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INNOVATION ECONOMY



Internet Association

STATE PRIVACY AND SECURITY COALITION



February 28, 2018

Honorable Dereck Davis, Chair
House Economic Matters Committee
Room 231, House Office Building
Annapolis, MD 21401

Dear Delegate Davis:

The undersigned associations represent hundreds of the country's leading technology companies in high-tech manufacturing, computer networking and information technology, clean energy, life sciences, internet media, ecommerce, education and sharing economy sectors. Our member companies are committed to advancing public policies and private sector initiatives that make the U.S. the most innovative country in the world.

We ask that you do not advance HB 1372, the automatic renewal bill, as it would be unnecessary, could hinder efforts to provide Maryland consumers with convenient auto renewal tools, and may prove costly to both businesses and consumers, all while offering little additional consumer protections. Further, the provisions outlined in the bill are unique to Maryland, creating additional burdens for national companies seeking to serve Maryland citizens.

The Restore Online Shoppers' Confidence Act (ROSCA) already requires online companies to provide customers with clear and conspicuous notice at the time a customer signs up to receive services that automatically renew. Companies must also disclose the material terms and conditions of the contract renewal in a clear and informed way and obtain opt-in from consumers before charging them for the services.

However, this bill would require companies to obtain a consumer's written consent and initialization of automatic renewal provisions that are not conducive to online enrollment and not like the requirements of any other state law. The bill's provisions do not account for varying business models and the service options available today to customers. Requiring initialization seems out dated and out of touch with common online consumer transactions occurring through devices like a tablet or mobile phone.

In contrast, industry worked with California legislators on a 2017 law to further protect Californians that requires consent through various methods prevalent in the marketplace along with a retainable confirmation of the agreement including cancellation policies. This balanced approach also obviates the need for reminders, as Maryland consumers would have the means to cancel their automatic renewal at any time.

For these reasons, we urge you not to advance HB 1372. Instead, we invite you to work with industry to craft a well-thought out law that would both protect Maryland consumers and allow companies to continue to offer these conveniences. If legislation does advance, we ask that Maryland not diverge from the consensus position reflected in the California law passed in 2017.

Please feel free to contact us with questions or if you would like to discuss these issue in more detail.

Sincerely,



Tammy Cota, Executive Director
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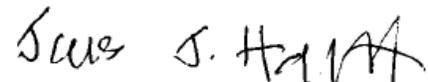
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