



TECHNET
THE VOICE OF THE
INNOVATION ECONOMY

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May 22, 2024

To the Members of the House Energy and Commerce Subcommittee on Innovation, Data, and Commerce:

We believe comprehensive and preemptive federal data privacy legislation should end the growing privacy patchwork, protect consumers, and allow American innovation to flourish. Unfortunately, the proposed *American Privacy Rights Act* (APRA), even in its updated form, fails to meet this standard.

TechNet is the national, bipartisan network of technology CEOs and senior executives that promotes the growth of the innovation economy by advocating a targeted policy agenda at the federal and 50-state level. Our [membership](#) includes dynamic American businesses ranging from startups to the most iconic companies on the planet and represents over 4.4 million employees and countless customers in the fields of information technology, artificial intelligence, e-commerce, the sharing and gig economies, advanced energy, transportation, cybersecurity, venture capital, and finance.

This week, Minnesota became the [20th state](#) to pass a comprehensive privacy bill. It is critical that Congress work to enact comprehensive federal privacy legislation that preempts state law and protects all Americans regardless of their age or where they live, thereby ending the growing state-by-state privacy patchwork. Comprehensive privacy legislation should not include private rights of action, must be tech- and sector-neutral and apply to online and offline entities that collect and process personal information, and should ensure that consumers have the right to access, correct, and delete their data without undermining privacy or data security interests. As drafted, APRA fails to accomplish these goals and would actively hurt American businesses.

First, APRA includes language that fails to recognize the value of reasonable data collection, processing, use, and retention activities to improve and personalize consumer services. Instead of empowering consumers to have greater control over their data while providing clarity for businesses, APRA empowers the Federal Trade Commission to serve as the gatekeeper for private sector innovation and could have a significant negative impact on the digital advertising ecosystem and the free and open internet. Burdensome regulations will likely entrench the largest companies while imposing significant [barriers to entry](#) for startups and small- and medium-sized enterprises. According to an [analysis](#) of the European Union's General Data Protection Regulation (GDPR), GDPR ultimately "induced the exit of

approximately 33 percent of available apps and reduced the entry of new apps by 50 percent.”

APRA also contains several provisions that will undercut the stated goal of creating a consistent and uniform national standard that would permanently address the costs of a growing patchwork of state privacy laws, estimated at [\\$1 trillion over ten years](#), with \$200 billion being borne by small businesses. For example, APRA’s preservation of a variety of state laws could allow states to expand the existing privacy patchwork based on their own interpretation of whether a particular product or service amounts to a deceptive, unfair, or unconscionable practice. Notably, APRA’s inclusion of a carve-out for state health privacy laws would preserve Washington’s *My Health, My Data Act*.

Finally, under APRA, companies that provide services to consumers would face the threat of costly litigation for a variety of circumstances. In addition to creating an expansive federal private right of action, APRA also separately preserves several state-specific private rights of action, such as the *California Privacy Rights Act* and Illinois’ *Biometric Information Privacy Act*, further undermining the goal of creating a consistent and uniform national standard.

In the absence of substantive changes to address this bill’s negative impacts on consumers and businesses, we respectfully urge you to oppose this legislation and instead craft comprehensive and preemptive privacy legislation that protects consumers, allowing the American people to enjoy the benefits of continued innovation in the data-driven economy, and ensures America wins the next era of innovation.

Thank you for your consideration of our perspective on this important issue.

Sincerely,



Carl Holshouser
Executive Vice President