MEMO OF OPPOSITION A.7423 (Rozic)

The Computer & Communications Industry Association (CCIA) is writing to express our opposition to A. 7423, sponsored by Assemblymember Nily Rozic, as currently drafted.

CCIA is an international, not-for-profit trade association representing a broad cross-section of communications and technology firms.¹ CCIA strongly supports the protection of consumer data and understands that New York residents are rightfully concerned about the proper safeguarding of their data. We appreciate many of the changes the Legislature has made thus far to the draft comprehensive data privacy legislation, particularly to remove the private right of action and build in additional exemptions under the act, but still cannot support the legislation as currently drafted. Our primary areas of concern are centered around the bill's definitions and scope, which diverge from what has been included in other existing state privacy laws, therefore inhibiting interoperability, as well as the inclusion of a broad rulemaking authority, and a short onramp timeline for compliance.

Assembly Bill 7423 attempts to establish baseline data privacy protections and rights for consumers in the state, a goal that CCIA supports, understanding that in light of federal action to establish nationwide consumer data privacy protections state lawmakers are taking up the issue. In lieu of a national framework, ensuring interoperability between state privacy laws is key in order to avoid consumer confusion and reduce compliance burdens for businesses. A. 7423 differs from nearly all of the existing state privacy laws by changing the definition of key terms that are settled in other states like sale, targeted advertising, and sensitive data, which would create inconsistent standards for consumers and businesses who are already navigating nearly a dozen existing state privacy laws.

Additionally, A. 7423 provides the Attorney General with broad regulatory powers, and empowers them to craft, implement, and amend rules pertaining to the implementation of this act, including potentially the ability to amend definitions and requirements set forth in the bill as currently drafted. This regulatory power is overly broad and the bill should be amended to limit the scope of the Attorney General's authority in this space.

Finally, A. 7423 has an effective date of only one year from the date on which the bill becomes law, far too short of a timeline for businesses to adequately understand the requirements set forth in the act and prepare the necessary mechanisms to comply with such requirements. Other states, such as California and Colorado, that have passed comprehensive data privacy legislation have included two-year delays in the enforcement of their laws to provide businesses with adequate time to prepare to comply.

We appreciate the efforts that the Legislature has taken thus far to better align A. 7423 with other state privacy frameworks but more work must be done on this front prior to advancing this bill. For the reasons outlined above, CCIA opposes New York Assembly Bill 7423 as currently drafted and recommends that the New York Senate not pass this legislation. We appreciate your consideration on this matter.

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¹ For 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 https://www.ccianet.org/members.