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THE VOICE OF THE
INNOVATION ECONOMY

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September 16, 2024

The Honorable Rob Matzie
Chair
House Consumer Protection, Technology & Utilities Committee
Pennsylvania House of Representatives
202 Irvis Office Building
Harrisburg, PA 17120

*RE: HB 116 (Ciresi) - Click to Cancel and Consumer Protections for Recurring Subscriptions
HB 2557 (Borowski) - Updating Negative Options to Protect PA Consumers*

Dear Chairman Matzie and Members of the Committee,

On behalf of TechNet, I'm writing to provide remarks on automatic renewals.

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.

TechNet is concerned that HB 116 and HB 2557 will be impediments to providing Pennsylvanians with convenient, easy to use, and hassle-free options to continue services they value. Our members seek to ensure both convenience and responsible protections and agree with the concept of this bill; however, we are opposed to both bills in their current forms.

HB 116 and HB 2557 would subject businesses to private rights of action for violations, which are a disproportionate enforcement mechanism compared to any potential harm. Enforcement of consumer contracts should rest solely with the state Attorney General, who is best poised to develop a thoughtful and consistent approach to marketplace regulation. We request language that clearly states only the Attorney General may enforce violations of the statute.

TechNet also requests the following language to provide for exemptions so that regulations already in place do not conflict with this legislation:

- Any service provided by a business or its affiliate where either the business or its affiliate is doing business pursuant to a franchise issued by a political subdivision of Pennsylvania.
- Any business or its affiliate where either the business or its affiliate regulated by the FCC or the Pennsylvania State Public Utilities Commission.

Additionally, we're requesting the below exemption to narrow the scope of the bills:

- Nothing in this act shall apply to business-to-business or business-to-government enterprise products and software.

Regarding specified text size, we believe this isn't necessary as consumers can usually manipulate the size of communications these days. Instead, we're asking for the term "Clear and conspicuous" with no prescriptive font requirements. Finally, for both HB 116 and HB 2557, we request an implementation date of at least 180 days.

Thank you for your consideration of our concerns and please don't hesitate to reach out with any questions.

Sincerely,

Margaret Durkin

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