



September 8, 2023

RE: SB 362 - OPPOSE

Dear Members of the California Assembly:

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 Additionally, despite amendments made to the bill, SB 362 would still fail to protect vital fraud prevention products and services that data brokers provide to companies across the economy. Without adequate protection for those

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).

services, passing the bill would create an environment where California consumers are more susceptible to instances of fraud and identity theft.

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 Association of Political Consultants (AAPC)
American Fintech Council (AFC)
American Financial Services Association (AFSA)
California Financial Services Association (CFSA)
California Retailers Association
Consumer Brands Association
Consumer Data Industry Association (CDIA)
Digital Advertising Alliance (DAA)
Insights Association (IA)
Interactive Advertising Bureau (IAB)
Los Angeles Area Chamber of Commerce
The National Business Coalition on E-Commerce and Privacy
National Federation of Independent Businesses (NFIB)
NetChoice
Software & Information Industry Association (SIIA)
District 14/Northern CA –AAF
Sacramento – AAF
Los Angeles – AAF