

The Honorable Maxine Grad Chair of the House Committee on Judiciary Vermont State House

April 24, 2018

Re: S.105 - Standard Form Contracts

Dear Chair Grad and Members of the Committee:

We write today to express our concern regarding the breadth and reach of S.105 – an act relating to consumer justice enforcement – which is currently being considered by the House Judiciary Committee. This legislation could have a significant and unfairly broad application to all e-commerce transactions, and any Vermont business selling goods or services online, as all agreements or terms and conditions of sale are, by definition, standard form contracts.

The Vermont Technology Alliance is a 200-member business association with a mission to support, promote and grow technology businesses and technology jobs in Vermont. The vtTA is in favor of enhanced consumer protection as a laudable goal; however this bill goes too far by mandating a finding of anti-consumer intent in all instances where there is any limitation of certain claims or remedies. This includes any limitations on punitive damages, without regard to the nature of the transaction, the specific goods, services, industries, or the knowledge and sophistication of the parties involved, whether individuals or businesses. The internet and growth of e-commerce has and continues to provide opportunities and easier access to goods and services for both Vermont businesses and consumers. We believe the legislation in its current form will have a chilling effect on the growth of online businesses and the tech sector in general in Vermont.

This bill's prescriptive and all-encompassing reach goes far beyond what is necessary to provide additional consumer protections against the worst actors and forms of consumer abuse. We urge the Committee to seek alternatives to the current bill or language therein which will not unfairly impact such a large and vital part of Vermont's economic development. Vermont's online businesses should not be targeted en masse for the misdeeds of the worst consumer rights abusers.

We urge you to oppose the current, rigid "one size fits all" approach and provide language which strikes a balance between enhancing consumer protections from the worst abusers and the regular and appropriate use of standard form contracts for those selling online, while providing an objective assessment of the specific circumstances of

a given transaction, the nature of the products, services and industries involved as well as an assessment of the experience and knowledge of the parties to any commercial dispute.

Jeff Couture, Executive Director Vermont Technology Alliance

Matthew Dodds, Chair, vtTA Board Chief Brandthropologist, Brandthropology, Inc.

Alex Meyer, Treasurer, vtTA Board Vice President, Renaissance Information Systems, Inc.

Mark Heyman, Secretary, vtTA Board General Counsel, Logic Supply, Inc.