

Attachment #19

Rhode Island Business Coalition, 3/26/19 letter



Honorable Evan P. Shanley
Online Data Transparency and Privacy Protection Commission
Rhode Island State House, Room 101
Providence, RI 02903

March 26, 2019

RE: Testimony on Proposed Online Data Transparency and Privacy Protection Bills

Dear Chairperson Shanley and members of the Commission,

The undersigned members of the Rhode Island Business Coalition would like to express some concerns regarding the proposed Online Data Transparency and Privacy Protection bills.

Of course, the Business Coalition recognizes that data brokers do collect and sell online data, and that data can be used for malicious purposes. However, it is also the case that information gathered by data brokers can be used for worthwhile endeavors, including to verify individuals' identity to detect fraud; to market new products to consumers; to determine where and how best to advertise; and to perform internet traffic studies. As noted by the Federal Trade Commission (FTC) in its 2014 Data Brokers Report, "Marketing products benefit consumers by allowing them to more easily find and enjoy the goods and services they need and prefer. In addition, consumers benefit from increased and innovative product offerings fueled by increased competition from small businesses that are able to connect with consumers they may not have otherwise been able to reach."

In order to understand how the Vermont legislation would impact the Rhode Island context, it is necessary to understand how it would impact the actions and behavior of both data brokers and consumers. For example, would data brokers simply cease to do business in Rhode Island? If so, what impact would that have on Rhode Island businesses and consumers? If not, would aggregate data become less reliable, therefore forcing businesses that rely on said data to needlessly spend more money on marketing and product development? Will it be more or less costly to aggregate the remaining data, once compliance costs are factored in? What impact would those costs have on businesses that use the final information product? For consumers who wish to remain in the data collection process, will they see any changes in their online experience if this legislation passes? These questions must be fully explored and analyzed before passage of any data transparency and privacy protection legislation is adopted.

RIBC Testimony – Proposed Online Data Transparency and Privacy Protection Bills

H. 7111 Sub A is less harmful to the business community than the original version. However, this legislation continues to cause concern among businesses and employers in Rhode Island. Many of these concerns are similar to those outlined above with regard to the Vermont data broker legislation.

Finally, the Business Coalition would like to remind the Commission that Rhode Island employers face great challenges in today's stagnant economic climate. Businesses are still struggling to comply with recently-enacted costly and time-consuming mandates, including mandated paid sick leave and increases to the minimum wage. This year, more proposed mandates and taxes are being pushed by various advocates across the state. This is important to note because while this Commission is focused on one issue alone, the business community cannot look at this or any issue in isolation. Therefore, the Business Coalition respectfully urges the Commission to do more than look at policies adopted by different states, and actually examine what the corresponding costs associated with each proposal would be.

The Business Coalition understands and appreciates the goal of these proposals to allow individuals to keep their data private. However, we still do not fully understand the potential for unintended consequences, and therefore urge the Commission to further investigate both the direct and indirect costs of these proposals.

Sincerely,

New England Business Association (formerly SBANE) - Robin L. Main, Chair; Ralph Coppola,
Chair RI Government Affairs Committee

Rhode Island Association of REALTORS® – Philip Tedesco, CEO

Rhode Island Hospitality Association – Dale J. Venturini, President/CEO

Rhode Island Lumber and Building Materials Dealers Association – Kirk Ives, Regional Director

Rhode Island Manufacturers Association – David M. Chenevert, Executive Director

Rhode Island Small Business Economic Summit – Grafton Willey, Tax and Budget Committee
Chairman

Rhode Island Society of Certified Public Accountants – Melissa Travis, President