



March 1, 2012

The Honorable Harry Reid
Majority Leader
United States Senate
S-221, The Capitol
Washington, D.C. 20510

Dear Majority Leader Reid:

As you are considering cybersecurity legislation in various forms, the National Retail Federation urges you to focus on the task and not to expand the scope of any cyber bill to include inconsistent or unvetted amendments, particularly data breach legislation and broad new privacy regimes.

As the world's largest retail trade association and the voice of retail worldwide, NRF represents retailers of all types and sizes, including chain restaurants and industry partners, from the United States and more than 45 countries abroad. Retailers operate more than 3.6 million U.S. establishments that support one in four U.S. jobs – 42 million working Americans. Contributing \$2.5 trillion to annual GDP, retail is a daily barometer for the nation's economy. NRF's Retail Means Jobs campaign emphasizes the economic importance of retail and encourages policymakers to support a Jobs, Innovation and Consumer Value Agenda aimed at boosting economic growth and job creation.

Cybersecurity legislation includes the laudable goal of increasing information sharing between the government and private sector, but the goals underlying the cybersecurity legislation and provisions in data breach notification legislation are fundamentally contradictory. The cybersecurity proposals encourage information sharing by limiting companies' liability for that sharing. On the other hand, some data breach notification bills either penalize companies for sharing news of a breach by imposing onerous credit monitoring obligations or impose lesser civil penalties for failing to disclose a breach in the first instance. Juxtaposing these contrasting proposals would place businesses in a precarious position when their systems are attacked by cyber criminals. Thoughtful examination and comparison of these pieces of legislation reveal that they are not properly aligned.

A similar argument exists in the case of general privacy legislation advocated for by the Obama Administration at last week's White House Event on Consumer Privacy Bill of Rights. The inclusion of general privacy legislation, which has not been vetted by any committees of jurisdiction in the Senate, flies in the face of the deliberative process that this sensitive topic deserves. Congress must strike the careful balance between consumers' privacy interests and the provision of goods and services over the Internet that the average American consumer expects in this e-commerce economy.

NRF is supportive of the process to create a cybersecurity bill that is based on vetted concepts that will aid in protecting our nation's most critical infrastructure but that is not encumbered with conflicting amendments addressing data breach notification or insufficiently examined new privacy regimes. NRF looks forward to working with you on this issue moving forward.

Sincerely,

A handwritten signature in black ink, appearing to read 'David French', with a stylized flourish at the end.

David French
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Government Relations

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