



June 25, 2020

Harvey Perlman
Chair
Collection and Use of Personally Identifiable Data Drafting Committee
Uniform Law Commission
111 N. Wabash Avenue
Suite 1010
Chicago, IL 60602

Dear Chair Perlman,

The Main Street Privacy Coalition¹ is a coalition of 19 national trade associations representing more than a million American businesses. Our industries contribute \$4.5 trillion to the American economy, more than 20% of America's total GDP, and directly employ 34 million Americans. Our members can be found in every state, city, and town in our nation, where they are an absolutely vital part of their communities.

The foundation of our industries is trust, and the relationships we build with our customers and clients. Our customers trust us with their sensitive personal financial information, and it is on our responsibility to earn that trust. For these reasons, our industries and associations have come together to form the Main Street Privacy Coalition, dedicated to the enactment of comprehensive and uniform data privacy laws.

To that end, we support the Uniform Law Commission's (ULC's) efforts to draft model privacy legislation. We are concerned, however, that the effectiveness of ULC's work could be undermined by industry sectors seeking exemptions or other special treatment in the law.

In particular, businesses such as data cloud storage providers, telecommunications firms, financial institutions, and others routinely argue that provisions of proposed uniform privacy laws should not apply to them. This is nonsense.

Whether some of these companies refer to themselves merely as "service providers" or claim that laws like the Gramm Leach Bliley Act already has comprehensive privacy provisions (that law doesn't), these efforts to provide special exemptions and rules will surely weaken the protections that legislators think they are enacting and that consumers think they are getting. We need look no farther than the way that some companies have tried to exploit the "service provider" provisions

¹ The Main Street Privacy Coalition 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, its 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 to U.S. gross domestic product.



of California's new privacy law to escape the coverage of that law – even though some of those companies were among the primary businesses raising concerns that led to the law's creation.²

With that in mind, as you pursue the goal of a uniform privacy law, we urge you in the strongest terms to ensure that there are not special loopholes and that the law adheres to the following principles:

- **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 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 consumers' personal information should have direct privacy obligations under the law.
- **No Exemptions.** Every industry sector that handles consumers' personal information should have equivalent legal obligations to protect consumers' privacy under the law.

Taken together, we at the Main Street Privacy Coalition believe that these principles are essential to any strong, equitable, and effective data privacy law. These principles ensure that the burden of data privacy will not fall particularly hard on any one sector of the economy, such as small businesses, while also providing customers and clients with the rigorous protections that their data needs. As ULC moves forward with their creation of a model law for state governments, we urge you to incorporate and uphold these principles.

We welcome the opportunity to work with ULC on a model law and appreciate your work on this important issue.

Very truly yours,

The Main Street Privacy Coalition
mainstreetprivacy.com

² See Patience Haggin, "Facebook won't change web tracking in response to California privacy law," *Wall Street Journal* (Dec. 12, 2019) at <https://www.wsj.com/articles/facebook-wont-change-web-tracking-in-response-to-california-privacy-law-11576175345>.