

Support Data Protection for Consumers

The National Grocers Association (NGA) represents 21,000 independent community grocers and wholesalers across the United States. Independent community grocers account for 33 percent of all grocery sales, exceeding \$250 billion, and more than 1 million American jobs.

Who are Independent Community Grocers?

NGA's members are independent community grocers that are privately-owned by families or employees. They are vital to the communities in which they are located, and more than half of our membership is classified as "small" under the Small Business Administration's definition. Our members operate in a high-volume, low margin industry with most stores operating on just 1-2% net profit margins. NGA supports policies that ensure the privacy of our communities' data while allowing us to bring choice, convenience, and value to our customers.

One Federal Standard for Consumer Data Privacy

Customer reward and loyalty programs are commonplace in the grocery industry. But these programs do more than just providing benefits to our customers. Consumer data allows independent grocers to better manage inventory, react to pricing changes and shopping trends, and better serve our communities.

Congress should pass federal data privacy legislation that applies nationally to all industry sectors and does not contain any loopholes that leave consumers unprotected when their personal data is handled by a business. Every company involved in the handling of customer data should have legal obligations to properly guard it under privacy law, and the law should not solely rely on private contracts to create those legal obligations. NGA supports the following policy principles:

1. Comprehensive and Uniform Federal Standard

- ◆ There should be a comprehensive federal law on data privacy that protects consumers in a nationwide, uniform, and consistent way.

2. Transparency for Consumers

- ◆ Consumers should be informed of the categories of personal data that businesses collect and how that data is used by them.

At the HEART of the community.



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3. Preserve Customer Services and Benefits

- ◆ A federal data privacy law should preserve the ability of consumers and businesses to voluntarily establish mutually beneficial business-customer relationships, including rewards and loyalty programs.

4. Responsibility for Own Conduct

- ◆ Any privacy law should make all businesses responsible for their own conduct. It should not expose them to liability for privacy violations by their business partners, including contractors and franchises.

5. Statutory Obligations for All

- ◆ Small businesses should not be forced to hold other businesses to privacy standards through contracts. All businesses that handle consumers' personal information should have direct privacy obligations under the law.

6. Breach Notification

- ◆ A federal data privacy law should include provisions codifying a national and reasonable data security standard for businesses, as well as a uniform process for notifying customers about data breaches. All businesses should be required to protect personal data and make notice of their own breaches to affected consumers.

7. No Exemptions

- ◆ Every industry sector that handles consumers' personal information should have equivalent legal obligations to protect consumers' privacy under the law.

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