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TechNet Mid-Atlantic | Telephone 717.585.8622
www.technet.org | @TechNetMidAtla1

March 18, 2024

The Honorable Scott Conklin
Chair
House Commerce Committee
Pennsylvania House of Representatives
314 Irvis Office Building
Harrisburg, PA 17120

RE: Digital Right to Repair; SB 744; HB 427

Dear Chairman Conklin and Members of the Committee,

On behalf of TechNet, I'm writing to offer comments on the issue of digital right to repair.

TechNet is the national, bipartisan network of technology CEOs and senior executives 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 American businesses ranging from startups to the most iconic companies on the planet and represents over 4.4 million employees and countless customers in the fields of information technology, e-commerce, the sharing and gig economies, advanced energy, cybersecurity, venture capital, and finance. TechNet has offices in Austin, Boston, Chicago, Denver, Harrisburg, Olympia, Sacramento, Silicon Valley, and Washington, D.C.

Consumers, small and large businesses, public schools, hospitals, banks, and manufacturers all need reasonable assurance that those they trust to repair their connected products will do so safely, securely, and correctly. Proposals that require original equipment manufacturers (OEMs) to provide unaffiliated repair firms with access to proprietary schematics and repair, diagnostic, and security tools can create major risks to consumer safety and privacy and the security of connected infrastructure.

OEMs and authorized repair providers are uniquely qualified to ensure the secure and safe repair of electronic products. These firms use OEM-trained technicians and original parts that are backed by the OEMs and their partners with warranties, legally enforceable contracts, quality assurance requirements, and other mechanisms that provide strong protections for consumers. As businesses, government agencies, and consumers continue to increase their reliance on connected devices to help deliver efficiency, convenience, and services, it is

important to remain vigilant and focused on mitigating the risks associated with the safe and secure operation of those products.

OEMs and authorized repair providers allow for elements of certainty when a consumer takes their devices to these individuals for repair. OEMs and authorized repair providers have the proper training and safety credentials to ensure the reliable repair of electronics that are often detailed, complicated, and dangerous. For example, many devices contain high-energy lithium-ion batteries. In January 2021, the U.S. Consumer Product Safety Commission released a consumer safety warning that rechargeable lithium-ion battery cells, when they are “loose” and not installed in a device or part of an integral battery, are “potentially hazardous to consumers when handled, transported, stored, charged, or used to power devices” and “can overheat and experience thermal runaway, igniting the cell’s internal materials and forcibly expelling burning contents, resulting in fires, explosions, serious injuries and even death.”

Our member companies are committed to keeping consumers’ data secure and private. An unintended consequence of requiring increased access to digital repair is that access to technical information by bad actors, who may circumvent security settings and impact not only one consumer directly, but those who would also share a network with that consumer.

SB 744 designates manufacturers without an authorized repair network as an authorized repair provider. This could have the unintended consequence of disincentivizing manufacturers from doing any post-warranty repairs, which would unintentionally result in reduced repair options for Pennsylvania consumers. For example, tools used solely for in-house repair and not provided to authorized repair providers are often not market-ready and cannot be made market-ready as they are designed for use under controlled environments by staff with extensive training.

SB 744’s definition of “fair and reasonable terms” is overly broad and incredibly subjective by requiring OEMs to provide parts at the “most favorable costs and terms.” This could prohibit regular business activities like offering discounts for bulk purchases by repair shops.

On HB 427, the timeline provided of 180 days is far too short for the criteria as complex as is being proposed. Every single product being sold in the US would need to be scored. The (optional) use of QR codes will confuse consumers and is not in line with corporate approach to minimize the number of QR codes used through a central code leading to a landing page where further information can be obtained through links. Finally, the reparability index isn’t common in the United States and would be a complete outlier for this issue.

Adverse repair bills throughout the country mandate that that OEMs treat any independent repair provider in much the same way as authorized network providers, but without any contractual protections, requirements, or restrictions. In

turn, this has the potential to harm consumers' safety and security, as well as diminish the improvements made to consumer products by manufacturers that invest significant time and resources into developing a safe and secure consumer product.

We appreciate the limitations and exclusions outlined in SB 744 — notably, the exclusions pertaining to OEM liability when repairs are made by an independent repair provider. TechNet worked jointly with the Consumer Technology Association to develop a model repair bill that we believe is the best path forward for state legislatures. This model provides consumers with new rights by requiring manufacturers to provide product owners and independent repair shops with the same parts, tools, and documentation that the manufacturers provide to their authorized repair networks. The model also streamlines the process for making parts and tools available while requiring independent repair shops to be transparent with customers about warranties, their training and credentials, and the authenticity of parts used.

For the reasons stated above, we request this committee and other House committees not advance any current bills on repair and instead continue to work with our industries to develop legislation that protects consumers and innovation. Thank you for the opportunity to share our perspective on this important issue. We look forward to continuing these discussions with you.

Sincerely,

Margaret Durkin

Margaret Durkin
TechNet Executive Director, Pennsylvania & the Mid-Atlantic