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## **Coalition Says Exempting Special Interests from Privacy Legislation Would be ‘Nonsense’**

WASHINGTON, June 30, 2020 – The Main Street Privacy Coalition today called on the Uniform Law Commission to include all businesses that handle consumers’ private information in model privacy legislation it is drafting and not create “special loopholes” for financial institutions and other business services industries seeking to be exempted.

“We support the Uniform Law Commission’s efforts,” the coalition said. “We are concerned, however, that the effectiveness of the ULC’s work could be undermined by industry sectors seeking exemptions or other special treatment in the law.”

“Business such as data cloud storage providers, telecommunications firms, financial institutions and others routinely argue that provisions of proposed uniform privacy laws should not apply to them. This is nonsense,” the coalition said. “These efforts to provide special exemptions and rules will surely weaken the protections that legislators think they are enacting and that consumers think they are getting.”

Data storage companies, broadband internet service providers, social media firms, credit bureaus and payment card networks have all claimed to be merely service providers but routinely handle consumers’ sensitive data and have suffered data breaches. Financial institutions have contended that they should not be covered by new privacy laws because they are already covered by privacy provisions under the federal Gramm-Leach-Bliley Act, a dated financial law enacted in 1999. While GLBA’s modest marketing restrictions do apply to financial institutions, the coalition said they are not comprehensive privacy regulations.

The coalition’s remarks came in [a letter to the ULC](#), which creates model legislation for state legislatures and is best known for creation of the Uniform Commercial Code. A [committee](#) appointed by the commission last year to develop legislation on the collection and use of personally identifiable data released a [draft bill](#) in May and is currently seeking comments.

The letter asked the commission to “ensure that there are not special loopholes” in its model legislation and that it adhere to principles for privacy legislation developed by the

coalition. The coalition's principles call for a comprehensive and uniform standard, transparency for consumers, preservation of customer services and benefits such as loyalty programs, legal responsibility for businesses' own conduct, statutory obligations for all businesses that handle consumers' personal information, and no exemptions for any industry sector that handles consumer data.

While the coalition is focused on passage of federal legislation that would set uniform standards nationwide, adoption of its principles by the ULC would help ensure uniformity among any state laws adopted in the meantime that might serve as the basis for federal bills introduced in Congress.

With privacy moving to the forefront in Congress amid the COVID-19 pandemic and activity growing at state and international levels, the coalition has ramped up its efforts and [launched a new website](#) earlier this month. Among other issues, the coalition has noted that state privacy legislation has often over-burdened consumer-facing businesses even though lesser-known third-party businesses that buy and sell consumer data present a greater threat to consumers' privacy.

### **About MSPC**

The Main Street Privacy Coalition is comprised of a [broad array of national trade associations](#) representing businesses that line America's Main Streets. From retailers to Realtors, hotels to home builders, grocery stores to restaurants, and gas stations to convenience stores, its member companies interact with consumers day in and day out. Collectively, the industries that MSPC trade groups represent directly employ nearly 34 million Americans and constitute over one-fifth of the U.S. economy by contributing \$4.5 trillion to U.S. gross domestic product. [www.MainStreetPrivacy.com](http://www.MainStreetPrivacy.com)