



June 22, 2022

The Honorable Frank Pallone,
Chairman
House Energy & Commerce Committee
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Cathy McMorris Rodgers,
Ranking Member
House Energy & Commerce Committee
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Janice Schakowsky,
Chair
Consumer Protection
& Commerce Subcommittee
U.S. House of Representatives
Washington, DC 20515

The Honorable Gus Bilirakis,
Ranking Member
Consumer Protection
& Commerce Subcommittee
U.S. House of Representatives
Washington, DC 20515

Dear Representatives Pallone, Schakowsky, McMorris Rodgers and Bilirakis,

I write to you today on behalf of Internet for Growth (I4G), a rapidly growing, grassroots coalition of hundreds of small businesses and creators, who depend on data-driven digital advertising to succeed in today's competitive market. The ad-supported internet helps entrepreneurs across all 50 states break down geographic barriers, reach more customers with products and services at lower cost, and create communities of shared values and interests.

Our members support a national privacy law to protect all Americans and commend your work to produce the bipartisan, bicameral American Data Privacy and Protection Act (ADPPA) in Congress. A comprehensive federal privacy law would help address the growing patchwork of state laws that place heavy compliance costs on small and medium-sized businesses. While our members appreciate exemptions from some of the ADPPA's most burdensome provisions, other provisions could still subject us to complicated rules, regulations, and penalties, which would make it difficult for us to continue doing business.

Most concerning to Internet for Growth members are potential restrictions on personalized advertising, one of the most important tools for small businesses and creators to find new customers, sell products, and grow their businesses. According to [the latest research from the Interactive Advertising Bureau \(IAB\)](#), the ad-supported internet represented 12% of U.S. GDP in 2020 and contributed more than 17 million jobs, which reflects a 70% growth rate over the prior four years. We fear the ADPPA's prohibitions on targeted advertising as currently defined will undermine the ability of small businesses and creators across the country to continue serving their communities and generating jobs.



While we appreciate the effort to improve privacy protections, we urge you to consider the concerns of America's small businesses as you develop this legislation and make common-sense changes that can meet the goals of the legislation without unnecessarily hindering an engine of the U.S. economy and digital trade.

Digital advertising has been a lifeline for millions of independent business owners during the pandemic. The ad-supported internet has created entirely new industries such as video streaming and podcasting. [Research from the Massachusetts Institute of Technology \(MIT\)](#) estimates the value of free, ad-supported online services to every American at thousands of dollars per year. Internet for Growth members are counting on responsible, personalized, measurable advertising to save time and money, and innovate and grow.

The ADPPA represents an opportunity to establish a national privacy law. We must work together to avoid the mistakes of other nations, preserving the ingenuity and dynamism of the U.S. economy. From 2016 to 2020, the domestic internet economy grew at a rate of 22%, dramatically outpacing the total U.S. economy. IAB's research shows that small businesses and the self-employed create more internet jobs than the largest companies. In the information age, Main Street has benefitted as much if not more than "Big Tech" from reasonable, responsible use of data, a trend the ADPPA in its current form threatens to reverse. If Congress fails to address sweeping prohibitions on data and digital advertising that power the modern economy, this legislation will exacerbate the effects of inflation raising prices for both businesses and consumers.

Internet for Growth is eager to offer our members' perspectives as you and your colleagues advance the American Data Privacy and Protection Act in Congress. We support a federal privacy law to simplify unclear and competing state laws, enhance consumer data protection, and preserve the ability of innovators and entrepreneurs to realize their dreams with the help of digital advertising and marketing. However, we are concerned about vague definitions, broad restrictions, and potential penalties for America's small businesses contained in the ADPPA. We look forward to working with you and your colleagues as you seek to move this historic legislation forward.

Sincerely,

Brendan Thomas
Executive Director, Internet for Growth

cc: House Energy & Commerce Committee

Internet for Growth, an initiative of the Interactive Advertising Bureau, supports the transformative role the advertising-supported internet plays in empowering America's small businesses, helping entrepreneurs bring their ideas to life. Supported by a diverse community of over 700 IAB members including marketers, agencies, publishers, platforms and ad tech providers, as well as hundreds of small businesses and creators, we highlight the benefits the internet delivers to local economies, expanding opportunities for innovators to reach markets far beyond their neighborhoods. Our work ensures people understand the limitless opportunity the internet provides for creativity and commerce, fair competition, and connecting with consumers on mutually shared values and interests, no matter the background or geography.