





URGENT ACTION NEEDED: EXTEND CPRA EXEMPTIONS

Urgent action is necessary to make a modest, two-year extension of the January 1, 2023, sunset dates that apply to business-to-business and employee information under the California Privacy Rights Act (CPRA).

- Employees were never intended to be covered by the CCPA or CPRA:** The policy rationale for those sunset dates was to allow time for the business community and labor organizations to negotiate a compromise on comprehensive legislation to further protect employee privacy.
- Business-to-business relationships and transactions were never intended and don't make sense to be covered by CCPA or CPRA:** Data necessary in business-to-business context should not fall under a consumer privacy law – this data is exclusively for the purposes of executing and maintaining business-to-business operations. Forcing the law into these business relationships and these business transactions will further stress businesses' already overextended resources and lead to excessive costs while producing no benefit to consumers.
- A two-year sunset extension is necessary to prevent significant and irreversible harm to California businesses:** Companies are expending tremendous resources and finances in anticipation that employees may be covered by CPRA if the sunset is not extended. Such losses are being incurred to implement a law that was never intended to apply to employees. Providing a full legislative session to reach a deal on employee

privacy ensures that meaningful discussions can take place and that companies do not have to repeatedly stop and start compliance efforts.

- **Impact on small businesses will be devastating:** Allowing the sunsets to lapse will hit small businesses across this state with staggering compliance burdens when many are still digesting Covid financial losses. These are needless costs that can be avoided with more time. Even the state agency has been unable to issue rules on time on existing CPRA provisions. Challenges of remote work and complexity of this issue area only compound impacts on businesses.
- **Once the sunsets are allowed to lapse, there is no going back:** Businesses cannot afford the additional uncertainty that will invariably result if these sunsets lapse, particularly at a time when they already are struggling with (1) the impact of delayed regulations from the Privacy Agency and (2) continued uncertainty arising from Covid 19 and its financial impact.

AdvaMed

Agricultural Council of California

Alliance for Automotive Innovation

American Association of Advertising Agencies (4A's)

American Financial Services Association (AFSA)

American Property Casualty Insurance Association

American Staffing Association

Anaheim Chamber of Commerce

Association of California Life and Health Insurance Companies

Association of Claims Professionals

Association of National Advertisers

Bay Area Council

Biocom California

Brea Chamber of Commerce

BSA | The Software Alliance

CA Beer and Beverage Distributors

CalAsian Chamber of Commerce

CalForests

California Assisted Living Association

California Attractions and Parks Association

California Business and Industrial Alliance

California Cable & Telecommunications Association (CCTA)

California Chamber of Commerce

California Community Banking Network

California Credit Union League

California Farm Bureau

California Hispanic Chambers of Commerce

California Hmong Chamber of Commerce

California Hospital Association

California Hotel and Lodging Association
California Land Title Association
California League of Food Producers
California Life Sciences
California Manufacturers & Technology Association
California Restaurant Association
California Retailers Association
California Staffing Professionals
California State Council of the Society for Human Resource Management (CalSHRM)
California Travel Association (CalTravel)
California Trucking Association
Card Coalition
Carlsbad Chamber of Commerce
Chino Valley Chamber of Commerce
Citrus Heights Chamber of Commerce
Civil Justice Association of California (CJAC)
Consumer Data Industry Association
CTIA – The Wireless Association
Electronic Transactions Association (ETA)
Fidelity Investments
Golden Arch Enterprises Inc.
Greater Riverside Chambers of Commerce
Hollywood Chamber of Commerce
Honda North America
Housing Contractors of California
Insights Association
Interactive Advertising Bureau (IAB)
Internet Coalition
Lake Elsinore Valley Chamber of Commerce
Liberty Mutual Insurance Group
Lodi Chamber of Commerce
Los Angeles Area Chamber of Commerce
National Business Coalition on E-Commerce and Privacy
National Federation of Independent Business
National Payroll Reporting Consortium
Oceanside Chamber of Commerce
Official Police Garages of Los Angeles
Pacific Grove Chamber of Commerce
Palos Verdes Peninsula Chamber of Commerce
Personal Care Products Council
Personal Insurance Federation of California
Sacramento Metro Chamber of Commerce
San Gabriel Valley Economic Partnership
San Marcos Chamber of Commerce
Santa Maria Valley Chamber of Commerce
Santa Barbara South Coast Chamber of Commerce
Santa Clarita Valley Chamber of Commerce
Securities Industry and Financial Markets Association
Security Industry Association (SIA)
Silicon Valley Leadership Group
TechNet

Torrance Area Chamber of Commerce
Toy Association
Tulare Chamber of Commerce
USTelecom
Waste Management
Western Electrical Contractors Association (WECA)
Yin McDonald's