



Memorandum

To: Senator Michael Sirotkin, Chair, Senate Committee on Economic Development, Housing, & General Affairs

Cc: Kayla Dewey, Committee Assistant

From: Matt Mincieli, Northeast Region Executive Director, TechNet

Date: 1/25/17

Re: TechNet opposition to SB 180 (Pearson), An act relating to the Vermont Fair Repair Act

TechNet (www.technet.org) is the national, bipartisan network of over 70 technology companies that promotes the growth of the innovation economy by advocating a targeted policy agenda at the federal and 50-state level. TechNet's diverse membership includes dynamic startups to the most iconic companies on the planet and represents more than two million employees in the fields of information technology, e-commerce, the sharing and gig economies, advanced energy, venture capital, and finance. TechNet is committed to advancing the public policies and private sector initiatives that make the U.S. the most innovative country in the world.

On behalf of our membership, TechNet respectfully submits our **opposition** to SB 180, relating to the Vermont Fair Repair Act. This is the first time such legislation has been filed in Vermont.

We believe it's important to consider the bill not just section by section, but through the lens as one of many issues that will have a major impact on Vermont's innovation ecosystem as a whole in the future. **It must be emphasized that the model legislation SB 180 is based on has filed almost twenty states across the country over the past few years and not one state has yet to pass it.** SB 180 would be the first legislation of its kind to pass in the nation, and in doing so would send the unintended message that Vermont is stifling its innovation industry and putting a serious dent in the branding efforts policymakers have promulgated to establish the state as a growing technology hub.

TechNet's main concern is in regards to the language in the bill pertaining to intellectual property. The bill states that manufacturers must make available "make available for purchase by owners and independent repair providers all diagnostic repair tools incorporating the same diagnostic, repair, and remote communications capabilities that the OEM makes available to its own repair or engineering staff or any authorized repair provider; and offer such tools for sale to owners and independent repair providers upon fair and reasonable terms" and we fear that once a manufacturer loses control of their ability to repair the devices they alone develop and produce, their intellectual property is at enormous risk. Given the breadth of what must be provided and

maintained in a public manner – all diagnostics, tools, service parts, documentation, and updates to embedded software – it is likely that some information would be proprietary and protection of intellectual property could be compromised.

Titling SB 180 “Fair Repair” we feel is a misnomer as the residents of Vermont already have the right to repair their electronic devices via warranties supplied by the manufactures and authorized repair providers found across the state. Consumers in this country do have a choice when it comes to who repairs their devices and thousands of authorized repair facilities compete for customer’s business. The group, iFixit, pushing this legislation in states across the country stands to profit greatly by passing this legislation under the guise of consumer protection.

Technology companies have every incentive to ensure that their customers have ample opportunities to get their products repaired – in fact, our brands depend on being able to provide superior customer service. In order to ensure a consistent consumer experience, exceptional customer service, and safe and effective repairs, technology companies must be able to manage their repair networks. It is important to understand that technology companies do, in fact, maintain extensive networks of authorized repair partners that are well-trained and highly qualified to safely and securely repair or refurbish their products and that any repair shop can apply to become an authorized repair shop. Repairs and refurbished products from authorized partners ensure that a product is safe, secure, and meets factory specifications, including the most recent software updates and other improvements. We hope the Committee agrees with us that opening up digital repair to any facility that wishes to hang a shingle put both the technology manufacturer and the consumer at a serious risk.

We thank you for your time, attention to our concerns, and we look forward to working with the Committee as you deliberate SB 180 and make your recommendation on it. Our member companies are available should you or your staffs have any questions or concerns.