

## March 16, 2023

House Judiciary Finance and Civil Law Committee Attn: Anna Borgerding, Committee Administrator 5 State Office Building 100 Rev Dr. Martin Luther King Jr Blvd. St. Paul, MN 55155

## Re: HF 2257 - "Minnesota Age-Appropriate Design Code Act created, obligations placed on businesses regarding children's consumer information, and attorney general enforcement provided." (Oppose)

Dear Chair Becker-Finn and Members of the House Judiciary Finance and Civil Law Committee:

On behalf of the Computer & Communications Industry Association (CCIA), I write to respectfully oppose HF 2257.

CCIA is an international, not-for-profit trade association representing a broad cross-section of communications and technology firms.<sup>1</sup> Proposed regulations on the interstate provision of digital services therefore can have a significant impact on CCIA members. Recent sessions have seen an increasing volume of state legislation related to the regulation of digital services. While recognizing that policymakers are appropriately interested in the digital services that make a growing contribution to the U.S. economy, these bills require study, as they may raise constitutional concerns, conflict with federal law, and risk impeding digital services companies in their efforts to restrict inappropriate or dangerous content on their platforms.

CCIA strongly believes children deserve an enhanced level of security and privacy online. Currently, there are a number of efforts among our members to incorporate protective design features into their websites and platforms.<sup>2</sup> CCIA's members have been leading the effort in raising the standard for teen safety and privacy across our industry by creating new features, settings, parental tools, and protections that are age-appropriate and tailored to the differing developmental needs of young people.

We understand that today's hearing will be focused on the enforcement provisions in this bill. CCIA would like to express our support for vesting enforcement authority with the state attorney general. This provision allows for leveraging technical expertise, placing public interest at the forefront. It is also worth noting that as several states considered enforcement mechanisms for their comprehensive consumer data privacy laws, all of them – California, Colorado, Connecticut, Utah, and Virginia – vested enforcement authority with their respective state attorneys general.

In addition, CCIA notes that HF 2257 does provide a 90-day cure period for digital services to come into compliance before incurring penalties. CCIA lauds the implementation of this mechanism to allow for actors

<sup>&</sup>lt;sup>1</sup> For more than 50 years, CCIA has promoted open markets, open systems, and open networks. CCIA members employ more than 1.6 million workers, invest more than \$100 billion in research and development, and contribute trillions of dollars in productivity to the global economy. A list of CCIA members is available at <u>https://www.ccianet.org/members</u>.

<sup>&</sup>lt;sup>2</sup> Jordan Rodell, *Why Implementing Education is a Logical Starting Point for Children's Safety Online*, Disruptive Competition Project (Feb. 7, 2023),

https://www.project-disco.org/privacy/020723-why-implementing-education-is-a-logical-starting-point-for-childrens-safety-online/.



operating in good faith to correct an unknowing or technical violation, reserving formal lawsuits and violation penalties for the bad actors that the bill intends to address. This would also focus the government's limited resources on enforcing the law's provisions for those that persist in violations despite being made aware of such alleged violations. Such notice allows consumers to receive injunctive relief, but without the time and expense of bringing a formal suit.

Although we support those two specific enforcement provisions in the bill, CCIA does have concerns with the maintenance of Data Protection Impact Assessments (DPIAs) once they are submitted to the Attorney General's office. Because a DPIA may contain sensitive proprietary information, further protection for intellectual property and trade secrets is necessary. It is important for businesses to know that their intellectual property is protected, not only to protect against bad actors but to further support innovation.

Further, businesses are required to respond to certain requests from the AG and produce responses in as short as three business days. This disallows businesses the opportunity to appropriately review and evaluate the assessment for attorney-client privileged matters or proprietary information, as mentioned. It is also important to note that because the bill already requires a biennial review of all DPIAs, along with other reporting requirements, this provision is duplicative of other efforts in the bill and does not allow businesses flexibility while still providing accountability.

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While we share the goal of protecting children online, we caution against advancing legislation that is not adequately tailored to this objective. We appreciate your consideration of these comments and stand ready to provide additional information as the Legislature considers proposals related to technology policy.

Sincerely,

Jordan Rodell State Policy Manager Computer & Communications Industry Association