



May 18, 2021

Honorable Spiros Mantzavinos, Chair
Senate Banking, Business and Insurance Committee
Delaware Senate
411 Legislative Avenue
Dover, DE 19901

RE: Oppose SB 93, Relating to Consumer Contracts

Dear Senator Mantzavinos:

The undersigned associations represent hundreds of the country's leading technology companies in the high-tech manufacturing, computer networking and information technology, clean energy, life sciences, ecommerce, on and off-line media and entertainment, 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 support strong auto renewal laws that impose meaningful protections for consumers. Our customers like the convenience of joining an ongoing service that renews without further action on their part until they want to make changes, upgrade, or terminate the service. Our member companies send consumers reminders for those with contracts of an initial term of 12 months or more, that renew for more than one month, which is the prevalent timeframe regulated in other state auto renewal laws.

We are also committed to offering customers with cost-effective, timely and easy to use mechanisms for cancellation. Consumers currently have the ability to change, cancel or renew their services, in most instances, at their convenience and across commonly used platforms including online, mobile apps, email or by phone.

However, we must **respectfully oppose SB 93**, which proposes new and unnecessary auto renewal notices that would inconvenience and annoy consumers, are inconsistent with other state laws, places Delaware businesses and those transacting with state residents at a competitive disadvantage with bordering states and exposes them to frivolous lawsuits.

We oppose the requirement in this bill that would essentially mandate that companies send a reminder to customers with six-month terms that auto renew, which is not consistent with other

state auto renewal laws. This would place Delaware businesses at a competitive disadvantage with bordering states, which do not subject companies to similar notice requirements. This could incentivize companies to consider relocating rather than implementing costly reminders, may cause companies to consider eliminating or reducing the products offered to Delaware residents and could divert potential new businesses away from locating in Delaware.

We also oppose the bill requirements that companies must provide cancellation methods in the same manner as the customer used upon sign up. It may not be possible for a company to provide a physical location for a person to cancel, which could be the way the person initially signed up for the renewal. We believe it is more important that the consumer be able to find and use an easy cancellation method, especially one that the consumer has agreed to use, or that cancellations are offered through a method the consumer customarily uses or expects to use when interacting with that particular seller.

Finally, we oppose a private right of action as enforcement. We believe the attorney general should be the appropriate enforcement authority which would avoid frivolous lawsuits from being filed.

In summary, the undersigned associations oppose SB 93, which proposes unnecessary mandates that do not align with other state laws, risks annoying and inconveniencing consumers, would create burdensome requirements upon Delaware businesses and those offering residents with increasingly popular automatic renewals.

Please feel free to contact Tammy Cota, Executive Director of the Internet Coalition at 802-279-3534 or tammy@theinternetcoalition.com with questions or if you would like to discuss these issues in more detail.

Sincerely,

Internet Coalition
Association of National Advertisers
Entertainment Software Association
Internet Association
TechNet
MPA, the Association of Magazine Media
State Privacy and Security Coalition