

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

