



TECHNET
THE VOICE OF THE
INNOVATION ECONOMY

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March 25, 2019

Sen. Mae Flexer, Chair
Rep. Daniel Fox, Chair
Joint Committee on Government Administration and Elections
Connecticut General Assembly
Legislative Office Building, Room 2200
Hartford, CT 06106

Re: SB 1108- Consumer Privacy

Dear Chairs Flexer and Fox and members of the Committee:

TechNet is the national, bipartisan network of over 84 technology companies that promotes the growth of the innovation economy by advocating a targeted policy agenda at the federal and 50 state level. TechNet's diverse membership includes dynamic American businesses ranging from startups to the most iconic companies on the planet and represents more than three million employees in the fields of information technology, e-commerce, clean energy, gig and sharing economy, venture capital, and finance. TechNet is committed to advancing the public policies and private sector initiatives that make the U.S. the most innovative country in the world.

TechNet respectfully submits these comments in opposition to SB 1108 pertaining to consumer privacy. We appreciate the desire of the Sponsors to address consumer privacy protections. However, we urge Connecticut to support federal efforts to create a comprehensive privacy law instead of contributing to a growing patchwork of state legislation (including the confusing California Consumer Privacy Act (CCPA), which suffers from significant drafting errors).

As you are likely aware, on June 28, 2018, California enacted CCPA, a well-intentioned, but flawed new law, that seeks to protect the data privacy of technology users and others by imposing new rules on companies that gather, use, and share personal data. Unfortunately, CCPA was rushed through the California legislative process to avoid a potential ballot fight in November. Due to a hard deadline to withdraw the initiative, there was little time for substantive policy negotiations about a law that has a tremendous impact on businesses not only in California but across the nation.

The CCPA's hasty passage resulted in a number of drafting errors and inconsistencies in the law which required additional follow up legislation. The law continues to be a work in progress and is by no means a model to pass in other states. The law will not take effect until January 2020, is

likely to be amended further, and will be clarified in Attorney General regulations. Additionally, it remains to be seen what unintended consequences that will result from law that rushed through the legislative process.

The CCPA suffers from numerous definitional and operational problems that make implementation and compliance needlessly confusing for consumers and businesses alike and needlessly costly. CCPA would impose millions of dollars of compliance costs on most businesses and would harm the state's economy more than it would protect consumer privacy. In key respects, the law would undermine privacy and data security. For example, the absence of a clear fraud exception would mean that hackers and other bad actors can require disclosure of information that jeopardizes consumers' security.

TechNet is also concerned with a patchwork approach that imposes different privacy and security obligations in different states. Privacy laws can be difficult and costly for some of the largest businesses to comply but its even worse for small businesses and start-ups. If you also factor in multiple states with multiple different laws, the end result can be crippling.

TechNet asks you to consider holding SB 1108 until we better understand the final requirements of CCPA. It is our hope that Connecticut will legislate in a way that avoids creating a second, different consumer privacy regime, and that you will work with industry on a more workable variant that preserves individuals' trust and confidence that personal data will be protected while also supporting flexibility and the free flow of information.

We thank you in advance for your consideration. Please do not hesitate to reach out with any questions.

Sincerely,

/s/

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