



August 17, 2023

Assembly Member Chris R. Holden
Chair, Assembly Appropriations Cmte
1021 O Street, Suite 5650
P.O. Box 942849-0041
Sacramento, CA 94249

Assembly Member Megan Dahle
Vice Chair, Assembly Appropriations Cmte
1021 O Street, Suite 5710
P.O. Box 942849-0001
Sacramento, CA 94249

Senator Josh Becker
1021 O Street, Suite 7250
Sacramento, CA 95814

RE: SB 362 - OPPOSE

Dear Chair Holden, Vice Chair Dahle, and Senator Becker:

The undersigned trade associations, companies, and organizations collectively represent a broad cross-section of the United States business community spanning various industries, including financial services, health care, package delivery and logistics, cable and telecommunications, transportation, retail, utilities, real estate, insurance, entertainment, auto, magazine publishing, market research, Internet and online services, advertising and marketing, and others that rely on data to keep the data-driven economy running. Together, we represent thousands of companies that do business in California, employ millions of Californians, and deliver goods and services that provide value to the economy and consumers across the country. We write to **OPPOSE** SB 362.

If passed, SB 362 would negatively impact Californians. Without data, companies would not be able to deliver critically important products and services consumers benefit from today, sometimes without even being aware of how this data supports their safety and enjoyment of everyday life. These services include anti-fraud and identity verification services, marketing services and loyalty programs, cybersecurity services, public interest research, risk management services, beneficiary location, and more. In addition, data helps subsidize the largely free and low-cost availability of online resources, products, and services, thereby significantly decreasing prices for consumers. One study estimates that the free and low-cost products and services consumers are able to access, in large part due to data, provides \$30,000 in value to each consumer every year, measured in 2017 dollars.¹ This major windfall to consumers would be lost if SB 362 is enacted.

SB 362 would also severely damage the vibrant, diverse nature of the California economy. Data broker services help democratize the economic landscape so small, mid-size, and start-up companies, many of which are minority and women-owned,² can compete with larger companies. The main way smaller entities advertise and reach and build new audiences for their products and services is by leveraging third-party data sets provided by data brokers. Absent this data, smaller enterprises will lose a critical path to reach and attract new customers, and consumers overall will have less exposure to new products and services that may interest them. If SB 362 is enacted, and all data brokers must delete data upon a consumer's (or third party's) click of a single button, small, mid-size, and start-up companies will struggle to enter markets and remain profitable once they begin doing business.³

SB 362 is also unnecessary and confusing. The CCPA already provides a deletion right to consumers that is effective across the marketplace.⁴ The law explicitly requires businesses to honor deletion requests, and it requires those businesses to flow deletion requests down to service providers, contractors, and third parties.⁵ SB 362 also does not include exemptions under the CCPA, and consequently could cause significant confusion for companies that are subject to both the CCPA and the bill's terms. The legislature should not ignore the terms of the CCPA, as expressly approved by California voters, by enacting unnecessary and potentially contradictory requirements in SB 362.

¹ J. Howard Beales & Andrew Stivers, *An Information Economy Without Data*, 21 (2022), <https://www.privacyforamerica.com/wp-content/uploads/2022/11/Study-221115-Beales-and-Stivers-Information-Economy-Without-Data-Nov22-final.pdf>.

² Nora Esposito, *Small Business Facts, Spotlight on Minority-Owned Employer Businesses*, U.S. SMALL BUSINESS ADMINISTRATION (May 2019), <https://advocacy.sba.gov/wp-content/uploads/2019/05/Small-Business-Facts-Spotlight-on-Minority-Owned-Employer-Businesses.pdf>; *Women Ownership Statistics*, U.S. SMALL BUSINESS ADMINISTRATION OFFICE OF ADVOCACY, (Mar. 21, 2023), <https://advocacy.sba.gov/2023/03/21/facts-about-small-business-women-ownership-statistics/>.

³ See SBE Council, *Online Advertising Delivers BIG Benefits for Small Businesses* (Sept. 10, 2019), <https://sbecouncil.org/2019/09/10/online-advertising-delivers-big-benefits-for-small-businesses/>.

⁴ Cal. Civ. Code § 1798.105.

⁵ *Id.* at § 1798.105(c).

The undersigned trade associations, companies, and organizations fully support empowering consumer choice and advancing workable privacy protections for Californians. However, SB 362 would have severe and detrimental impacts on Californians and the economy if it becomes law. We therefore respectfully ask you to decline to advance the bill.

Sincerely,

Association of National Advertisers (ANA)
American Advertising Federation (AAF)
American Association of Advertising Agencies (4As)
American Fintech Council (AFC)
American Financial Services Association (AFSA)
Association of National Advertisers (ANA)
California Credit Union League (CCUL)
California Financial Services Association (CFSA)
Consumer Brands Association
Consumer Data Industry Association (CDIA)
Insights Association (IA)
Interactive Advertising Bureau (IAB)
The National Business Coalition on E-Commerce and Privacy
NetChoice

CC: Members of the California State Assembly