



**TECHNET**  
THE VOICE OF THE  
INNOVATION ECONOMY

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September 27, 2021

The Honorable Zack Stephenson, Chair  
Minnesota House Commerce Committee  
Room 509, State Office Building  
St. Paul, MN 55155-1232

**Re: TechNet testimony on HF 1492 (Elkins)**

Dear Chairman Stephenson and Members of the Committee,

Thank you for allowing TechNet to provide remarks before the Minnesota House Commerce Committee on HF 1492 (Elkins).

TechNet is the national, bipartisan network of technology CEOs and senior executives that promotes the growth of the innovation economy by advocating a targeted policy agenda at the federal and 50-state level. TechNet's diverse membership includes dynamic American businesses ranging from startups to the most iconic companies on the planet and represents over four million employees and countless customers in the fields of information technology, e-commerce, the sharing and gig economies, advanced energy, cybersecurity, venture capital, and finance. TechNet has offices in Albany, Austin, Boston, Chicago, Olympia, Sacramento, San Francisco, Silicon Valley, Tallahassee, and Washington, D.C.

In the absence of a federal privacy standard, state policymakers and interest groups throughout the country have introduced and sponsored legislation targeted at consumer privacy and an individual's right to access and control their personally identifiable information.

TechNet understands our member companies place a high priority on consumer privacy. The technology industry is fully committed to securing privacy and security for consumers and engages in a wide range of practices to provide consumers with notice, choices about how their data is used, as well as control over their data.

While our federal team continues to advocate for a federal privacy standard that brings uniformity to all Americans regardless of where they live, we understand and acknowledge Minnesota state lawmakers are not waiting for Congress to act.

In absence of a federal standard, TechNet supports the following principles on data privacy:

- Any consumer privacy bill should be oriented around building consumers' trust and fostering innovation and competitiveness.
- Consumer consent processes should take into account the limitations of specific devices and not be overly burdensome or prescriptive to the consumer or technology provider.
- New privacy laws should provide strong safeguards to consumers while also allowing the industry to continue to innovate. New laws should be based upon a uniform set of standards to avoid imposing a patchwork of policies across jurisdictions.
- Specific requirements on data collection, use, or retention should be narrowly focused on personally identifiable, highly sensitive, or proprietary information.
- Privacy laws should be limited to specific practices tied to specific harms.
- Research is needed to establish the role of de-identification and anonymization of data that provides actionable guidance to the private and public sector without tying laws to technical mandates that become quickly outdated.
- Private rights of action, civil penalties, and other tools to encourage litigation should be avoided. Enforcement by a state's attorney general is preferred.
- Privacy laws should apply to government entities.
- Outright bans, prohibitions, or moratoriums on specific technologies should be avoided.
- State privacy laws should not apply to information already regulated by existing federal privacy laws.
- Privacy laws should not limit consumer access to free, advertising-supported services.

Members of the Committee should also be aware that as more states look to enact their own privacy regimes and as the patchwork of laws nationwide continue to grow, compliance costs will continue to mount – hitting smaller and medium sized businesses the most. For example, the California Department of Justice's regulatory impact assessment of the California Consumer Privacy Act (CCPA) is estimated at \$55 billion. Of that, companies with fewer than 20 employees will incur an average initial cost of \$50,000 and companies with 20-100 employees will incur an average initial cost of \$100,000.<sup>1</sup>

Larger, multi-national companies with the European Union's General Data Protection Regulation (GDPR) compliance requirements are better suited to absorb up-front compliance costs thanks to the vast in-house resources. This is important to point out as smaller competitors will struggle to implement a patchwork of regulations and associated costs – potentially stifling innovation in Minnesota.

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[https://www.dof.ca.gov/Forecasting/Economics/Major\\_Regulations/Major\\_Regulations\\_Table/documents/CPA\\_Regulations-SRIA-DOF.pdf](https://www.dof.ca.gov/Forecasting/Economics/Major_Regulations/Major_Regulations_Table/documents/CPA_Regulations-SRIA-DOF.pdf)

While this should not deter this body in examining data privacy proposals, there are many unintended consequences that members of the Committee should be aware of.

In closing, we want to thank Representative Elkins for his willingness to work with the technology industry on this important issue. And thank you again, Mr. Chairman for allowing us to submit this written testimony.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tyler Diers', written in a cursive style.

Tyler Diers  
Executive Director, Midwest  
TechNet