

September 20, 2023



The Honorable Gavin Newsom
Governor, State of California
1021 O Street, Room 9000
Sacramento, CA 95814

Re: SB 362 (Becker) Data broker registration: accessible deletion mechanism – Request for Veto

Dear Governor Newsom:

On behalf of the California Retailers Association (CRA), I respectfully request a veto of SB 362 (Becker).

SB 362 would undermine protections for consumers and their privacy. Eliminating personal data means deleting all consumer's data. This legislation does not allow for the balance established just a few years ago with the enactment of the California Consumer Privacy Act, which empowers individuals to control their data by choosing which companies can access their data. Consumers may want the ability to prove their identity to their financial institution, participate in consumer loyalty programs or choose to have local organizations advocate on their behalf regarding important legislation. These are just a few examples of the unintended consequences this legislation could have that would negatively impact Californians. It is unfortunate that the legislature did not allow the time to fully vet this issue by making this a two-year bill, which is what CRA advocated for.

Furthermore, SB 362 would weaken protections against identity theft and inadvertently undermine safeguards against consumer fraud. Many financial institutions and online retailers, for example, rely on data provided by data brokers to verify the identities of their customers, protecting them from fraudulent activities and scammers. Deleting certain personal information, such as past addresses or other historical data, could prevent consumers from accessing their financial accounts.

As currently written, SB 362 is an all-or-nothing proposition for consumers. Wipe all their data or none of their data. As with most things in life, what people want is somewhere in the middle. We want to improve privacy and protections without losing the power to utilize our information in specific ways.

The California Retailers Association is the only statewide trade association representing all segments of the retail industry including general merchandise, department stores, mass merchandisers, on-line marketplaces, restaurants, convenience stores, supermarkets and grocery stores, chain drug, and specialty retail such as auto, vision, jewelry, hardware, and home stores. CRA works on behalf of California's retail industry, which operates over 400,000 retail establishments with a gross domestic product of \$330 billion annually and employs one fourth of California's total employment.

For these reasons, we respectfully request a veto on SB 362 (Becker).

Sincerely,

A handwritten signature in blue ink, appearing to read 'Rachel Michelin', is positioned above the typed name.

Rachel Michelin
President + CEO
California Retailers Association



1121 L St. Suite 100
Sacramento, CA 95814
916-448-9904
www.nfib.com/california

September 21, 2023

The Honorable Gavin Newsom
Governor, State of California
State Capitol
Sacramento, CA 95814

Re: Veto Request – Senate Bill 362: Relating to data brokers

Dear Governor Newsom:

The National Federation of Independent Business (NFIB), which represents 14,000 dues-paying, small business members in California, respectfully requests your veto of SB 362 (Becker), which would severely hamper the ability of small businesses to reach new customers and grow their businesses.

Data broker services are an important tool utilized by small businesses that enable them to attract potential customers by leveraging third-party data sets. This also is beneficial to consumers generally, because it provides them with a spectrum of options that they would otherwise not be privy to. Choice in a free-market system is good for consumers.

Additionally, there are services that are directly provided to consumers which a veto of SB 362 would preserve: anti-fraud and identity verification services, marketing services, loyalty programs, cybersecurity and others.

If enacted, SB 362 would require all data brokers to delete data upon request, hampering small businesses' ability to remain competitive and profitable. Currently, the CCPA already provides a deletion right that compels businesses to honor deletion requests and requires down-stream deletion flow as well. SB 362 would therefore enact contradictory and duplicative standards which can only cause confusion among consumers and businesses alike.

NFIB therefore respectfully requests a veto of SB 362 (Becker).

Sincerely,

A handwritten signature in black ink that reads "Tim Taylor". The signature is fluid and cursive, written over a light grey circular stamp.

Tim Taylor
California Chief Legislative Advocate
National Federation of Independent Business (NFIB)



September 22, 2023

The Honorable Gavin Newsom
Governor, State of California
1020 O Street, Suite 9000
Sacramento, CA 95814

Re: Veto Request – SB 362, Becker. Data broker registration: accessible deletion mechanism.

Governor Newsom,

On behalf of the California Hispanic Chambers of Commerce and the 850,000 Hispanic-owned businesses we represent, I respectfully request your veto on SB 362.

This legislation will allow the abrupt deletion of consumer data that is currently used by countless California small businesses – more than a quarter of which are minority-owned and operated – to effectively engage with prospective customers in an affordable way. This will put small businesses at a severe disadvantage compared to larger companies with much bigger advertising and marketing budgets, including competitors from out of state.

Not only will SB 362 create an uneven playing field for Hispanic and diverse businesses, but it is also completely unnecessary. The California Consumer Privacy Act, which Californians approved by ballot initiative three years ago, already allows consumers to request that businesses delete their personal data. There is no justification for taxpayer dollars to be spent on a redundant system that is going to cost upwards of tens of millions per year to create and maintain.

SB 362 also stands to undermine safeguards against consumer fraud. For example, businesses and government entities rely on third-party consumer data to verify people's identities, which helps protect them against fraudulent activities and scammers. If this data is permanently deleted, it makes identity verification much more difficult, opening the door to identity theft and a range of other fraud. This will disproportionately harm minority consumers who may not have access to financial services and must rely on other types of data sets to be authenticated – data sets that would be deleted under SB 362.

For these reasons, I request a veto on SB 362. This bill was clearly rushed through the legislative process, and it should be held so that, for the sake of minority small businesses and consumers, these serious issues can be solved before moving forward.

Sincerely,

A handwritten signature in black ink, appearing to read "Julian Canete".

Julian Canete
President and CEO
California Hispanic Chambers of Commerce



CALIFORNIA BLACK CHAMBER OF COMMERCE
Dedicated To Economic Empowerment

September 25, 2023

The Honorable Gavin Newsom
Governor, State of California
1020 O Street, Suite 9000
Sacramento, CA 95814

RE: Senate Bill 362 (Becker)

Dear Governor Newsom,

On behalf of the California Black Chamber of Commerce and the hundreds of small and emerging businesses, affiliates, and chambers of commerce throughout the state that we represent, I urge you to veto Senate Bill 362 (Becker).

The passage of this legislation will lead to the deletion of consumer data that is currently instrumental to the operations of countless California small businesses. One out of every four California small businesses are minority-owned – and a high percentage are sole proprietorships. These companies rely on data to market their products and connect with potential customers in a cost-effective manner.

Additionally, SB 362 will result in consumer fraud. Businesses and government need third-party consumer data to authenticate individuals, a crucial defense against fraudulent activities and scams. The permanent deletion of such data could significantly hinder identity verification, increasing the potential for identity theft. This would impact minority consumers who may lack access to traditional financial services and must rely on alternative data sets for authentication.

Considering these reasons, we ask that you veto SB 362.

Sincerely,

Jay King

Jay King

President and CEO



1215 K Street Suite 2120
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EXECUTIVE DIRECTOR

Robert Rivinius
Robert@myfba.org

September 25, 2023

The Honorable Gavin Newsom
Governor, State of California
1021 O Street, Suite 9000
Sacramento, CA 95814

Re: Senate Bill 362 (Becker) Veto Request

Dear Governor Newsom:

On behalf of the Family Business Association of California (FBA), we ask for you to veto SB 362 (Becker). FBA is a nonprofit 501(c)(6) organization that is the only association in California that solely focuses on representing family businesses at the state Capitol. We take a stand against harmful legislation, and fight for bills that are good for family businesses.

SB 362 will have unintended consequences that will be detrimental to family-owned businesses, which make up 1.4 million businesses in the state and employ about 7 million Californians.

FBA members rely on access to reliable consumer data to find and reach potential new customers. Unfortunately, SB 362 would allow this consumer data to be wiped away, limiting family-run businesses' ability to reach new customers.

The potential for increased fraud posed by SB 362 is also troubling. Much of the data that would be impacted by the mass deletion called for in the bill is used in anti-fraud efforts and for identity verification services, both important consumer protections. It would also wipe out data used in consumer loyalty programs and many other services that benefit consumers.

For these reasons, the Family Business Association of California asks you to veto the bill to allow additional time to work through these concerns.

Sincerely,

Robert Rivinius, Executive Director
Family Business Association of California

cc: Christine Aurre, Deputy Legislative Secretary, Governor's Office



RE: OPPOSE SB 362 - XXX

Dear Governor Newsom,

The Inland Empire Economic Partnership (IEEP) is the largest and most prominent organization serving small, medium and large-scale businesses and employers, and industries, across the Riverside, San Bernardino and entire Inland Empire region. Our members strive every day to create jobs, support their communities and help boost the local Southern California and Golden State economies.

We are asking you to please consider lending a VETO to SB 362, the Delete Act, which, while perhaps well intended, would have devastating consequences for job creators and all California communities. Businesses, especially small and ethnic businesses, in this post-pandemic economy, are struggling to keep their doors open, people employed and customers "coming through the doors". They rely on reliable, legitimate data sources about consumer habits, trends and desires to help them best serve their customers. If SB 362 becomes law, it will make it nearly impossible for these employers to compete with other, more sophisticated industries and employers that can easily and readily access this information.

Moreover, SB 362 is likely to open the door to much consumer fraud, again not an intent of the author but something that is inevitable. There is no requirement in SB 362 to determine if it is truly the consumer or authorized agent making the deletion request. Consumers that don't have access to financial services must rely on other types of data sets to be authenticated, and businesses and government entities must rely on these non-exempt data sources. This will primarily hurt minority customers. This type of fraud use data would be deleted under SB 362 and primarily impact minority consumers who would have difficulty obtaining financial and other consumer services.

Please keep our leading job creators, small and ethnic businesses, and all industry and communities - as well as consumers -protected and supported. We need to create a pathway, not roadblocks to economic and job growth and recovery in California. Please VETO SB 362. Thank you.

Sincerely,

Benjamin G. Lopez

Director of Public Policy & Advocacy

Inland Empire Economic Partnership



Philip M. Vermeulen

GOVERNMENTAL RELATIONS

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September 25, 2023

The Honorable Governor Gavin Newsom
1021 O Street, Suite 9000
Sacramento, CA 95814

Re: SB 362 (Becker) – Data Broker Registration - REQUEST FOR VETO

Dear Governor Newsom:

I write to you today on behalf of the Coalition for Small & Disabled Veteran Businesses, a steadfast advocate for California's veteran-owned small businesses, requesting your **veto of SB 362 (Becker)**. California is proudly the home of more than 250,000 veteran-owned businesses, more than any other state in the nation.

Our state's veteran-owned small businesses grapple with the challenges of California's demanding business environment. They rely heavily on consumer data and information to identify and connect with their customer base. Should SB 362 become law, these individuals, who have sacrificed so much for our nation, will encounter an uphill battle and face an unequal playing field when competing against larger businesses that can readily access such critical consumer information.

In light of these concerns, we respectfully request that you consider the unintended consequences that SB 362 will have on the prosperity and well-being of our veteran-owned small businesses and the broader small business community. We believe that these entrepreneurs and consumers deserve better and ask that you **veto SB 362**.

Sincerely,

Philip M. Vermeulen, Legislative Advocate

cc: Christine Aurre
Christy Bouma\

From: George Peppas <george@sanjuanchamber.com>
Date: September 26, 2023 at 9:15:00 AM PDT
To: christine.aurre@gov.ca.gov
Cc: christy.bouma@gov.ca.gov
Subject: Please VETO SB 362 - Bad for Small Business and Consumers

Governor Newsom,

The San Juan Capistrano proudly serves more than 2,000 small and ethnic businesses and other job creators in our Orange County community and across the Southern California region. We strive to create and promote a climate in which businesses, especially "Main Street" businesses, can operate in a productive and effective manner. Our member businesses are still struggling to recover from the pandemic and really work hard to keep and build their customer base so they can continue to create jobs, help the community and support our economy.

But all of their recovery efforts will be imperiled if SB 362, the "Delete Act", becomes law. It will undoubtedly have severe negative impacts and the opposite effect on small businesses and consumers here within our Chamber and across the Golden State.

These businesses have benefited from the ability to best understand and serve their customers, and to expand and help others in the marketplace and our community. Unless they are able to access such data, they are placed at a terrible disadvantage to larger businesses that have the luxury of more resources and support. If SB 362 goes into effect, the vital data that mom and pop businesses rely on would be wiped away and they'll be facing an even greater uphill struggle to compete and survive.

I'm also gravely concerned about the possible avenues of consumer fraud that would be opened up if SB 362 is signed into law - obviously not the intent of the author but something we anticipate will happen. No customer should be vulnerable to fraud or misuse of their information and yet, this bill goes into effect, such protections and preventions are likely to be eliminated.

Please help our small and ethnic business members and millions of others to get back on our feet, and help protect consumers from fraud and misuse of their vital data. Please VETO SB 362 when it comes before you. Thank you.

Sincerely,

George D. Peppas III
President/Chief Executive Officer
george@sanjuanchamber.com

From: Pat Fong Kushida <patfongkushida@calasiancc.org>

Sent: Wednesday, September 27, 2023 1:33 PM

To: christine.aurre@gov.ca.gov <christine.aurre@gov.ca.gov>; leg.unit@gov.ca.gov <leg.unit@gov.ca.gov>

Cc: christy.bouma@gov.ca.gov <christy.bouma@gov.ca.gov>; Andrea Cao <acao@calasiancc.org>; Tyler Gerlach <tgerlach@calasiancc.org>

Subject: Please VETO SB 362 - Bad for Small Business and Consumers

Governor Newsom,

The California Asian Pacific Chamber of Commerce (CalAsian Chamber) proudly represents around 746,000 Asian American and Pacific Islander (AAPI) businesses and other job creators across California. We strive to create and promote a climate in which businesses, especially "Main Street" businesses, can operate in a productive and effective manner. Our member businesses are still struggling to recover from the pandemic and work diligently to keep and build their customer base so they can continue to create jobs, help the community, and support our economy.

But all of their recovery efforts will be imperiled if SB 362, the "Delete Act", becomes law. It will undoubtedly have severe negative impacts and the opposite effect on small businesses and consumers here within our Chamber and across the Golden State.

These businesses have benefited from the ability to best understand and serve their customers and to expand and help others in the marketplace and our community. Unless they are able to access such data, they are placed at a terrible disadvantage to larger businesses that have the luxury of more resources and support. If SB 362 goes into effect, the vital data that mom-and-pop businesses rely on will be wiped away and they'll be facing an even greater uphill struggle to compete and survive.

We are also gravely concerned about the possible avenues of consumer fraud that would be opened up if SB 362 is signed into law - obviously not the intent of the author but something we anticipate will happen. No customer should be vulnerable to fraud or misuse of their information and yet, as this bill goes into effect, such protections and preventions are likely to be eliminated.

Please help our small and ethnic business members and millions of others to get back on their feet, and help protect consumers from fraud and misuse of their vital data.

Please VETO SB 362 when it comes before you.

Sincerely,
Pat



Pat Fong Kushida

President & CEO

M: (916) 870-6606 | W: (916) 446-7883





California Fuels and Convenience Alliance
2520 Venture Oaks Way, Suite 100
Sacramento, CA 95833
916.646.5999

September 28, 2023

Honorable Governor Gavin Newsom
1021 O Street, Suite 9000
Sacramento, CA 95814

RE: SB 362 (BECKER) – VETO REQUEST

Governor Newsom,

The CA Fuels and Convenience Alliance is the leading organization, serving fuel, convenience, and related retail stores in California. We serve and support and create jobs, the economy and livelihood in our communities. Our small business and ethnic business owners rely on vital, legitimate consumer, data, and information in order to get customers to walk through the door. They simply can't compete with larger businesses and corporations. Please veto SB 362, also known as the "Delete Act". Having access to reliable, current consumer data helps our members make those connections and help customers near and far "walk through the door" and do business with them. IF SB 362 is signed into law, however, that hope and ability to connect will go away. Our members will be placed at a great disadvantage, and, as I understand it, the consumers will be more vulnerable with fewer safeguards and protections that they deserved.

SB 362 would limit the ability of businesses to protect customers from fraud and identity theft, as this data helps to track and identify perpetrators committing such online and business-based fraud. Minority consumers would be severely harmed and preyed upon if this bill becomes law and those protections are wiped away.

Please do what's right for struggling, fragile small businesses and consumers in California, especially as we all attempt to bounce back post-COVID. PLEASE VETO SB 362.

Thank you,

A handwritten signature in black ink that reads 'Elizabeth Graham'.

Elizabeth Graham
CEO
CA Fuels and Convenience Alliance