



Utah must lead on federal data privacy legislation.

"Because we are home to one of the fastest-growing tech hubs in the nation, we're perfectly placed to play an active leadership role in national tech policy formation."

By Matt Sandgren | Monday, January 27, 2020

Data greases the wheels of the digital economy fueling new innovations in health care, science, transportation and technology. Its uses are manifold – and growing – to the benefit of companies and consumers alike.

Exhibit A: Silicon Slopes.

Utah's thriving tech corridor has powered a decade of unprecedented economic growth in our state. And what's driving this growth? In large part, data. Companies like Banjo, Pluralsight, Domo and Qualtrics have leveraged this new digital currency to fine-tune their algorithms, improve their services and ultimately create thousands of jobs. Whether we realize it or not, Utah is experiencing a data boom that is revolutionizing the way we live, communicate, do business, solve crimes and even save lives. But whether this boom goes bust depends largely on federal legislators in Washington.

Without a nationwide law regulating consumer data privacy, states will fill the void—creating a complex patchwork of state laws nearly impossible for any small business owner to navigate. For evidence, look no further than California.

This month the California Consumer Privacy Act, or CCPA, went into effect, and businesses are already feeling the pinch. CCPA is a sweeping data privacy law that exacts a heavy toll across all sectors – to the tune of \$55 billion in compliance costs or 2% of California's total GDP. And though well-established businesses can often absorb these costs, many smaller businesses, like those with fewer than 20 employees, could face upfront costs of up to \$50,000. For many entrepreneurs it may be an impossible choice: comply with the law or go out of business.

But CCPA's impact doesn't stop at state lines. Virtually any company, no matter its state of origin, must comply with CCPA regulations when doing significant business in California. And therein lies the rub: Without a unifying federal framework, state laws like CCPA and its imitators could become the de facto laws of the land for those engaged in interstate business. While reasonable people may argue over the merits of CCPA, it's impossible to argue that legislators in California – or any other state – should be telling people in Utah how to do business.

What is more, CCPA is causing confusion for companies all across the country. Assuming the likelihood that other states follow suit in writing their own data privacy laws, this confusion will multiply exponentially. States play an important role as laboratories of democracy but absent a unifying federal policy, a web of conflicting state laws could put both innovation and interstate commerce at risk.

That's why we need federal action on data privacy now. And the good news is, Utah is perfectly positioned to lead this effort.

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In the 15 years I spent on Capitol Hill advising Sen. Orrin G. Hatch on data privacy and related issues, I watched Silicon Slopes grow from an idea on paper to the juggernaut of our economy. Because we are home to one of the fastest-growing tech hubs in the nation, we're perfectly placed to play an active leadership role in national tech policy formation. We can't afford to let other states dictate our data privacy policies, and we certainly can't afford to wait until the problem becomes untenable for Utah's businesses.

The time for federal legislation is now. Utah's congressional delegation must lead in advancing a national proposal that uniformly protects consumer privacy without imposing undue burdens on free enterprise. We can balance these twin imperatives by empowering consumers with clearly articulated privacy rights while also providing businesses with the regulatory certainty they need to innovate and grow. By enacting a federal law on data privacy we can reap the full benefits of the data revolution and ensure another strong decade of economic growth for both Utah and the nation.

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