



January 27, 2015

The Honorable Michael C. Burgess, M.D.
Chairman, Subcommittee on Commerce,
Manufacturing, and Trade
Committee on Energy & Commerce
United States House of Representatives
Washington, DC 20515

The Honorable Jan Schakowsky
Ranking Member, Subcommittee on Commerce
Manufacturing, and Trade
Committee on Energy & Commerce
United States House of Representatives
Washington, DC 20515

Dear Chairman Burgess and Ranking Member Schakowsky:

The National Retail Federation supports your efforts to craft effective data security breach notification legislation. We urge you to adopt a framework for a federal law that applies to all entities handling sensitive personal information and that would establish uniform, nationwide standards to ensure clear, concise and consistent notices to all affected consumers whenever or wherever a breach occurs.

NRF is the world's largest retail trade association, representing discount and department stores, home goods and specialty stores, Main Street merchants, grocers, wholesalers, chain restaurants and Internet retailers from the United States and more than 45 countries. Retail is the nation's largest private sector employer, supporting one in four U.S. jobs – 42 million working Americans. Contributing \$2.5 trillion to annual GDP, retail is a daily barometer for the nation's economy.

For years, NRF has called on Congress to enact a preemptive federal breach notification law that is modeled upon the strong consensus of existing laws in nearly every state, the District of Columbia, Puerto Rico and other federal jurisdictions. A single, uniform national standard for notification of consumers affected by a breach of sensitive data would provide simplicity, clarity and certainty to both businesses and consumers alike. Importantly, a single federal law would permit companies victimized by a criminal hacking to devote greater attention in responding to such an attack to securing their networks and determining the scope of affected data and customers to be notified, rather than diverting limited time and resources of their legal team away to solve a patchwork of conflicting disclosure standards in over 50 jurisdictions. In sum, a federal breach notification law would ensure reasonable and timely notice to consumers while providing clear compliance standards for businesses.

As you know, American businesses of all types have suffered criminal intrusions that put their clients' and customers' sensitive data at risk. If Americans are to be adequately protected and informed, any legislation to address these threats must cover all of the types of entities that handle sensitive personal information. Exemptions for particular industry sectors that handle the same sensitive information would not only ignore the scope of the problem, but create risks criminals can exploit. A federal notice obligation applying to all breached businesses would also create significant

incentives across industries to invest in technologies to better protect data and to respond appropriately to breaches whenever and wherever they occur. Federal legislation should, therefore, not leave any “notice holes” that allow businesses to avoid notification when they suffer a breach of their own system; doing so may not only leave affected businesses and customers unaware of a breach, but also creates disincentives to fully protect the data in their system if public notification is not required following a breach.

We look forward to continuing to work with you and the members of the Subcommittee to produce legislation we can fully support, and that Congress can enact, to establish uniform federal rules for the reasonable, timely notification to affected consumers by all businesses that suffer breaches of sensitive personal information.

Sincerely,

A handwritten signature in black ink, appearing to read "David French". The signature is stylized and cursive.

David French
Senior Vice President
Government Relations

cc: Members of the House Energy & Commerce Committee