

SB 1108: A THREAT TO CONSUMERS, BUSINESSES AND PRIVACY

SB 1108 mirrors the California Consumer Privacy Act, or CCPA. CCPA was drafted and passed quickly to address a major issue facing the digital economy, data privacy protection. The legislation has many shortcomings due to its hasty assembly and lack of public input. The result is an overreaching, burdensome law which detrimentally affects consumers and businesses alike.

NEGATIVE CONSEQUENCES FOR CONSUMERS:

SB 1108 could lead to businesses keeping large amounts of customer data in personally identifiable form, or collecting more information than they would otherwise, to respond to consumer requests. This greatly increases cybersecurity risk.

The bill would allow a domestic abuser to request – and receive – all data on his spouse’s online activities, including websites visited, addresses entered into map applications, phone numbers dialed, etc.

The law is also likely to help fraudsters, who can request the deletion and limit sharing of data that could flag them as wrongdoers.

SB 1108 threatens existing customer rewards and loyalty programs that help customers benefit from their favorite retailers. Customers may also face new costs for products and services they are accustomed to receiving for free, such as email, music streaming, and the news.

The law may also impede some of the ordinary exchanges of online identifiers that make the internet work, even though these present little or no risk for consumers.

NEGATIVE CONSEQUENCES FOR BUSINESSES:

Small businesses and startups are not excluded from SB 1108 demanding regulations.

Companies conducting business in Connecticut with an average of only 137 credit card sales per day¹ will be impacted – this includes coffee shops, restaurants, gas stations, and other small retailers.

The fines and fees mandated for violations of the law are disproportionate to the severity of the offense. These severe consequences threaten to cripple small- and mid-sized businesses at just one offense.

The law imposes new compliance fees on small businesses and startups, possibly forcing these businesses to sacrifice their resources dedicated to innovation and workforce growth.

Businesses centralized outside of Connecticut will also be subject to the law – any business that accepts even \$1² from a Connecticut resident is required to comply with SB 1108.

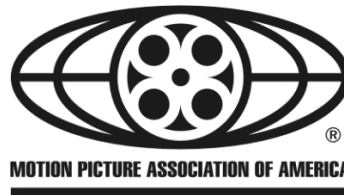
SB 1108 has broad definitions for “sale” and “personal information.” These definitions may restrict routine use of data for online advertising, which many small start-ups depend on to effectively compete.

The CCPA, and therefore SB 1108, demonstrates that a ‘quick fix’ is not the way to approach consumer privacy. Instead, federal lawmakers should craft a careful and comprehensive policy that ensures transparency and protects against data misuse. A federal law that preempts all state data privacy laws will set a fair and understandable precedent for consumers and businesses across the country.

¹ <https://blog.ericgoldman.org/archives/2019/01/41-california-privacy-experts-urge-major-changes-to-the-california-consumer-privacy-act.htm>ibid



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