



Date 9/12/2023

Dear Chairman Carter and Members of the Regulatory Reform Committee:

Thank you for your time today to hear my testimony regarding HB 4562 - the Right to Repair.

My name is Jake Blough and I am the Chief Technology Officer for Service Express, {servicexpress.com} founded and headquartered in Grand Rapids, Michigan. SEI has been in the business of enterprise (data center) repair and support for 40+ years. We have more than 335 employees in Michigan, and roughly 900 Globally.

Before 2010, manufacturers in most cases publicly posted safety and security updates to online portals or made orderable media to provide updates for business systems. In 2010, one of the major OEM players decided to rescind that access, and then tied access to these updates to having a maintenance agreement with that manufacturer for the equipment. Other manufacturers then followed suit, putting up a paywall between the customer and these updates.

At the same time, technology locks have been put in place such that customers can no longer acquire defect support updates (aka "recalls") without maintenance agreements, or even replace parts themselves due to password locks, security locks, or other methods to eliminate the ability of the customer, or their chosen agent to provide repairs. These locks are not to protect the owner from a security breach – but to protect the manufacturer from losing repair revenue.

The consequence of these strategies is that businesses which have made major technology investments must continue to pay monthly for the privilege of receiving updates which are in many cases to repair a fault In the device that was discovered after manufacturing (like the recent Intel "Downfall" bug <https://arstechnica.com/information-technology/2023/08/data-leaking-downfall-bug-affects-six-generations-of-intel-pc-and-server-cpus/>) Companies are left to the "goodwill" of a manufacturer to freely release fixes for these defects, or pay the full price for ongoing maintenance. This leaves some companies that cannot afford the manufacturer maintenance plans to leave their systems unpatched and at risk, or needing to replace the devices entirely to get a new warranty period without charges.

Further, when a manufacturer decides that it no longer wants to support a particular device anymore (End of Life, End Of Support Life), the customer is now unable to repair the device that may be critical to their business because any failure cannot be repaired. The company is then forced to spend hundreds of thousands if not millions of dollars to replace, migrate, and run a new infrastructure, starting the entire cycle over again.

Right to repair and HB 4562 will help Michigan businesses that want choice in whom they trust to provide services, and the ability to keep their systems safe and protected without extra financial burden.

I welcome any additional questions or comments this may bring up.

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Chief Technology Officer

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