

March 31, 2021

To: Chair Holvey and Members of the House Committee on Business and Labor
From: Paloma Sparks, Oregon Business and Industry
RE: OBI Testimony in Opposition to HB 2698

Chair and Members of the Committee:

Thank you for the opportunity to testify on this important issue for Oregon Business & Industry members. OBI is Oregon's most comprehensive business association representing over 1,600 businesses that employ over 250,000 people. We represent multiple sectors and serve as the state's Retail and Manufacturing Councils.

HB 2698 would create serious safety risks to all sorts of devices. This could give bad actors the keys to hack into not just cell phones but the connected network of products that so many households and businesses run on. We have systems in place to ensure that there are standards for repairing these complicated devices while also maintaining the expectation that privacy and security protections remain in place. HB 2698 would remove all those protections.

In 2019, OBI and other stakeholders worked very hard to get to an agreement with the DOJ about privacy and security requirements for the items in homes that are connected to the internet. HB 2395 was not an easy discussion, but we all want to ensure that the smart devices in homes are secure and that the privacy of Oregonians is protected. HB 2698 would undo all that work by undermining the effectiveness of those security requirements.

With the increasing move to interconnected devices in our homes and businesses, there is too much at stake to give away the keys. Many cell phones, for example, are connected to home security systems. If one device in this system is attacked, the entire network is vulnerable. Would you want the smart lock on your home at risk?

The reality of network connected devices is even more concerning for businesses. Our employees use their smart phones for everyday work tasks and an increasing number of business functions. These devices are connected to our networks. A breach of a single device could bring business to a halt. While we cannot prevent all potential security and privacy issues in our interconnected world, we certainly shouldn't make it any easier for hackers to break in.

While well-intentioned, this bill creates real safety concerns for devices that are far too important to day-to-day life for all Oregonians. Never was that made more evident than when so many Oregonians found themselves without power or internet in recent weeks. Smart phones are no longer just phones, they may be the only way people to access important resources in times of crisis.

We urge you to reject this bill and keep our devices safe.

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