

THE MAIN STREET PRIVACY COALITION

November 21, 2019

The Honorable Roger Wicker
Chairman
Committee on Commerce, Science,
and Transportation
United States Senate

The Honorable Maria Cantwell
Ranking Member
Committee on Commerce, Science,
and Transportation
United States Senate

The Honorable Lindsey Graham
Chairman
Committee on the Judiciary
United States Senate

The Honorable Diane Feinstein
Ranking Member
Committee on the Judiciary
United States Senate

The Honorable Mike Crapo
Chairman
Committee on Banking, Housing,
and Urban Affairs
United States Senate

The Honorable Sherrod Brown
Ranking Member
Committee on Banking, Housing,
and Urban Affairs
United States Senate

The Honorable Lamar Alexander
Chairman
Committee on Health, Education,
Labor and Pensions
United States Senate

The Honorable Patty Murray
Ranking Member
Committee on Health, Education,
Labor and Pensions
United States Senate

RE: The Main Street Privacy Coalition – Principles for Federal Privacy Legislation

Dear Chairmen and Ranking Members:

The undersigned associations represent over a million Main Street businesses that Americans know and interact with every day in industries that directly serve consumers and help support local communities across the country. Together, as The Main Street Privacy Coalition, we wish to express our appreciation for your leadership on consumer data privacy issues and to share with you the principles we support in bipartisan federal privacy legislation.

The Main Street Privacy Coalition (MSPC) is comprised of a broad array of national trade associations representing businesses that line America's Main Streets. From retailers to REALTORS®, hotels to home builders, grocery stores to restaurants, and gas stations to convenience stores, our member companies interact with consumers day in and day out. Collectively, the industries that MSPC trade groups represent directly employ nearly 34 million Americans and constitute over one-fifth of the U.S. economy by contributing \$4.5 trillion (or 21.8%) to the U.S. gross domestic product (GDP). Our success depends on maintaining trusted relationships with our customers and clients: trust that the goods and services we provide are high quality and offered at competitive prices; and trust that the information customers provide to us is kept secure and used responsibly. For these reasons, our associations have been actively engaged in the discussions surrounding data privacy and have come together to support enactment of a comprehensive and uniform federal data privacy law.

American businesses have no higher priority than earning and maintaining trusted relationships with their customers. To preserve those relationships, businesses must protect and responsibly use the personal information that customers share with them. As members of Congress consider legislative and regulatory solutions to address data privacy concerns, our coalition urges adoption of the following principles:

- **Comprehensive and Uniform Federal Standard.** There should be a comprehensive federal law on data privacy that protects consumers in a nationwide, uniform and consistent way.
- **Transparency for Consumers.** Consumers should be informed of the categories of personal data that businesses collect and how that data is used by them.
- **Preserve Customer Services and Benefits.** A federal data privacy law should preserve the ability of consumers and businesses to voluntarily establish mutually beneficial business-customer relationships, including rewards and loyalty programs.
- **Responsibility for Own Conduct.** Any privacy law should make all businesses responsible for their own conduct. It should not expose them to liability for privacy violations by their business partners, including contractors, franchises and other businesses.
- **Statutory Obligations for All.** Small businesses should not be forced to hold other businesses to privacy standards through contracts. All businesses that handle consumer information should have direct privacy obligations under the law.
- **No Exemptions.** Every industry sector that handles consumer information should have equivalent legal obligations to protect consumer privacy under the law.

An essential element of our members' valued customer relationships is respect for the personal information that customers share with their businesses. Virtually every industry sector – whether consumer-facing or business-to-business – handles significant volumes of consumer information. To comprehensively protect Americans' interests in data protection, any federal data privacy legislation should apply to *all* industry sectors that handle consumer data, and should not contain any loopholes that leave consumers unprotected when their personal data is handled by a business with which they do not have, or expect to have, a direct relationship. Every business handling consumer data in an information chain of custody should therefore have equivalent *statutory* obligations to protect that data and honor consumer rights requests with respect to it. Privacy law should not rely solely on private contracts, and enforcement of them by private parties, to create these legal obligations and ensure they are met by all businesses.

American consumers expect all businesses handling their personal information to do so responsibly, regardless of when and where that data is collected or used. By developing a data privacy law that does not pick regulatory winners and losers, Congress can ensure that Americans' privacy will be protected by federal law regardless of which business is collecting, transmitting, storing or otherwise processing their personal information.

We believe Congress must act to ensure that consumers' privacy interests are protected. We are concerned with leading state privacy laws that are being crafted and enacted on the inaccurate presumption that consumers' interests in data privacy stops at the front door of a consumer-facing business. These laws fail to appreciate that consumers are equally or more concerned with what third parties unknown to them may do with their personal information. Furthermore, even well-meaning state laws may make it impossible for Main Street businesses to use data to serve their customers in the many ways consumers have come to expect. In the end, it may be American consumers who stand to lose the most if businesses cease to take advantage of technological innovations to better serve them out of fear of inadvertently violating a hodge-podge of potentially conflicting state privacy regulations. We therefore urge the committees you lead to carefully examine the flaws in state privacy laws and improve upon them by enacting legislation that will hold accountable all entities handling consumers' personal information.

We look forward to working with you and the members of your committees on federal data privacy legislation that will provide a uniform and fair framework for consumers and businesses alike that respects and promotes consumer privacy across all industry sectors.

Sincerely,

American Beverage Licensees
American Hotel & Lodging Association
American Pizza Community
International Franchise Association
National Association of Convenience Stores
National Association of Home Builders
National Association of Realtors
National Association of Truck Stop Operators
National Council of Chain Restaurants
National Grocers Association
National Restaurant Association
National Retail Federation
Petroleum Marketers Association of America
Retail Industry Leaders Association
Self Storage Association
Society of Independent Gasoline Marketers of America

cc: The Honorable Mitch McConnell
The Honorable Charles E. Schumer
The Honorable John Thune
The Honorable Dick Durbin
Members of the U.S. Senate