January 29, 2019

Dear Member of Congress,

As the 116th Congress looks to tackle privacy legislation, the Consumer Technology Association (CTA) suggests a federal approach that increases privacy protections and allows the United States to remain the world leader in innovation. CTA is the trade association representing over 2,000 American technology companies, 80% of which are small businesses. At CTA, we work to advance government policies that encourage innovation and job and business creation.

Recent changes to Europe and California’s privacy laws have created an urgent need to modernize federal law and develop a framework that creates uniform national standards for consumer privacy and gives flexibility to companies to spur innovation. The lack of a federal baseline privacy law has fostered a patchwork of state-level legislation, making it difficult for companies, especially small businesses, to comply.

The U.S. approach to privacy should maintain consumers’ trust while also allowing innovation that relies on the use of data collected from consumers. Policymakers should take note that the burdensome and prescriptive regimes adopted abroad impose major costs and barriers for market entry without creating commensurate benefits to privacy. They are not effective privacy frameworks.

Thanks to thoughtful and moderate regulatory approaches by the US Congress, American firms lead the world in online innovation. American platforms are now the global standard for communication, business and entertainment. To maintain our leadership, we need a data privacy structure that represents and promotes American priorities and values. Our challenge is to create consumer-centric policies that allow consumers to share their data, while gaining access to innovative services. Our collaborative goal should be to ensure any legislation propels innovation forward instead of stymying it.

As Congress deliberates privacy, we ask that you consider:

- **A Uniform, Technology-Neutral National Standard**: Consistent protections across technologies, companies, agencies, and state borders are the bedrock prerequisite to ensure consumer trust, continue data-driven innovation, and realize its benefits. A preemptive federal privacy law is the most effective way to achieve such consistency.

- **A Risk-Based Focus on Data**: Privacy legislation should focus on the type of data at issue, recognizing that sensitive data may warrant heightened protections, rather than specific technologies or industry sectors. Legal requirements and enforcement should be focused on addressing specific, concrete privacy harms to ensure that statutory obligations advance meaningful protections and do not chill use of companies’ resources.
• **Freedom to Innovate**: Privacy legislation should provide legal clarity while maintaining the flexibility to innovate. Privacy legislation should not inhibit small businesses’ ability to innovate and compete with more established companies. Red tape imposed in the name of privacy could prevent innovative companies from proving their technologies and services in the marketplace.

• **Follow Time-Tested, Consensus-Based Principles**: The U.S. approach should continue to rest on the principles of transparency, consumer choice, security, and heightened protections for sensitive data. Given the complexity and marketplace impacts of privacy laws, additional principles should have widespread and broad-based support.

  CTA in 2015 created Guiding Principles on personal wellness data to articulate guidance to industry on how to handle data collected from wearable devices. These voluntary principles are baseline recommendations, so companies following them retain flexibility on how to implement them, accounting for each company’s unique combination of products, services, and users; while increasing consumer trust. This exercise can serve as a model for the broader tech industry to work together to advance privacy principles.

• **FTC Leadership**: The FTC is the appropriate federal agency to enforce consumer privacy. It has generally used its authority to act against companies whose data practices caused significant harm to consumers. The FTC’s case-by-case enforcement approach to privacy permits innovative uses of data but ensures that consumers are protected against harmful conduct.

We recognize the importance of consumer trust in our industry. Our members must be good stewards of the consumers’ data. While there have been challenges highlighting the need for another look at managing data practices and protection, we believe a balanced approach will ensure consumer data is protected and enable businesses to grow and innovate. By working together, federal and industry leaders can develop a uniform, national framework that appropriately values consumer privacy and encourages economic growth. CTA stands ready and willing to provide our feedback as you draft and consider federal privacy legislation.

Thank you,

[Signature]

Gary Shapiro
President and CEO

CC: Members of the 116th Congress