

June 26, 2024

The Honorable Cathy McMorris Rodgers
Chair
Committee on Energy and Commerce
U.S. House of Representatives
Washington, DC 20515

The Honorable Frank Pallone
Ranking Member
Committee on Energy and Commerce
U.S. House of Representatives
Washington, DC 20515

Dear Chair Rodgers and Ranking Member Pallone:

The undersigned business associations oppose H.R. 8818, the “American Privacy Rights Act” (“APRA”), as drafted, which your Committee is expected to consider soon. We do support a national privacy law that protects consumers, but this legislation would have serious negative consequences for the American economy and U.S. technological leadership. The costs of compliance and resulting inefficiencies would harm consumers through higher costs or reduced and inefficient services.

APRA would subject businesses, innovators, and entrepreneurs to more than ten new private causes of action. Similar private rights of action laws have driven away legitimate business in states that have implemented them. APRA would empower plaintiffs’ attorneys to engage in sue-and-settle tactics against small businesses, startups, and charities. Companies acting in good faith and not engaging in willfully harmful activity will be forced to agree to pay expensive settlements or risk costly litigation. APRA would also gut arbitration agreements and enable activists to weaponize private rights of action against non-profit organizations with whom they may disagree politically.

In addition, APRA would fail to establish a single, national privacy standard which is necessary to ensure certainty for both businesses and consumers. The APRA’s approach could cost the American economy as much as \$1 trillion, with \$200 billion being incurred by small businesses alone.

APRA would empower the trial bar to engage in litigation that could hinder the digital advertising ecosystem that has enabled people to do online research, get their news, and learn about educational and job opportunities without having to pay out of pocket. The ad-driven internet has enabled diverse viewpoints and products to enter the marketplace with low cost of entry. APRA would also dramatically limit, and in some cases, ban, the most effective forms of general advertising which drive competition, growth, and consumer satisfaction in today’s economy, and would provide the Federal Trade Commission sweeping new authorities to restrict data for advertising. Such aggressive federal action would harm the online economic framework that has benefited consumers and businesses.

Universal “Do Not Collect” obligations, as included in APRA, would also endanger many societally beneficial uses of data like anti-fraud and security initiatives.

We oppose APRA as drafted.

Sincerely,

America's Credit Unions
American Financial Services Association
American Fintech Council
American Hotel & Lodging Association
American Property and Casualty Insurance Association
Association of National Advertisers
Association of Test Publishers
Direct Selling Association
FMI-The Food Industry Association
Insights Association
Interactive Advertising Bureau
International Franchise Association
National Association of Mutual Insurance Companies
National Association of REALTORS®
National Business Coalition on E-Commerce & Privacy
National Restaurant Association
National Retail Federation
Privacy for America
Security Industry Association
Small Business & Entrepreneurship Council
U.S. Chamber of Commerce

cc: Members of the House Committee on Energy and Commerce