



Testimony of John D. Blair, Associate Counsel
Connecticut Business & Industry Association
General Law Committee Public Hearing
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Senator Maroney, Representative D'Agostino, Senator Witkos, Representative Rutigliano, members of the General Law Committee, thank you for the opportunity to present testimony today. My name is John Blair, Associate Counsel at the Connecticut Business & Industry Association. CBIA is Connecticut's largest business organization, with thousands of member companies, small and large, representing a diverse range of industries from across the state. Ninety-five percent of our member companies are small businesses, with less than 100 employees.

I am here today to provide commentary **SB 6 AN ACT CONCERNING PERSONAL DATA PRIVACY AND ONLINE MONITORING.**

I'd like to recognize and thank Senator Maroney for his continued commitment to this legislation. He made every effort to make sure all voices are heard on this matter. He invited experts from across the country who provided suggestions and has allowed for all sides to be considered and heard with the hope it will result in a well-functioning data privacy law. We believe that there is an opportunity to draft a proposal that properly weighs consumer rights and business interests.

As we continue to emerge from the pandemic, CBIA has encouraged legislation that helps keep costs down for struggling small businesses. This session should emphasize small business relief, including not adding costs to their bottom line. If this legislation is overly aggressive or not drafted carefully there are legitimate concerns about the negative financial impact on small businesses. This runs counter to what our small businesses need at this time.

Over the summer and fall many of our member companies were invited to participate in a working group, headed by Senator Maroney to review options for a Connecticut privacy law. Those communications appear

ongoing with some of the members. We urge those discussions to continue until an agreement can be reached by all parties.

Small businesses in other states that have passed privacy laws have been negatively impacted financially. The laws added millions of dollars in substantial initial and ongoing compliance costs. For example, the California Consumer Privacy Act was estimated to result in \$55 billion in initial compliance costs, (\$50,000 for the smallest companies 1-20 employees) with an estimated additional \$16.5 billion in direct compliance costs by 2030.

We understand the passage of the federal privacy act is not currently on the table. However, a federal act would be the best remedy. The passage of data privacy laws on a state-by-state basis, as opposed to a uniform federal act, creates confusions resulting in costly and cumbersome processes for many multi-state businesses. The three comprehensive state level privacy laws passed are all unique. Thus, multi-state organizations must comply with a different set of rules depending on where they are doing business. The best approach is to be uniform with other states that have passed laws that work well.

Lastly, this legislation could put in place a regulatory structure that significantly limits open data sharing which has become the lifeblood of the global economy. Economists have repeatedly demonstrated that the benefit of open data sharing vastly outweighs its costs, and has resulted in the ability to anticipate consumer's needs and generate innovative solutions—including global problems. For example, the development of certain coronavirus vaccines was facilitated by open data sharing. The ability to openly share data allowed for researchers to much more efficiently find a vaccine. If researchers looking to openly share such data were hindered by a series of differing state laws, the search for a vaccine would have been greatly extended.

We encourage legislative leaders and members to take a balanced approach, properly weighing consumer privacy rights against keeping the cost of doing businesses down.

I thank you for your time today. I would be happy to answer any questions you may have.