



**Thomas A. Schatz, President**  
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January 18, 2022

Alaska House Labor and Commerce Committee  
Alaska State Capitol  
120 4th Street  
Juneau, AK 99801

Dear Representative,

On behalf of the 4,270 members and supporters of the Council for Citizens Against Government Waste (CCAGW) in Alaska, I urge you to vote against [HB 159](#), which would impose restrictions and penalties on violations stemming from data brokering of consumer information.

Unfortunately, this bill will fail to achieve its objective to protect consumer privacy. Instead, it would create instability and uncertainty for companies doing business over the internet and their customers. The internet is not contained within a single state's boundaries and therefore participants operating within the internet ecosystem can only be regulated by the federal government under the Commerce Clause, Article I, Section 8 of the Constitution.

On December 14, 2017, the Federal Communications Commission adopted the Restoring Internet Freedom Order (RIFO), which restored the internet's proper classification as an information service, as intended in the 1996 Telecommunications Act. It was under this light-touch regulation that the internet thrived and became one of the greatest economic and social innovations in history.

The RIFO also reinstated the Federal Trade Commission's authority to investigate privacy and consumer protection violations by internet service providers (ISP) and strengthened its enforcement capabilities by enhancing transparency requirements. Any ISP infringing upon consumer privacy or engaging in otherwise unfair conduct can be held accountable for its actions.

States have enacted or will be reviewing laws that would protect personal information, including online privacy for children, websites, and monitoring employee e-mail communications. These laws would affect any business operating or selling to customers in each state, impinging on interstate commerce. Without the adoption of a consistent national privacy protection regime that preempts state and local laws, more states will enact their own rules, which raises costs and complicates compliance for businesses and individuals.

Rather than enact state laws imposing restrictions on online interstate commerce, the Alaska state legislature should encourage Congress to pass a national data privacy framework that will promote innovation while providing certainty across state borders for the regulation of data privacy.

Again, I urge you to vote against HB 159.

Sincerely,

*Tom Schatz*