



May 21, 2019

Senator Beyer and Representative McKeown
Co-Chairs, Joint Committee on Transportation
Oregon State Legislature
Salem, Oregon

Dear Senator Beyer and Representative McKeown,

We are submitting this letter on behalf of the Technology Association of Oregon (TAO), the force behind the region's tech industry--supporting entrepreneurs, connecting peers and decision makers, and helping establish the Northwest as a global hub for innovation. TAO represents nearly 500 of Oregon's leading technology and technology-enabled companies, including software, computer systems and cybersecurity firms. TAO urges you to oppose HB 3152, a bill that would give private companies free access to other private companies' proprietary computer software and systems, and in doing so would create cybersecurity vulnerabilities that could harm many companies and millions of Oregonians.

HB 3152 would require privately-owned auto industry Dealer Management Systems (DMSs) to provide free access to third parties ("data integrators") authorized by automobile dealers. The integrators' access would be so broad as to include copying and sharing virtually all data housed on the DMS, including sensitive business and consumer information and information that the dealer does not own or have rights to share. This bill contravenes more than a decade of legislative and commercial advances in data security, and fundamentally undermines the "software-as-a-service" ("SaaS") business model of the modern software industry.

HB 3152 Undermines the Software Business Model and Violates Developers' IP Rights

For many years software companies made money by licensing copies of programs that were stored on local computers or servers. Today's software leaders license access to software that is stored on systems – remote servers or "in the cloud". This "software as a service" (SaaS) business model has been adopted by Microsoft, Google, Oracle, Salesforce and virtually every software company in Oregon.

Proponents of HB 3152 claim the bill would simply provide data integrators with free direct DMS access to the data that dealers own and already share with data integrators. However, if the State of Oregon gives data integrators free access to DMS software and systems, it will be giving away the very intellectual property that the DMS companies and all software companies license to paying customers. Would the State require companies such as Microsoft or Oracle to give free licenses and free access to their software and systems?



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Access to data and access to computer systems are very different, and the economics are very different. Dealers can already share their data for free. There is no reason for the State of Oregon to grant free access to computer systems and software also.

Sincerely,

A handwritten signature in black ink, appearing to read "Warren Newberry".

Warren "Skip" Newberry, TAO President