

PORTLAND LEATHER

April 25, 2025

The Hon. Floyd Prozanski
Chair, Senate Committee on Judiciary
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The Hon. Sara Gelser Blouin
Member, Senate Committee on Judiciary
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The Hon. Kim Thatcher
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The Hon. James I. Manning, Jr.
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The Hon. Anthony Broadman
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The Hon. Mike McLane
Member, Senate Committee on Judiciary
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Subject: Concerns Regarding Proposed HB 3865A

Dear Chair Prozanski and Members of the Oregon Senate Committee on Judiciary,

As CEO of Portland Leather Goods, a company proudly doing business in Oregon since its founding in 2015, I am writing to express our serious concerns about the potential negative impacts of the proposed HB 3865A on our ability to effectively engage with our valued customers. Portland Leather Goods is an Oregon-founded business that has grown significantly by focusing on high-quality, handcrafted leather goods and exceptional customer service. A key component of our customer relationship strategy, for those who have opted in, is direct communication via SMS messaging, and we are deeply troubled by provisions in HB 3865A that would severely hinder these interactions and create unnecessary compliance burdens for our Oregon-based operations.

At Portland Leather Goods, we have built a thriving ecommerce business with a loyal customer base across the United States. For customers who have provided their explicit consent, SMS messaging is not just a marketing tool for us; it is a vital channel for providing timely updates on product availability, shipping notifications, and responding to inquiries about our products. We always operate with prior express written consent from our customers. However, several aspects of HB 3865A as passed by the House raise significant concerns for our established business practices:

1. Problematic Regulation of RCS: We are concerned that Oregon is moving to be the first state to regulate Rich Communication Services (RCS). RCS use by ecommerce companies remains in its nascent stages but offers tremendous promise for brands to be able to offer

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more rich and personalized experience for consumers. The technology also offers enhanced security features and is distinct from SMS and MMS. The FCC has explicitly stated that RCS is not subject to federal telemarketing regulations. Imposing state-level regulations on RCS, treating it as equivalent to SMS and MMS, disregards its unique capabilities and creates a significant compliance challenge. Similar to SMS and MMS, we have no mechanism to determine if a recipient of an RCS message is located in Oregon. This would create a prohibitive barrier to utilizing this emerging technology to improve customer engagement for our Oregon business and our customers nationwide.

2. Restrictive Quiet Hours: The implementation of a 7:00 PM Pacific quiet hour, even for customers who have proactively agreed to receive our messages, poses a significant challenge. Our customer base spans all time zones, and purchase decisions and inquiries often occur outside of these proposed hours. It is technically impossible for us to ascertain the real-time location of each consenting customer when sending a text message. This means that Portland Leather Goods, while operating within federal guidelines and with customer consent, could face penalties for simply communicating with a customer located in Oregon after 7 PM. This restriction would impede our ability to provide excellent customer service and could negatively impact sales, directly affecting our Oregon workforce.

3. Impractical Message Limitation: The proposed three-message limit within a 24-hour period is fundamentally incompatible with the natural flow of customer conversations over SMS. Consumers are increasingly demanding more personalized attention from brands that they shop and want to engage in targeted conversations, not just 1-way blast messaging. Our customers frequently respond to our messages with follow-up questions, require clarifications on product details, or need assistance with their orders. Limiting our ability to respond in a timely and comprehensive manner would severely degrade the customer experience and hinder our ability to finalize sales. Furthermore, the lack of a clear definition of what constitutes a "message" creates significant ambiguity and the potential for unintentional violations when we use MMS or other messages that include pictures. I understand that during debate on the House floor, Rep. Sosa, who sponsored this bill, represented to his colleagues that the bill "would only prohibit the initial solicitation [after 7 PM]. Once a customer engages with a business, the business is absolutely free to follow up with them and proceed with that relationship." These comments, however, seem to ignore the 3-message limitation and, in any event, the bill's language does not appear to align with these remarks.

4. Irrelevant Disclosure Requirements: Mandating the inclusion of disclosures in text messages based on ORS 646.611(1), many of which pertain to live voice solicitations (e.g., inquiring about interest in a "sales presentation"), is not applicable and would be confusing

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in the context of text message marketing for an ecommerce business like Portland Leather Goods. These disclosures would clutter our messages, detract from important information, and ultimately provide no added value to our customers. Moreover, due to privacy limitations, it is not feasible for us to determine which recipients are located in Oregon to apply these state-specific requirements. We already include our brand name in our messages, aligning with national best practices.

As a company deeply rooted in Oregon, providing employment and contributing to our local economy, Portland Leather Goods is committed to responsible communication with our customers. However, HB 3865A, in its current form, presents significant operational hurdles and potential legal risks due to technical limitations in location identification and the impracticality of several key provisions. These challenges would not only disrupt our established customer engagement practices but could also hinder our growth and impact our continued investment in Oregon.

We respectfully urge you to carefully reconsider the implications of this legislation for Oregon-based ecommerce businesses like Portland Leather Goods that responsibly utilize SMS and emerging messaging technologies to serve their customers across the country. We are available to discuss these concerns further and provide additional context on how this legislation would uniquely affect our operations and our connection to Oregon.

Thank you for your attention to this important matter.

Sincerely,

Curtis Matsko

Curtis Matsko
CEO, Portland Leather Goods