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MPA THE ASSOCIATION OF
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STATE PRIVACY AND SECURITY COALITION

May 21, 2018

Honorable Phil Scott
Governor of Vermont
109 State Street, Pavilion
Montpelier, VT 05609

RE: Please Veto H.593, Costly and Burdensome Double Opt-in of Auto Renewals

Dear Governor Scott:

The undersigned associations represent hundreds of the country's leading technology companies in the high-tech manufacturing, computer networking, 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 respectfully request that you **veto H.593** to avoid enacting an automatic contract renewal law that would unnecessarily require unprecedented regulation. While we often appreciate creative and innovative solutions, this approach is not warranted, will cause Vermont consumers inconvenience and will significantly burden Vermont service providers offering ongoing services.

H.593 requires Vermont consumers to "double opt-in" or engage in two separate interactions with a company in order to sign up for a service and avoid future disruption. This has never been and still is not required in any other state – creating a unique burden and competitive disadvantage for Vermont consumers and local businesses. In fact, all businesses operating in Vermont would have to redesign their sign-up or account creation process for new customers in order to accommodate these new requirements. For small Vermont companies in particular, this will create a compliance challenge and divert resources from developing more and better services for their customers.

If H.593 is signed into law, these Vermont-specific provisions will likely result in the loss of tech jobs in Vermont to bordering states without similar mandates, such as New York, Connecticut, Maine, Massachusetts and New Hampshire, which have realized year over year growth in tech

jobs. It is simply common sense for companies to either drop Vermont customers all together or move to a bordering state rather than bear the brunt of these unwarranted regulations and burdensome compliance costs.

Many consumers elect to have automatic renewals to maintain their services without disruption such as Amazon Prime, Netflix, iTunes or many other popular consumer services. Yet provisions of this legislation require companies to clutter consumers' inboxes with reminders even though the main convenience of the autorenewal service to which they've subscribed is to continue the service without having to take additional action. The reminder notices could be missed due to spam filters, mistaken as a phishing scam, overlooked or just ignored. Further, these notices would offer users no new information about the terms of the renewals, to which they have already agreed. Vermont consumers already have options available to them to turn off automatic renewals at their convenience and they may choose to change or cancel services at any time, not just during a specific reminder period. These reminders are superfluous but are both an annoyance to consumers and an additional expense for service providers.

Finally, this unique approach is not needed. Our associations provided alternative legislative language to reasonably regulate automatic renewals that avoids making Vermont an outlier. We ask that you **veto H.593**, and we pledge to work with the legislature in 2019 to support appropriate governance of automatic renewals.

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

Sincerely,

Internet Coalition
ANA - Association of National Advertisers
CompTIA
Data & Marketing Association
Internet Association
NetChoice
TechNet
MPA - The Association of Magazine Media
State Privacy and Security Coalition