

April 21, 2023

The Honorable Liz Olson Minnesota House of Representatives 479 State Office Building St. Paul, MN 55155

## RE: House Commerce Omnibus bill – HF 2680 / SF 2744

Dear Representative Olson,

On behalf of TechNet's member companies, I respectfully submit this letter of opposition to two provisions as currently drafted in the House Commerce omnibus ("the omnibus") bill, HF 2680/SF 2744.

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 five 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.

The two issues that we remain opposed to as currently drafted are the "Digital Fair Repair" provision and the "Minnesota Age-Appropriate Design Code" provision.

## "Digital Fair Repair"

TechNet has been committed to reaching an agreement in which we would remove our opposition to the repair provisions. This includes multiple proposed redlines and even simplifying our priorities to four main provisions. Unfortunately, the current language does not reflect our priority concerns that we have made clear throughout session.

Of the remaining items that we would like to see addressed in this legislation include:

• Prospective applicability – current bill is constitutionally suspect by requiring original equipment manufacturers to go back 2017 to provide service parts for devices from a bygone era.



- Exempting business to business and business to government The intent of the repair bill has always been consumer-oriented. The B2B exemption is needed to avoid interference with business contracts. The B2G exemption is needed as companies provide products to government officials who are responsible for mission critical communications, public safety, enterprise technology and public security.
- Limit scope to OEMs with repair operations only Manufacturers have many different internal arrangements and processes for managing customers with damaged or non-working devices, processes that are often integrated with R&D and ongoing product development activities that are proprietary.
- Prohibit the use of device cloning

TechNet remains committed to meet with the advocates to address these remaining issues. Our door is open 24 hours a day, 7 days a week.

## "Minnesota Age-Appropriate Design Code"

TechNet strongly believes children deserve a heightened level of security and privacy online and there are several efforts within the industry to incorporate protective design features into websites and platforms. Our companies have been at the forefront of raising the standard for teen safety and privacy across our industry by creating new features, settings, parental tools, and protections that are age-appropriate and tailored to the differing developmental needs of young people. Our member companies are committed to providing a safe, age- appropriate experience for young people online; however, we are opposed to this bill's approach for several reasons.

However, the requirements in this provision would many impose many unintended consequences on all businesses operating in the state, not just technology companies. We remain opposed for the following reasons: One, the breadth of this legislation would be felt by pretty much every business that operates on the internet; two, there are some legitimate privacy concerns that persist throughout the bill; and three, there are some ongoing legal implications that would likely arise should this bill become law.

First, I want to highlight the breadth of this provision and how it will impact many businesses throughout this state. If enacted, this new regulatory regime on the internet in Minnesota would apply to any business that has personal information on 50k consumers and operates an online service that is likely to be accessed by a child. This would include all major news outlets, as well as a significant number of local news services, most online magazines and podcast channels, E-books and e-reader apps, social media services, video and music streaming services, and individual blogs and discussion forums.

Furthermore, this provision would require any website that is likely to be accessed by a child to have the best interest of the child in mind and would need to complete



a data impact assessment for any online service, product, or feature likely to be accessed by a child.

These impact assessments would require companies to determine whether the design of the online product, service, or feature could be harmful to children. Who determines the best interest of the child? And who determines what is harmful?

A business could be expected to document the risks, for example, that photographs and videos depicting the global effects of climate change or the war in Ukraine, could cause minors anxiety; or that a content recommendation for the next episode of a cartoon TV series could "harm" a minor who is struggling to focus on homework or to get more exercise.

To further complicate things, businesses would need to estimate the age of child users with a reasonable level of certainty or apply the privacy and data protections afforded to children to all consumers.

How do these platforms, many of which operate under anonymous browsing, suppose to know the age of the user?

This provision does not specify the exact method that regulated entities must use to perform age assurance. That's because every available option is problematic in ways that undercut the objective of increasing children's privacy. Businesses would be forced in a difficult spot by having to choose between assuring the age of all users (both minors and adults alike) or redesigning all their online features to treat adults as if they were children.

This provision, which borrows from the California Age-Appropriate Design Code, is currently under litigation in California. The lawsuit argues alleged violations of the First Amendment and for violating federal preemption with the federal Children's Online Privacy Protection Act. If this language were to become enacted, it would undoubtedly be challenged with the ongoing pending lawsuit in California.

We recognize the importance of strong protections for Minnesota youth, but those efforts should account for teens' autonomy and aim to achieve consistency with emerging norms. For the above stated reasons, including pending litigation, TechNet is opposed to this provision in the omnibus.

Thank you,



Tyler Diers Executive Director, Midwest TechNet