



**WTA Response to
the House Committee on Energy and Commerce
Privacy Working Group**

April 7, 2025

Thank you for this opportunity to provide input on federal data privacy policy. WTA supports the goal of standardizing consistent and strong consumer data privacy policy across the country, both so that businesses know their responsibilities and obligations, and consumers know how their personal information is being used and protected.

WTA – Advocates for Rural Broadband is a trade association representing nearly 400 small broadband providers serving some of the most rural and remote areas of the United States. A mixture of family-owned businesses and cooperatives, they typically employ fewer than 50 people and serve fewer than 5,000 customers. They are often the only option for broadband in the small farming, ranching, and Tribal communities they serve. Yet despite this, WTA members are dedicated to closing the digital divide by deploying robust, high-quality broadband networks in these challenging environments.

The crux of the debate over federal privacy policy concerns how to regulate large businesses with hundreds of millions of dollars in revenue that have collected and sold extensive quantities of consumer data with little consumer knowledge and a lack of transparency. With nearly 20 states enacting different consumer data privacy standards, it is understandable that federal policymakers, businesses, and consumers desire a uniform, national standard. We appreciate the Committee on Energy and Commerce and its Privacy Working Group taking on the challenge of crafting a policy that balances efficiency, economic competitiveness, transparency, and consumer protection.

Small Entities Should be Exempt from Privacy Rules

WTA's member companies are small businesses with limited staff to devote to regulatory compliance. In general, the information they collect is limited to name, address, additional contact information, and other data necessary for billing, network management, and internal marketing. Our companies do contract with third-party vendors and, when necessary, customer data is shared with them, but only for the purpose of providing the services requested by the customer. They do not sell customer data to third parties.

With this in mind, we recommend that any federal data privacy regime that preempts state law also exempts small businesses like WTA's member companies. This is a reasonable request, as the vast majority of states that have enacted data privacy statutes have chosen to exempt entities that collect data from a relatively small number of consumers. In

addition, past federal draft proposals on privacy have also recognized that burdening businesses with additional regulation is inefficient.

Survey of State Law

As of April 2025, 19 states have enacted comprehensive data privacy laws. A survey of these state laws finds that nearly all of them have an exemption for entities that either do not make a significant amount of revenue off collecting and selling consumer data or do not collect data from a large number of consumers to begin with.

For example, California's first-in-the-nation privacy law, the California Consumer Privacy Act, exempts companies that do not buy, sell, or share the personal information of fewer than 100,000 California residents or households within a calendar year and do not derive 50% or more of their annual revenue from selling California residents' personal information. Similarly, Kentucky's Consumer Data Protection Act only applies to companies that either collect personal information from more than 100,000 consumers or companies that collect data from more than 25,000 consumers and also make more than 50% of their gross revenue from selling that data. Nine other states use 100,000 consumers (or an even higher threshold) as a standard for exemption. Other states have lower standards, such as 50,000 or 35,000, and two use federal small business definitions for exemptions. In addition, some states incorporate total gross revenue into their exemption methodology.

All that is to say, states have clearly recognized that companies of a certain size or that do not profit off of collecting consumer data should be exempt from the burden of having to administer data privacy policy.

In addition, bipartisan, bicameral draft legislation proposed last year – the American Privacy Rights Act – exempted small businesses from its obligations. Small businesses were defined as those with average annual gross revenues of not more than \$40 million for the previous three years, did not annually collect data of more than 200,000 individuals, and did not transfer covered data to a third party except for the purpose of initiating, rendering, billing for, finalizing, completing, or otherwise collecting payment for a requested service or product. This is a solid foundation on which to base a small business exemption in any legislation drafted in the 119th Congress.

State and federal policymakers have clearly recognized that if small entities were subjected to the various requirements for data management, record keeping, and external and internal reporting, as well as requirements to comply with requests by consumers for inspection, deletion, and portability as required by some state laws and contemplated by various federal legislative drafts, it would become a costly and complicated burden. It seems reasonable, based on the precedent set by other data privacy proposals, that entities that don't collect data on more than 200,000 consumers nationally or make a significant profit selling data should be exempt from any federal data privacy regime.

Conclusion

It would be counter-productive if the hundreds of thousands of American small businesses, including WTA's member companies, that are currently exempt from state privacy laws were to find themselves subjected to burdensome federal privacy laws in the name of streamlining privacy regulation. A reasonable small business exemption should be part of any federal privacy law. WTA looks forward to assisting the Working Group in any way it can. Thank you for this opportunity to comment.

Respectively submitted,

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