

February 9, 2021 Oppose House Bill 1330 House Industry, Business and Labor Chairman Mike Lefor

Dear Chairman Lefor and Members of the House Industry, Business and Labor Committee:

On behalf of AT&T, I want to encourage the committee to oppose HB 1330. This legislation is sweepingly broad and vague, extraordinarily difficult to implement, burdensome and costly to North Dakota businesses.

In 2019-2020, the North Dakota legislature commissioned a legislative interim study of data privacy. After examining the findings, North Dakota rejected a state-led privacy or data regulation effort, opting to allow the federal discussion to continue.

Since the internet is not constrained or governed by state borders, a patchwork of conflicting state privacy legislation is problematic and impractical. Through extensive study, we've already collectively determined that such legislation would be burdensome for North Dakota consumers and businesses alike.

Risks of HB 1330

- Burdensome Compliance Rules: HB 1330 is significantly different than other privacy or data sales bills, such as the California Consumer Privacy Act (CCPA) or the General Data Protection Regulation (GDPR). It would force businesses to create an entirely new and different compliance structure. This would make compliance difficult, costly and time consuming for businesses in North Dakota, many of which have already invested significant time and resources to comply with other privacy laws. It would also impose additional compliance costs on businesses still reeling from the pandemic.
- Unclear Definitions and Lack of Interoperability: This bill does not define key terms such as
 "sale," or "collect"—critical definitions that determine the scope of the bill. Additionally, the
 bill does not clearly delineate how "protected data" elements like credit and banking
 information would interface with established federal law like the Fair Credit Reporting Act
 and Gramm-Leach-Bliley Act, which already regulate many of these data points.
- Unworkable Opt-Ins: Other states have rejected opt-ins as ineffective. As drafted, the bill
 requires opt-in consent for every single potential transaction. Consumers already have
 notification fatigue; this bill would create even further challenges and frustrations for
 consumers.
- Unnecessary Private Right of Action: North Dakota already allows for the Attorney General
 to bring regulatory actions against companies that engage in unfair or deceptive business

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practices. Private rights of action (PRA) encourage unnecessary litigation and could lead to negative, unintended consequences for consumers and North Dakota businesses of all sizes. PRAs take valuable time and resources from businesses that might otherwise be spent on creating jobs and investing in innovation. Most of all, they are unnecessary due to existing consumer protection tools which provide appropriate and consistent checks and penalties against the theft or misuse of consumers' personal data.

Federal legislation would not only ensure consumers' rights are protected, but it would also provide consistent rules of the road for all internet companies, across all websites, content, devices and applications.

National, clear privacy standards would allow consumers to keep using the services they love and keep the U.S. at the forefront of innovation with burgeoning technologies like autonomous vehicles, the Internet of Things and advanced agriculture technologies.

For all these reason, AT&T opposes HB 1330 and encourages the committee to reconsider this legislation and follow the recommendations of the interim study.

Sincerely,

Cheryl Riley

AT&T President, External Affairs

Northern Plains States