

April 28, 2015

The Honorable Mark Warner  
United States Senate  
475 Russell Senate Office Building  
Washington, DC 20510

Dear Senator Warner:

The undersigned associations, representing tens of thousands of businesses, applaud and strongly support your efforts to develop data security breach legislation that would be effective, achieve bipartisan support, and be enacted by Congress this year.

Data security incidents raise concerns for American businesses as well as for our customers and clients. Organized groups of criminals and foreign nations have focused attacks on a broad range of U.S. industries. These criminals devote substantial resources and expertise to breaching even the most protected systems.

The Data Breach Notification Act of 2015 that you have circulated as a discussion draft would:

- establish uniform standards for all businesses nationwide;
- require notice to affected individuals whenever there is a risk of financial harm following a breach;
- create greater incentives for all businesses to improve their data security practices; and
- empower regulatory and other enforcement agencies to take strong action against those who do not.

We support three essential principles that form the bedrock of effective data security and breach notification legislation and which are embodied in your proposed legislation.

First, every business should have an obligation to notify the public when it suffers a breach of sensitive personal information that creates a risk of financial harm. Informing the public of breaches can help consumers take steps to protect themselves from card fraud and identity thieves. Moreover, the prospect of public disclosure of breaches creates greater incentives for *all* businesses handling sensitive personal information to improve their data security practices. Exemptions for particular industry sectors not only ignore the scope of the problem, but create risks criminals can exploit.

Second, there currently are 51 inconsistent breach laws on the books in 47 states and 4 other federal jurisdictions, such as the District of Columbia and Puerto Rico. Those inconsistencies create legal traps for the unwary. We need one, national, preemptive law so that every business and every consumer knows the singular rules of the road. A single federal law applying to all breached entities would ensure clear, concise and consistent notices to all affected consumers regardless of where they live or where the breach occurs.

Finally, if we are going to replace the 51 existing laws with a single federal law, that national law should reflect the strong consensus of the state requirements, while removing any ambiguities and inconsistencies among them. Moreover, a federal law should allow appropriate agencies to enforce reasonable data security standards against those bad actors who would skirt the law.

We believe your bill could establish an effective and workable disclosure standard that improves upon the existing patchwork of state laws with a strong, uniform national law. We look forward to working with you and other members of Congress on this important legislation going forward, and to developing bipartisan support for it so that Congress can enact a law this year that will create a single, federal requirement for the timely notification to affected consumers by all breached entities.

Sincerely,

American Hotel & Lodging Association  
International Franchise Association  
National Association of Convenience Stores  
National Association of Realtors  
National Council of Chain Restaurants  
National Grocers Association  
National Restaurant Association  
National Retail Federation  
U.S. Travel Association

cc: The Honorable Mitch McConnell  
The Honorable Harry Reid  
Members of the U.S. Senate