership in Prime or our other subscription services.

We're concerned that HB 593 would require changes to our already customer-friendly sign-up process and negatively impact customers. The federal Restore Online Shoppers Confidence Act (ROSCA) already applies to any goods or services sold online and ensures that companies must provide clear and conspicuous disclosure of all material terms and obtain the customer's express informed consent in order to complete the sign-up and charge the customer for the transaction.

We take the requirements of ROSCA seriously and devote significant efforts to comply with it and similar state requirements imposed on our online subscription services. However, we are concerned that HB 593 would exceed any other existing state or federal requirements by also mandating that consumers take "an affirmative action to opt in to the automatic renewal provision." This would make Vermont the first and only state to require a second, affirmative consent to opt in to an auto-renewing contract term over and above consent to the contract itself.

This additional "opt in" provision would require significant changes to sign-up processes, and would create multiple steps that make it more difficult and confusing for customers, without any meaningful benefit. Instead, we believe it is optimal for the consumer to make decisions with all of the facts before them in a single interaction, followed by a confirmation which gives them instructions for ending the renewals or their service should they decide to do so.

For these reasons, Amazon opposes HB 593 and urges the House to not concur with the Senate-passed version of this bill. We ask that you pursue changes to this provision in conference committee that

would align this bill with other state automatic renewal laws, such as California's. We understand that a large industry coalition is also proposing changes to this bill, including several trade associations of which Amazon is a member. Their suggested amendments would address our concerns outlined above. If you have any questions regarding our position or would like to discuss potential amendments, please feel free to contact me at bradenc@amazon.com or 202-442-2900.

Thank you for the opportunity to provide comments.

A handwritten signature in black ink, appearing to read "Braden Cox". The signature is fluid and cursive, with a long horizontal stroke extending from the end of the name.

Braden Cox
Director, Public Policy