

Good morning Madam Chair and Members of the Committee.

- My name is Tara Ryan, with the Entertainment Software Association. I am here today, respectfully, to oppose SB 412, which seeks to create a “Right-to-Repair” mandate.
- ESA is the trade association representing companies that publish computer and video games for PCs, mobile devices, and video game consoles. The makers of all three major console systems – Microsoft, Nintendo, and Sony – are ESA members.
- People who play video games represent a diverse cross-section of the United States, spanning every age, gender, and ethnicity. Not only do 75% of U.S. households have at least one gamer at home, our industry also has an economic footprint that touches every state. In Maryland, for example, there are more than 30 video game publisher, developer, and hardware companies.
- Consoles offer security safeguards that help protect our players’ personal data and sensitive information that may be stored locally. Accordingly, permitting repair by unauthorized parties may create risks that bad actors could exploit.
- Top games can take several years to develop and cost tens of millions or, in some cases, more than a \$100 million to produce.
- Video game consoles are unique in the digital electronics space.
 - There are real consequences related to these proposals that will have a direct and lasting impact on the consumer experience.
 - A “Right-to-Repair” mandate poses a high risk to game publishers and other copyright owners who rely upon the secure media environment of the game console to safeguard their works against sophisticated piracy efforts.
- It is a fact that there is a thriving modification market offering tools and other ways to modify game consoles in order to play these illegal games downloaded from the Internet.
- To help prevent content theft, video game software, firmware, and hardware have built-in security features, known as “technological protection measures,” or TPMs, to prevent the play of unauthorized video game content and access to other content.
- TPMs help to create a secure media platform. The biggest benefit of a secure media platform is that it provides video game publishers, music distributors, and video streaming platforms with assurances that their content will be safe.

- **Sharing hardware schematics, sensitive diagnostic information, tools, and security-related reset codes with unauthorized third parties, would compromise the security of the entire platform, and harm console makers and copyright owners.**
- **ESA and the console makers have a strong interest in ensuring that game console owners have access to affordable, high-quality, safe, and reliable repairs. All three console makers offer repair services beyond the warranty period. Keeping consoles in good working order and ensuring product integrity are important to console makers.**
- **While we cannot provide exact time frames given that not all repairs are equal, console makers strive to see to it that consumers does not have to spend very long without their system. If a product is not under warranty, the goal is to provide reasonable repair prices.**
- **Piracy is a constant threat to the video game industry.**
- **In October 2020, two leaders of one of the world’s most notorious videogame piracy groups, “Team Xecuter,” were arrested and faced charges filed in U.S. District Court in Seattle.**
 - **The DOJ statement indicated that the prevention of the theft of intellectual property is a priority. These arrests should send a message to would-be pirates that the FBI does not consider these crimes to be a game**
- **Every day, millions of Americans enjoy playing video games on consoles. The continued viability and success of the game console business is dependent upon a trustworthy and secure delivery platform.**
- **If platforms are compromised, which we believe they will be if a “Right-to-Repair” mandate is imposed, it will hurt game publishers, console makers, and consumers’ trust in a protected and entertaining game-play environment.**
- **Thank you for allowing me to testify today.**