

NetChoice *Promoting Convenience, Choice, and Commerce on the Net*

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Assm. Craig J. Coughlin, Speaker
New Jersey State Assembly
Trenton, NJ

May 21, 2018

RE: Opposition to A 3923 – Requires commercial Internet website and online service operators to conspicuously post their privacy policy.

Dear Speaker Coughlin and members of the Assembly:

We agree with the desire to provide consumer transparency via privacy policies. However, A3923 is not the correct approach as it imposes costly burdens on nearly all New Jersey businesses with a website. A3923 would discourage Garden State businesses from seeking new online opportunities.

To that end, we ask that you not advance A3923.

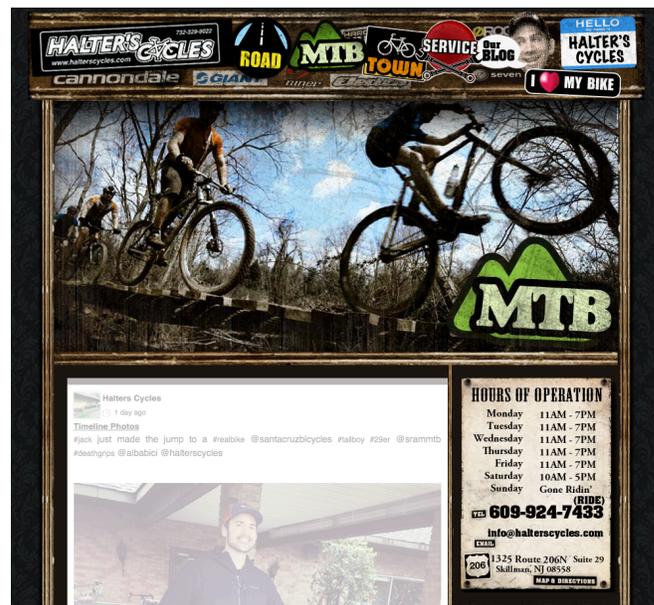
Businesses across the Garden State are discovering the benefits of maintaining an online presence. Whether it is making sales online, or simply providing information about services offered, having a webpage is bordering on essential in today's economic environment.

Unfortunately, A3923 would foist new legal costs on even New Jersey businesses that merely list their phone number and address on a webpage.

A3923's unbounded definition of "personally identifiable information" would require every New Jersey business with a website to post a privacy policy – even if it's only collecting the IP address requesting the webpage.

Of course, large websites already post privacy policies, so the law will not affect them. A3923's new requirements really only apply to small businesses.

Take for example Halter's Cycles in Skillman. This store uses their website, halterscycles.com, to inform and engage with customers. The website does not currently have a privacy policy. Despite its likely negligible collection of personal information, Halter's Cycles would be impacted by A3923.



Should A3923 advance, Halter's Cycles would likely need to get an attorney and draft a privacy policy. These privacy policies can cost around \$5,000 for an off-the-shelf version.

For the smaller businesses, like Halter's Cycles, A3923 creates a complicated and expensive process. Moreover, privacy policies become affirmative statement that can be used against small businesses. Meaning if a business' privacy policy has one mistake or forgets to adjust for the collection of data from web ads or plug-ins, the business has just broken state and federal law and can be sued.

In essence, A3923 creates additional roadblocks that keep New Jersey stores offline.

Moreover, it is unlikely that customers of Halter's Cycles will substantially benefit from the presence of a privacy policy, but it will certainly cost the store.

We understand and support the idea behind this bill, increasing transparency about online data practices. But this bill fails to achieve its goals as few people ever read these privacy policies.

A3923 would provide no real benefit to consumers, make it harder for New Jersey businesses to go online, and mostly move money away from small businesses.

For these reasons we ask that you not advance A3923. Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script, appearing to read "Carl Szabo".

Carl Szabo
Vice President and General Counsel
NetChoice

NetChoice is a trade association of e-Commerce and online businesses. www.netchoice.org