Testimony of Lisa McCabe
CTIA
In Opposition to Senate Bill 107 and House Bill 218
Before the Massachusetts Joint Committee on Consumer Protection and
Professional Licensure
October 21, 2019

Chairs Feeney and Chan, Vice Chairs Welch and Livingstone and members of the Committee, on behalf of CTIA, the trade association for the wireless communications industry, I am here to testify in opposition to Senate Bill 107 and House Bill 218. CTIA's members include wireless service providers, infrastructure providers, suppliers and manufacturers.

We are concerned that this legislation would lead to unintended consequences to the operation and security electronic products.

This legislation would negatively impact agreements between Original Equipment Manufacturers, (or OEMs) and authorized repair networks, which include businesses of all sizes. These agreements and repair networks would be undermined and provide no protection or quality assurance for consumers.

Wireless consumers depend on their products to operate safely, securely, and accurately, whether they are used to support banking and commercial transactions, transmit and store sensitive personal data, support industrial operations, medical applications, or deliver entertainment and other services.

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. Authorized repair facilities work under contract with many manufacturers and providers to ensure repairs are made properly and safely and meet OEM standards. Their authorization to perform repairs ensures that the changes made to the devices are compatible with current technology and the networks on which they operate. Legislation as contemplated in Massachusetts would harm the marketplace by weakening the relationship that manufacturers have with authorized repair facilities. Additionally, authorized repair assures safe repair as authorized repairers have the proper training and qualifications to ensure the repairs are done properly and safely. In particular, when unauthorized repairers cut costs by

using counterfeit or unauthorized batteries, they can unknowingly introduce serious safety risks, including increased risk of fires. This bill reduces consumer protections by creating greater chances of unsafe repair.

As businesses, government agencies, and consumers continue to increase their reliance on connected devices to help deliver efficiency, convenience, and services, it is important to remain vigilant and focused on mitigating the risks associated with the safe and secure operation of those products.

As we move to a more connected world, there is concern regarding cybersecurity and the Internet of Things. In fact, CTIA recently created the CTIA Cybersecurity Certification Program for cellular-connected Internet of Things (IoT) devices. This program has been developed in collaboration with the nationwide wireless providers to ensure that devices coming into the marketplace and connected to wireless networks will have cybersecurity features built into them.

By offering certification for IoT devices built from the ground up with cybersecurity in mind, the program will protect consumers and wireless infrastructure, while creating a more secure foundation for smart cities, connected cars, mHealth and other IoT applications. Leading wireless operators, technology companies, security experts and test labs collaborated to develop the program's test requirements and plans. The program builds upon IoT security recommendations from the National Telecommunications and Information Administration (NTIA) and the National Institute of Standards and Technology (NIST).

Having legislation that mandates the sharing to all of important information regarding how equipment operates, specific schematic diagrams and service code descriptions would weaken cybersecurity on devices and potentially harm the security of information on devices and the networks themselves. One must bear in mind that bad-actors, cybercriminals and nation-states are adept at exploiting information and are not bound by rules and laws.

When an electronic product breaks, consumers have a variety of repair options, including using an OEM's authorized repair network, which often include local repair service providers as well as mail-in, and even in-house repair options for some products. Consumers may also choose to use one of many independent repair service providers; although they do so without the quality assurance provided by using a manufacturer's authorized network provider.

Additionally, CTIA recently launched a certification program for facilities that perform high-volume wireless device refurbishing. The CTIA Authorized Service Center Program certifies facilities that meet the highest quality and security standards, enabling the supply chain to provide high-quality pre-owned wireless devices to consumers.[1] This program was created by CTIA's Reverse Logistics and Service Quality (RLSQ) working group, and is a continuation of the group's work in establishing world-leading standards for pre-owned wireless devices in the marketplace.

CTIA's RLSQ Working Groups convene members representing the entire reverse logistics community to address the mobile industry's challenges, set certification standards for technicians, establish common device grading definitions and methodology and develop requirements for service facilities and retailers for industry-recognized service excellence standards in repair and refurbishment of secondary devices.

Moreover, it is important to note that devices have value even when a consumer no longer wants to use a particular device. Many manufacturers and wireless service providers offer programs in which a consumer can trade in or donate an old device. This provides a way to recycle old, unused devices, eliminating household clutter and protecting the environment. [2]

The marketplace already provides a wide range of consumer choice for repair with varying levels of quality, price and convenience without the mandates imposed by state legislation.

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[1] https://www.ctia.org/news/ctia-launches-new-certification-program-for-wireless-device-service-centers

[2] Information on Trade-In programs can be found on company websites: Verizon: https://www.verizonwireless.com/support/trade-in-program-faqs/; AT&T https://tradein.att.com/#/how-it-works; T- Mobile: https://www.t-mobile.com/cell-phone-trade-in.html; Sprint: https://secure.sprintbuyback.com/bbt/; USCellular: https://www.uscellular.com/trade-in-cell-phones/index.html; Apple: https://www.apple.com/iphone/trade-up/ and Samsung: https://www.samsung.com/us/trade-in/frequently-asked-questions/
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