



TECHNET
THE VOICE OF THE
INNOVATION ECONOMY

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February 11, 2025

The Honorable Joseph Solomon, Chair
House Committee on Corporations
Rhode Island General Assembly
Providence, RI 02903

Re: HB 5246 – Digital Electronics Repair

Dear Chair Solomon and members of the Committee:

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 4.5 million employees and countless customers in the fields of information technology, artificial intelligence, e-commerce, the sharing and gig economies, advanced energy, transportation, cybersecurity, venture capital, and finance.

TechNet's members urge you to not to advance HB 5246, which would mandate that manufacturers of digital electronic equipment provide unvetted third parties with sensitive diagnostic information, software, tools, and parts without requiring the critical consumer protections afforded by authorized repair networks.

Consumers currently have a variety of professional repair options, including independent repair providers or a manufacturer's authorized repair network. By establishing relationships with authorized repair providers, which include local small businesses throughout the Ocean State, manufacturers can ensure that technicians receive the appropriate training and have the relevant qualifications so that repairs are done properly and safely. Contractual relationships that original equipment manufacturers (OEMs) enter into with their authorized repair networks contain quality and safety assurances for customers and technicians, thereby guaranteeing that repairs meet OEM performance and safety standards. Consumers deserve nothing less.

HB 5246 severs this accountability link that protects consumers. If a consumer drops off their electronic device at a repair shop, they ought to be granted some

level of security in the unfortunate circumstance that their data is compromised. It is not only essential that each repair technician be properly trained in how to repair the device, but also that an accountability link exist between the manufacturer and the repair facility so that the consumer knows that the repair shop has been vetted and that they have recourse if something goes wrong.

Further, if HB 5246 becomes law, consumers might reasonably expect that all independent repair shops will use genuine OEM parts, since they are available to them by law. However, there are no consumer protections in the bill that would require independent shops to use genuine parts, nor even inform consumers when they choose to use cheap knockoff or counterfeit parts – which will be far easier to fabricate if OEMs are forced to hand over detailed schematics.

Advocates for this legislation claim it will reduce electronic waste. The truth is, e-waste is in significant decline and has been since 2015, according to a [study](#) conducted by researchers at Yale and the Rochester Institute of Technology, while [data](#) from the US Environmental Protection Agency shows consumer electronics are the fastest declining portion of the solid waste stream. Manufacturers make significant efforts to return devices and parts to useful service and out of the waste stream because it makes financial sense to do so. Authorized repair shops are held to sustainability and reuse standards by their affiliated OEMs. Independent shops are not.

Finally, we also have concerns about the bills' impact on manufacturers' intellectual property. 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 all industries. Many diagnostic programs are developed by the manufacturer at significant cost and are confidential or licensed under a contractual arrangement. While section 6-61-5 (a) includes a basic trade secret exemption, it is immediately qualified with "except as necessary to perform diagnosis, maintenance, or repair on fair and reasonable terms".

What does this mean for the thousands of startups who call Rhode Island home, or the venture and angel funds that support them? An early-stage company coming out of an accelerator like Ocean State Labs may have a concept for the next generation of connected devices. When they're raising capital to get the concept off the ground, they likely have little more than some designs and schematics, perhaps a patent or a prototype. If, once that company reaches the manufacturing phase, they are required by state law to hand over all of that intellectual property to anyone who requests it, how are venture firms going to value that company?

In closing, if a consumer wishes to bring their device to an unaffiliated third-party repair shop, there is nothing preventing them from doing so under current law. They own the device and can choose where to have it serviced. But HB 5246 forces

the hand of manufacturers to give unvetted companies unfettered access to devices we all rely on, many of which contain our most sensitive data, without any consumer protections to speak of. We strongly urge you to hold this bill for further consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Gilrein".

Christopher Gilrein
Executive Director, Northeast
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