



March 29, 2018

Honorable Michael Sirotkin, Chair
Senate Economic Development, Housing and General Affairs Committee
Vermont State House
115 State Street
Montpelier, VT 05633-5301

Re: Opposition to H. 593 related to automatic renewal provisions in consumer contracts

Dear Chairman Sirotkin:

Internet Association (IA) is the unified voice of the internet economy, representing the interests of leading Internet companies and their global community of users. It is dedicated to advancing public policy solutions that foster innovation, promote economic growth, and empower people through the free and open Internet.

IA respectfully opposes Section 1 of H. 593 that pertains to contracts with automatically renewing provisions with an initial term of one year or longer that renews for a subsequent term that is longer than one month. IA has concerns regarding the unintended consequences of implementing provisions that require customers to “double opt-in” to an automatically renewing contract.

Consumers of many online services enjoy the convenience of automatically renewing agreements. Contracts for online services provide consumers with many advantages:

- The contract terms are easily accessible to the consumer anywhere and anytime, so long as the consumer has an internet connection;
- Online services are very easy to cancel at any time, almost always only requiring access to the internet;
- Consumers are empowered to pick the product or service that is right for them – the internet has promoted a fiercely competitive ecosystem where consumers decide who wins and loses based on quality and value, all from the convenience of their mobile device or computer at home.

Thus, consumers are empowered to make sound decisions when entering into agreements online, and to cancel easily when they feel it is time to move on. This unique dynamic of individual empowerment is an intentional consequence of the free and open internet.



Section 1's requirement in H. 593 of a two-step opt-in consent process is unnecessary and will only create compliance challenges for internet companies. In the online world, screen space is very valuable real estate, especially considering how many consumers primarily use their mobile devices for online commerce. Requiring clear and conspicuous auto-renewal provisions, plus two separate opt-ins – one to accept the contract, and one to also accept the automatic renewal provisions of the contract – is excessive and will confuse consumers and detract from the user's experience.

IA agrees that companies should behave responsibly, and that consumers should be empowered to make informed choices and easily choose the product or service that meets their needs. However, placing unnecessary and costly new burdens on legitimate businesses will only harm good-actor businesses, while failing to address the problem with bad actors taking advantage of Vermont residents.

For these reasons, Internet Association strongly encourages you to oppose Section 1 of H. 593.

Sincerely,

A handwritten signature in black ink, appearing to read 'John Olsen', with a long horizontal flourish extending to the right.

John Olsen
Northeast Director