

March 26, 2019

# An Open Letter to Governors, State Lawmakers, Attorneys General and Economic Development Leaders:

Privacy and consumer trust are critical to and a bedrock of our civil society and economy. On that, we all agree. As leaders keenly interested in continuing our states' economic growth, we encourage careful thought and consideration to these issues but resist a 'quick fix' that both fails consumers and harms businesses of all types and sizes.

California's recent adoption of a new privacy law is an unreasonable and misguided attempt to achieve the laudable goal of safeguarding consumers' private data. The new law will cause unnecessary economic loss and threaten jobs without enhancing data privacy and security.

In June of last year, California lawmakers rushed through overreaching legislation known as the California Consumer Privacy Act or CCPA. It is widely agreed that the new law is flawed and needs significant changes in order to truly safeguard consumer privacy and maintain the kind of innovative products and services customers rely upon and demand. In fact, California legislators were forced to return the capitol to begin revising the new statute in August and are expected to consider even more changes in 2019.

CCPA is expected to adversely impact nearly every business in California as well as tens of thousands of companies that do business in the state - leading to widespread, negative economic repercussions, including:

- Forcing websites to collect or associate more information about consumers than they otherwise might in order to meet several of the law's requirements.
- Damaging the functionality and convenience of products and services that American consumers have come to expect including discounts and loyalty programs.
- Creating prohibitively high compliance costs for small and medium-sized businesses.
- Increasing legal liability and penalties on businesses for even technical noncompliance with new, ambiguous, and sometimes contradictory requirements.
- Chilling effects that discourage economic growth, expansion, and job creation for companies based in other states who have California customers.
- Halting or stunting the growth of U.S. competitiveness in innovation, which includes the workforce pipeline.

Experts estimate that any company conducting business in California with an average of only 137 credit card sales per day will be adversely impacted by this law. That means thousands of gas stations, coffee shops, restaurants and retail shops will be forced to take on the high costs of compliance and likely pass down those costs in the form of higher prices for their consumers.

As more is understood about the law and additional changes are sought, it is clear that CCPA should not be an example for other states or a representation of the U.S. approach to privacy as a whole. Instead, Congress should adopt a federal privacy framework that preempts state law on matters concerning data privacy in order to provide certainty and consistency to consumers and businesses alike. Consumers and businesses benefit when there is certainty and consistency with regard to regulations and enforcement of privacy protections. They lose when they have to navigate a confusing and inconsistent patchwork of state laws.

We hope state leaders will carefully examine more thoughtful, reasonable, and fair solutions to protect consumer privacy while encouraging innovation and economic growth. Thank you for your time and careful attention to this important matter.

Sincerely,

Arizona Chamber of Commerce and Industry  
 Austin Chamber of Commerce  
 Berkeley Chamber of Commerce  
 Boulder Chamber of Commerce  
 Business Council of Alabama  
 Chicagoland Chamber of Commerce  
 Colorado Chamber of Commerce  
 Detroit Regional Chamber  
 Georgia Chamber of Commerce  
 Grain and Feed Association of Illinois  
 Greater Boston Chamber of Commerce  
 Greater North Dakota Chamber of Commerce

Greater Pittsburgh Chamber of Commerce  
 Idaho Association of Commerce and Industry  
 Illinois Hispanic Chamber of Commerce  
 Illinois Chamber of Commerce  
 Illinois Technology Association  
 Iowa Association of Business and Industry  
 Kansas Chamber  
 Kentucky Chamber  
 Manhattan Chamber of Commerce  
 Metro Atlanta Chamber of Commerce  
 Missouri Chamber of Commerce and Industry  
 Mountain Lakes Chamber of Commerce

New England Council  
 New Jersey Chamber of Commerce  
 Ohio Chamber of Commerce  
 The State Chamber of Oklahoma  
 Pennsylvania Chamber of Business and Industry  
 Pryor Chamber of Commerce  
 Rogers State University  
 Salt Lake City Chamber of Commerce  
 South Carolina Chamber of Commerce  
 Technology Association of Iowa  
 Tulsa Regional Chamber  
 Wisconsin Manufacturers & Commerce

