

March 11, 2025

Senator Kelly Merrick Senate Community & Regional Affairs Committee 120 4th Street Juneau, AK 99801

RE: Senate Bill 111 - Digital Product Repair

Dear Chair Merrick and Members of the Senate Community & Regional Affairs Committee,

The Entertainment Software Association (ESA) is the U.S. trade association representing the publishers of computer and video games for play on consoles, personal computers, mobile devices, and the Internet. The video game industry is a key economic sector that creates jobs, develops innovative technology, and keeps the United States competitive in the global marketplace. Not only do 75 percent of United States households have at least one gamer in their home, our industry has a footprint that creates jobs in every state.

As you consider new legislation related to the right to repair electronic products, ESA requests consideration of an exemption for video game consoles due to concerns over piracy. Permitting console access to independent repair providers, who we have no oversight of, could result in the modification of hardware and firmware that could compromise the vital security features that provide a secure environment for the playback of copyrighted games. While the majority of repair shops would likely not use the provided tools and documentation for any illegal purposes (e.g., removal of security features) it would only take a few bad actors sharing information on social media for this bill to have a rapid and severely detrimental impact on the industry. Similar legislation that passed in other states, California¹ and Minnesota² in 2023 and Colorado³ and Oregon⁴ in 2024, recognized the significant threat posed and the importance of copyright protection to video game consoles by exempting consoles from the scope of their laws. ESA's exemption contains a narrowly-tailored definition of video game console to ensure only the intended products are excluded from the scope of this legislation. The definition that was agreed upon in the four other states is outlined below for your reference.

A "Video Game Console" means a computing device, such as a console machine, a handheld console device, or another device or system, and its components and peripherals, that is primarily used by consumers for playing video games but which is neither a general nor an all-purpose computer. A general or all-purpose computer includes, but is not limited to, a desktop computer, laptop, tablet or cell phone.

ESA is also concerned with right to repair proposals which fail to specifically address copyright protection and potential conflicts with well-established laws to protect intellectual property. ESA video

https://leginfo.legislature.ca.gov/faces/billPdf.xhtml?bill id=202320240SB244&version=20230SB24489CHP

<sup>&</sup>lt;sup>1</sup> CA SB 244 (2023)

<sup>&</sup>lt;sup>2</sup> MN SF2744 (2023); p.167, Section 11 325E.72.

https://www.revisor.mn.gov/bills/text.php?number=SF2744&version=latest&session\_ls93&session\_year=2023&session\_number=0

<sup>&</sup>lt;sup>3</sup> CO HB24-1121 (2024). <a href="https://leg.colorado.gov/bills/hb24-1121">https://leg.colorado.gov/bills/hb24-1121</a>

<sup>&</sup>lt;sup>4</sup> OR SB542 (2024). https://olis.oregonlegislature.gov/liz/2023R1/Measures/Overview/SB542



game console makers employ digital locks designed to protect their game consoles and provide a secure media environment for players and other video game publishers and developers. These protections, known as technological protection measures ("TPMs"), are so critical to copyright holders that they have been protected by international treaties since 1996. Since then, over 100 countries have implemented protection for TPM in their own laws. Moreover, in October 2021, the U.S. Copyright Office (the "Office"), in the context of statutorily mandated administrative rulemaking, reviewed whether TPMs can be circumvented for the purpose of repairing consumer electronics. As in earlier rulemakings, the Office stated that video game consoles are unique in the consumer electronics marketplace because of the valuable copyrights content available to play on them and that there is a real threat of piracy if game console TPMs were modified. Given the circumstances, the Office recommended that a very limited exemption should be adopted that would allow circumvention *only* to repair broken optical drives on consoles *and* that the circumvented TPMs must be restored to their original functionality after repair of those optical drives.

In addition to the Copyright Office, the Federal Trade Commission (FTC) has also acknowledged that video game console makers and game publishers rely on the content protection systems built into consoles to protect against sophisticated piracy efforts. In fact, in its report, "Nixing the Fix: An FTC Report to Congress on Repair Restrictions" ("FTC Report" or "Report"), the FTC recognized that protecting intellectual property ("IP") rights benefits consumers and that regulation regarding repair restrictions cannot be one-size-fits-all. Indeed, the Report makes a special effort to recognize that IP rights play a valuable role in encouraging and rewarding innovation, and that "any action taken by industry or regulators to enable independent repair should seek input from such entities (i.e., the U.S. Copyright Office) and other stakeholders and be mindful of existing law and policy supporting IP protection." Accordingly, if adopted, broad Right to Repair laws would reverse established Copyright Office and FTC precedent, with potentially harmful unintended consequences to consumer and company protections.

Finally, ESA is also concerned that Right to Repair proposals may be burdensome and unnecessary, as ESA console makers' success depends on consumers having reliable, versatile, and engaging platforms on which to play video games and enjoy digital content. For that reason, ESA's video game console makers —Microsoft, Nintendo, and Sony—are committed to providing consumers with repairs that are quick, reliable, and secure. In addition, they also offer a variety of repair options for consoles that include repair services beyond the warranty period to ensure that their consoles remain in good working order.

We appreciate your consideration of our concerns regarding Right to Repair legislation in Alaska and would be happy to follow-up with any additional information, as needed.

Sincerely,

Andrew O'Connor
Director, State Government Affairs
Entertainment Software Association