



TECHNET
THE VOICE OF THE
INNOVATION ECONOMY

April 22, 2019

The Honorable Jennifer Williamson
Chair, House Judiciary Committee
Oregon House of Representatives

Re: SB 684A - Data Breach

Chair Rep. Jennifer Williamson and members of the House Judiciary Committee:

TechNet is the national network of over eighty technology companies that promotes the growth of the innovation economy through bipartisan advocacy at the federal and state level in all fifty states. TechNet's diverse membership includes dynamic American businesses ranging from small startups to the most prominent global companies and represents more than three million employees in the fields of information technology, e-commerce, clean energy, gig and sharing economy, venture capital, and finance.

TechNet respectfully submits these comments on SB 684A. TechNet greatly appreciates the hard work of Attorney General Rosenblum and her staff on this complex and important topic. While we believe that protecting the safety of Oregon consumer is necessary, we have recommended changes we would like to see to the bill as drafted.

First, SB 684A creates confusing obligations for vendors and covered entities. The bill would require vendors to notify the Attorney General in the event of a breach of security of personal information of more than 250 consumers. However, under most state data breach laws, the covered entity retains the obligation to notify the Attorney General. To create a different approach would create confusion and detract from a vendor's efforts to notify the covered entity and to protect personal information.

Additionally, vendors and covered entities are sophisticated parties that usually provide by contract on the appropriate timelines for notification between the vendor and covered entity. Providing that the vendor must notify the covered entity within 10 days of discovery of a data breach, on its face seems helpful, but in reality it interferes with vendors relationships with covered entities. Moreover, it is unclear whether any other state has a similar provision.

Upon further review of the legislation, TechNet would also recommend amending Section 3 to include the following language: In the case of a breach of security involving personal information defined in paragraph (12)(a)(B) for an online account, and no other personal information defined in paragraph (12)(a), the covered entity may comply with this section by providing the security breach notification in electronic or other form that directs the person whose personal

information has been breached promptly to change his or her password and security question or answer, as applicable, or to take other steps appropriate to protect the online account with the covered entity and all other online accounts for which the person whose personal information has been breached uses the same user name or email address and password or security question or answer.

Finally, TechNet would recommend two clarifying points: restrict to Oregon consumer by inserting "Oregon" or "state" in front of the word consumer with respect to triggering notifications in 646.604(1) & (3)(a); and clarify that any more restrictive contractual requirements would over-ride the statutory requirements.

TechNet appreciates the ongoing nature of this conversation and would be happy to answer any questions. Thank you in advance for your consideration on these matters.

Sincerely,

/s/

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