

April 27, 2023

The Honorable Frank Pallone
Ranking Member
Committee on Energy and Commerce
2322 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Cathy McMorris Rodgers
Chair
Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Maria Cantwell
Chair
Committee on Commerce, Science,
and Transportation
254 Russell Senate Office Building
Washington, D.C. 20510

The Honorable Ted Cruz
Ranking Member
Committee on Commerce, Science,
and Transportation
512 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Chair Rodgers, Ranking Member Pallone, Chair Cantwell and Ranking Member Cruz:

As leading members of the U.S. startup ecosystem—entrepreneurs, startup founders, incubators, investors, accelerators, and support organizations—located in 26 states that serve individuals, businesses, schools, and governments in every state across the country and throughout the world, we write to urge you to pass a uniform, consistently-enforced, comprehensive data privacy law to create certainty for us and provide baseline protections for our customers.

We are creating new ways for individuals to learn critical skills, helping people to advance in their careers, assisting businesses in reducing emissions, improving health outcomes for at-risk populations, among so many other innovative contributions to advance society. We care deeply about our users, customers, and clients, respect their privacy, and invest heavily in keeping their data safe.

Unfortunately, the rapidly shifting landscape of state privacy laws makes it difficult for us to be confident that we are compliant with the letter of each law and leads us to spend considerable time and resources navigating these disparate, complex frameworks. In fact, new research shows that we each spend hundreds of thousands and forgo up to 20% of revenue on often duplicative compliance activities.¹ A uniform federal privacy framework would create clarity for us, streamline these costs, allow us to better serve our customers, and improve our competitiveness all while ensuring that our customers in each state have the same privacy protections. The resources we save could be put toward hiring more workers to grow our businesses, investing in R&D to improve our products, and supporting our communities.

¹ *Privacy Patchwork Problem: Costs, Burdens, and Barriers Encountered by Startups*, Engine (Mar. 24, 2023), <https://static1.squarespace.com/static/571681753c44d835a440c8b5/t/6414a45f5001941e519492ff/1679074400513/Privacy+Patchwork+Problem+Report.pdf>.

Last Congress you came closer than ever to passing a federal privacy law. We encourage you to build on that momentum this Congress while keeping in mind the needs of startups. We need federal privacy law that:

Creates uniformity. Startups need a federal privacy law to preempt individual state privacy laws. Without preemption, a federal privacy law would merely be another law added to the patchwork and would not create certainty or ease compliance for us.

Limits bad faith litigation. A federal privacy law should be consistently enforced by expert agencies and limit opportunities for bad actors to exploit the high cost of privacy litigation to extract settlements from startups by bringing lawsuits even when startups have not violated the law.

Respects the resources of startups. Many of us have not yet raised formal funding rounds and instead rely on our personal savings or the revenue we generate. Even those of us that have raised outside capital have significantly fewer resources than our larger competitors. A federal privacy law must account for our resources and ability to comply.

Accounts for the tools startups use. We use multiple tools and services to build our companies. As you formulate a federal privacy law, you should keep in mind the interconnectedness of the startup ecosystem.

The startup community supports your efforts to create a uniform, consistently-enforced federal privacy framework to create clarity and establish protections for all Americans. We thank you for considering our views.

Sincerely,

1Huddle

6AM City, Inc.

Abstract

Airpals Technologies Inc.

Ardian Group, Inc.

Availyst

Bims Laboratories, Inc.

Black & Brown Founders

Boolean Girl

Broadside Digital

Bryght Labs

Carefully

Center for American Entrepreneurship

CitiQuants Corp.

Connector Labs

Courtam, Inc. dba People Clerk

Cover

Cranberry Queues Corp.

DAF.Financial, Inc.

Denver Angels

Ecobot	Lumo
Educreations	M1PR, Inc.
Engine	Max Borges Agency
Eskvad	Maxwell
Event Vesta, Inc	Onfleet, Inc.
Free From Market	PILOT Inc.
FundBlackFounders	PIE
Gaussian Holdings	Polyhedra
Global Response Systems	Productions.com
Globalfy, LLC	RAVN
Green Tech Coast	Raydiant Oximetry, Inc.
Gust	Red Cap Ventures
Hacom	Refraction, Inc.
hobbyDB	Renee
Hush	Right to Start
Infiltron Software Suite	Signals
Innovare	STY Holdings
Institute for Energy and Sustainability, Inc.	TaxCredit.ai
IronCore Labs, Inc.	TheraTec, Inc.
Libib	Tostie Productions, LLC
Linktree	Venntive LLC
ListedB	Voatz, Inc.
LiteraSeed, Inc.	WePower Technologies LLC

cc: Honorable Members of the House Committee on Energy and Commerce and the Senate Committee on Commerce, Science, and Transportation