



STATE PRIVACY AND SECURITY COALITION



NetChoice



Internet Association



April 4, 2017

Honorable William Botzow, Chair
House Commerce and Economic Development Committee
Vermont State House
115 State Street
Montpelier, VT 05633-5301

Re: Vermont HB 467, Relating to the Protection of Personal Information

Dear Representative Botzow:

The undersigned associations represent hundreds of the country's leading technology companies in high-tech manufacturing, computer networking, and information technology, clean energy, life sciences, Internet media, ecommerce, education, and sharing economy sectors. Our member companies are committed to advancing public policies and private sector initiatives that make the U.S. the most innovative country in the world. We strongly oppose HB 467, relating to the protection of personal information. While we care very much about protection of sensitive personal information and often support data security laws, this bill is unprecedented in scope, would regulate activities involving no sensitive data, and would impose unwarranted and impractical requirements found in no other state.

First, HB 467 focuses on a broad range of information that is in no way sensitive and poses no risk to Vermont residents. It includes information that simply "is capable of being associated with a particular individual" but does not actually identify the person and therefore does not raise privacy or security concerns. It also includes broad categories such as "physical description", "purchasing history," "charitable contribution history", any profile that includes "characteristics", "social media history" or "Internet usage history," or "licensing or real property history." These terms encompass significant amounts of publicly available information, run-of-the-mill charitable and business marketing data that help rather than pose risk to consumers, as well as ordinary information that supports Internet advertising to a device, but does not identify an individual. This information on its own does not pose a threat of harm to an individual. A bad actor cannot, for example, use someone's Internet usage history to engage in identity theft or fraud.

Second, it makes no sense to require registration with the State Department of Financial Services for this sort of mundane business activity, or to impose regulatory customer vetting requirements or to require filing of special reports regarding sources of information and the type of

information held. Where data does not create security risk, requiring a written customer vetting procedure is overkill. And requiring disclosure of sources of data and the type of data obtained would inappropriately require disclosure of trade secret data that would undermine competitiveness in this sector. There is simply no justification for this, particularly in light of the fact that, as mentioned above, much of the information would never be able to be used to cause any kind of harm.

Finally, the bill defines “data brokers” in a way that captures a huge range of businesses that are not traditionally understood as being data brokers, and would subject these entities to heavy and expensive regulation. Many businesses exchange this broad range of supposedly “personal information” for consideration. For example, most charitable campaigns rely on obtaining donor information from one charity and providing that information for use by other charities of the same general type. Similarly, joint marketing efforts almost always involve some sort of consideration being offered in exchange for offering use of customers’ information in the marketing campaign. This would certainly cover a host of Internet advertising that did not even identify individuals, including advertising arrangements in which consideration is paid for inducing an Internet device with an IP address to visit a site on the Internet.

For the reasons above, we strongly oppose the bill. Thank you for consideration of our comments. We would be happy to discuss the matter further, at your convenience.

Respectfully,

State Privacy & Security Coalition

ANA

CDIA

CompTIA

Data & Marketing Association

Internet Association

Internet Coalition

MPA

Netchoice

TechNet

cc: House Commerce and Economic Development Committee

State Privacy & Security Coalition

500 8th Street, NW

Washington, DC 20004

202.799.4000 Tel