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*Vice President*

*Infrastructure, Innovation and Human Resources Policy*

March 1, 2023

Representative Gus Bilirakis  
Chair  
Subcommittee on Consumer Protection  
and Commerce  
Committee on Energy and Commerce  
Washington, DC 20515

Representative Janice Schakowsky  
Ranking Member  
Subcommittee on Consumer Protection  
and Commerce  
Committee on Energy and Commerce  
Washington, DC 20515

Dear Chair Bilirakis and Ranking Member Schakowsky:

The National Association of Manufacturers welcomes the subcommittee's focus on data privacy. The NAM is the largest manufacturing association in the United States representing manufacturers in every industrial sector and in all 50 states. Manufacturing employs more than 13 million men and women, contributes nearly \$2.81 trillion to the U.S. economy annually, has one of the largest economic impacts of any major sector and accounts for 55% of all private-sector research and development in the nation.<sup>1</sup> The NAM is the powerful voice of the manufacturing community and the leading advocate for a policy agenda that helps manufacturers compete in the global economy and create jobs across the United States.

Today's hearing "Promoting U.S. Innovation and Individual Liberty through a National Standard for Data Privacy" is an opportunity to further explore this important issue and assess the strong need for a federal data privacy standard. Manufacturers resoundingly support a federal data privacy standard that prevents a patchwork of state privacy laws and provides much needed legal clarity to support continued innovation and competitiveness.

Manufacturers are continuously developing innovative products and transforming the manufacturing process with the latest technologies. Data continues to be a critical source and byproduct of these breakthroughs and developments as modern manufacturing evolves. The Internet of Things (IoT) is continuing to transform manufacturing through billions of connected devices and advanced wireless infrastructure that allow for the transmission of vast amounts of data. Connected shop floors are generating data that industry is harnessing to improve efficiency, manage production activities, streamline repairs and safeguard plant security. Additionally, connected products utilize data to transform the consumers' experience in countless ways.

Our nation's manufacturers support ongoing efforts to craft federal data privacy legislation that advances individuals' privacy while promoting U.S. innovation and industrial competitiveness. Without clarity from federal law, uncertainty will continue for our industry, causing manufacturers to sort through conflicting state privacy laws across the country. To provide greater legal clarity, federal privacy legislation should pre-empt state privacy regulations

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<sup>1</sup> <https://www.nam.org/facts-about-manufacturing/>

to resolve conflicting requirements in different states. A national approach to data privacy will strengthen businesses while supporting consumers.

Patchwork state privacy laws and unpredictable regulatory changes on data privacy are currently undermining the ability of organizations to manage privacy risks, protect consumers and make business decisions with the certainty they need. State-by-state privacy requirements create conflicts for manufacturers, their operations and their processes due to the interstate nature of data flows. They stall innovation by creating a regulatory burden that distracts from the development of next generation technologies and products. Manufacturers design and build security and privacy into their systems and products and it is often an extensive process to adjust those systems and products in the face of evolving data regulations.

Ongoing innovation requires flexibility, and any federal action on data privacy must be carefully balanced and thoughtfully implemented without sacrificing opportunities for economic leadership and progress. Businesses should be held accountable if they inappropriately utilize personal consumer data or violate a data privacy agreement. However, legislation that includes a private right of action should be constructed in a thoughtful way to prevent a legal dynamic that could encourage excessive legal challenges. Rather than innovating, companies could be focusing resources on unending legal challenges that the legislation unintentionally encourages.

Our companies are entrusted with vast amounts of data through diverse business interactions with customers, vendors, suppliers and governments. They understand that safeguarding privacy, protecting information and building consumer trust is a critical responsibility. Manufacturers support a data privacy policy that provides flexibility for innovation and advances U.S. economic growth and technological leadership. The NAM appreciates the work of the subcommittee and looks forward to engaging with you on this issue.

Sincerely,



Robyn M. Boerstling

Cc: Chair Cathy McMorris Rogers  
U.S. House of Representatives  
Committee on Energy and Commerce

Ranking Member Frank Pallone  
U.S. House of Representatives  
Committee on Energy and Commerce