



**Testimony of
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In Opposition to Rhode Island Senate Bill 234

**Before the
Rhode Island Senate Committee on Judiciary**

April 30, 2019

Chair, vice-chair, and members of the committee, on behalf of CTIA, the trade association for the wireless communications industry, I submit this testimony in opposition to Senate Bill 234, which would establish state regulations to address an inherently national and global issue: the protection of personal data. A law that sweeps too broadly, as S 234 does, will create security risks for consumers and presents serious compliance challenges for businesses.

S 234 is based on a California law that was passed hastily, without sufficient consultation with impacted stakeholders, and that contains many ambiguities. California legislators are seeking to amend the law before it is effective, and the Attorney General is engaged in a rulemaking process to interpret its provisions. Accordingly, Rhode Island should not rush to follow California.

S 234 creates broad access requirements that are in tension with data security principles, as they may encourage companies to centralize—rather than segregate—consumer data in one location, pool consumer data about particular requesting consumers in one location, and/or maintain consumer data in personally identifiable form, all to be able to comply with consumer requests. These practices inherently carry risks, such as making the data a more attractive target to identity thieves and cyber



criminals. They can also be burdensome.

The deletion requirements in this legislation will be overly burdensome on companies. These requirements may also undermine important fraud prevention activities by allowing bad actors to suppress information. Moreover, these requirements may jeopardize the availability or quality of free or low-cost goods and services which are exchanged for personal data. Often, consumers have access to free or low-cost goods or services because they allow a company to use their personal data. While consumers should always be provided meaningful notice and choice before their personal data is used, that choice should be balanced against the numerous benefits to consumers.

The provision that prohibits companies from penalizing a customer who opts-out of disclosure of the customer's personal information, while well intentioned, is also likely to have unintended consequences. Online news sites, content providers, and apps are often provided to consumers free of charge because they are supported by advertising. These content providers should not be forced to continue to offer free services to consumers who opt-out of disclosing online identifiers to advertisers. Furthermore, the broad opt-out provisions in the bill may fundamentally change how the internet operates in Rhode Island.

Consumer privacy is an important issue. State-by-state regulation of consumer privacy will create an unworkable patchwork that will lead to consumer confusion. That is why CTIA strongly supports ongoing efforts within the federal government to develop a



uniform national approach to consumer privacy.¹ Several federal agencies, including the Federal Trade Commission (FTC), the National Telecommunications and Information Administration (NTIA), and the National Institute of Standards and Technology (NIST) are involved in these efforts. More than 200 organizations and individuals filed comments with NTIA last November, and these comments expressed broad support for federal privacy legislation. The stakes involved in consumer privacy legislation are high. Taking the wrong approach could have serious consequences for consumers, innovation, and competition. Moving forward with broad and sweeping state legislation would only complicate these efforts while imposing serious compliance challenges on businesses and ultimately confusing consumers.

In closing, fragmented privacy approaches across states are difficult, and sometimes impossible, to effectively implement. Even the most well-intentioned companies will face steep hurdles attempting to comply with various, overlapping, and sometimes conflicting state laws. Rhode Island should not enact complicated privacy legislation that creates security risks and raises the prospect of costly compliance and litigation risks for businesses operating in the state. For these reasons, CTIA opposes S 234 and would respectfully request that you not move this legislation.

¹ See *generally* Comments of CTIA, Developing the Administration's Approach to Consumer Privacy, NTIA Docket No. 180821780-8780-01 (Nov. 9, 2018).