



State Privacy and Security Coalition, Inc.

February 1, 2017

The Honorable Lydia Brasch
Nebraska State Legislature
Room #1022
P.O. Box 94604
Lincoln, NE 68509

RE: Electronic Products Manufacturers Opposition to Legislative Bill 67

Dear Senator Brasch:

On behalf of the thousands of technology companies our organizations represent, we appreciate the opportunity to comment on Legislative Bill 67, legislation that would mandate manufacturers of digital electronic products sold or used in Nebraska to make available for purchase that equipment's diagnostic and repair information, software, tools, and other parts to independent repair facilities and device owners.

Our organizations represent a broad spectrum of electronic products manufacturers that stand behind the quality of their products. These companies are committed to ensuring the safety and security of both their consumers and the products themselves. We are concerned that Legislative Bill 67 would jeopardize consumer safety and security, is unnecessary and compromises intellectual property. **For these reasons and more, we must oppose this legislation.**

Legislative Bill 67 threatens consumer safety and security

Customer safety, security and privacy are fundamental goals in the design of our membership's hardware, software and services. Smartphones, computers, servers and other devices are constantly at risk from hackers and any weakening of those standards such as sharing sensitive diagnostic tools will increase risks to consumers. Manufacturers also have strong concerns about independent service providers who may take risks or cut corners leaving themselves or consumers in danger if they perform service without the proper training or safety standards.

Proper repair is extremely detailed and complicated. Manufacturers want to ensure that their products are serviced by professionals who understand the intricacies of their products and have spent time procuring the knowledge necessary to safely repair the device and return it to the consumer without compromising those standards. Manufacturers have invested heavily in their brands and have gone to extraordinary lengths to maintain the quality of the device carrying that brand for the first owner and all others for the life of the device.

Legislative Bill 67 is unnecessary as consumers can choose who repairs their devices

Consumers have substantial choice when it comes to visiting the repair facility that best suits their needs. When a device requires repair, a consumer can visit any repair business from the original equipment manufacturer's (OEM) retail store, mail-in repair services, or a local shop close to their home. Our free market economy already provides a wide range of consumer choice for repair with varying levels of quality, price and convenience without the mandates in this legislation.

Manufacturers have authorized networks of repair facilities to ensure that repairs meet OEM standards. If an OEM's brand and warranty are to stand behind repair work and assume product liability, it is only reasonable that the repair facility demonstrates competency and reliability. Without the training and vetting of authorized service providers – implemented through enforceable legal contracts that ensure compliance and accountability that protect consumers – manufacturers would not be able to stand behind their work, warranties, technical support, ongoing training, and business support.

Legislative Bill 67 mandates the disclosure of protected proprietary information

Manufacturers make significant investments in the development of products and services, and the protection of intellectual property is a legitimate and important aspect of sustaining the health of the vibrant and innovative technology industry. However, Legislative Bill 67 compromises the intellectual property that manufacturers have invested heavily to develop. Given the scope of what must be provided under this bill – including diagnostics, tools, parts, and updates to software – it is likely that some of that information would be proprietary. Providing unauthorized repair facilities with access to proprietary information without the contractual protections and provisions currently in place between OEMs and authorized service providers like those currently operating in Nebraska places OEMs, suppliers, distributor and repair networks, and many other companies and significant numbers of jobs in Nebraska and elsewhere at risk.

Thank you for your thoughtful consideration of our views on this issue. Our coalition of associations would be happy to meet with you to discuss our concerns in further detail.

Sincerely,

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Computing Technology Industry Association

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