

Legislative & Advocacy Update

Christopher Oswald EVP Law, Ethics & Gov't Relations Association of National Advertisers

Priority Issues





American Privacy Rights Act

- Sen. Maria Cantwell, Rep. Cathy McMorris-Rodgers
- Similar provisions to Americans Data Privacy Protection Act (ADPPA)
- Broad definitions of "Sensitive data"
- Limitations on data used for "Targeted Advertising"

The American Privacy Rights Act of 2024

"A federal data privacy law must do two things: it must make privacy a consumer right, and it must give consumers the ability to enforce that right. Working in partnership with Representative Cathy McMorris Rodgers, our bill does just that. This bipartisan agreement is the protections Americans deserve in the Information Age."

Chair U.S. Senator Maria Cantwell



APRA – Relevant Concerns

- **Data Minimization** Limits the use and collection of covered data to specific enumerated purposes, which does not explicitly include direct mail
- **Opt-Out** Includes a global opt-out for data transfers by all covered entities
- <u>Disclosures</u> Requires explicit disclosures of any specific data broker to which a covered entity transferred covered data of an individual
- Data Broker Obligations Establishes a data broker registry and centralized mechanism for consumers to submit "do-not-collect" requests to all registered data brokers
- Private Right of Action Creates a private right of action for specified privacy violations



Kids Privacy

- KOSA on the move in Senate
 - Enough cosponsors to overcome filibuster
 - Route forward
 - Merge with COPPA 2.0? New bill expected March-April
 - Merge with data broker blll?
 - Merge with TikTok ban bill?
 - Companion bills in the works in the House
 - House may want to wrap all up into comprehensive bill (APRA)
- COPPA rewrite at the FTC
 - ANA filed comments





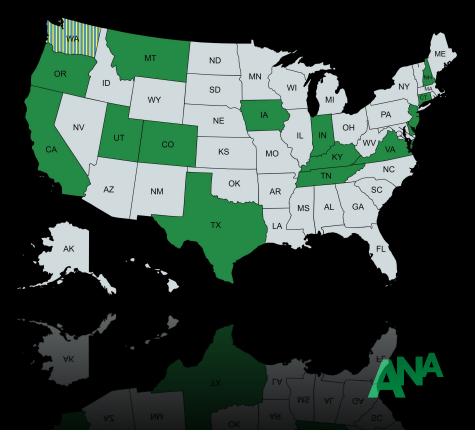
Data Brokers

- H.R. 7520 Protecting Americans' Data from Foreign Adversaries
 - Introduced by Rep. Pallone (D-NJ) on March 5 passed House unanimously on March 20.
 - Prohibit disclosure of "sensitive data" to "foreign adversary countries"
 - North Korea, China, Russia, Iran
- DOJ also writing rules in this area after Biden EO
 - Countries above as well as Cuba and Venezuela (and Hong Kong/Macau)



State Privacy

- 16 states have passed privacy laws to date
 - Generally, every state has followed an interoperable framework.
 - Opt-out requirement for data sharing, sales, and targeted advertising – none require opt-in consent.
 - Most define "pseudonymous data" and exempts such data from legal requirements.
 - Most have notice and data minimization requirements.
 - No *explicit* private rights of action.
 - There are outliers however
 - New Jersey and Maryland allow for possible threats of litigation due to ambiguity in their enforcement provisions.
 - Maryland recently passed a law with new, onerous data minimization provisions.



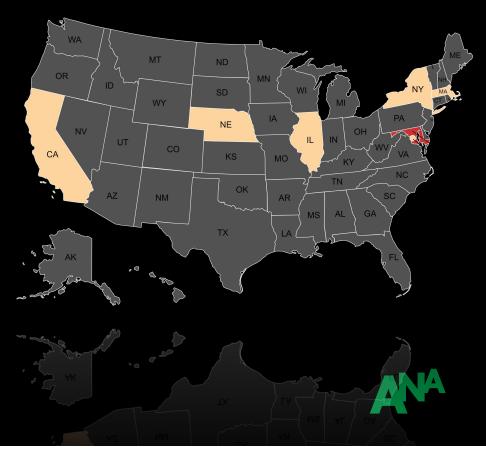
The Taxman Cometh?



- In 2025 the Trump-era Tax Cuts and Jobs Act (TCJA) cuts expire we must ensure the deductibility of advertising is not on the chopping block.
- A Congressional estimate in 2022 stated that amortizing ad expenses over 10 years would raise \$154 billion

State Taxes on Advertising

- <u>Maryland</u> (*enacted*) taxes advertising revenue derived from digital advertising.
 - Currently under litigation at both the state and federal level.
- <u>Nebraska</u> taxing all advertising services (however there is a revenue threshold for applicability).
- <u>California</u> taxing digital advertising to fund mental health and taxing data to fund journalism.
- **DC, New York, Illinois** taxes data use and collection.



Postal

• ANA is active:

- ANA representatives serve on the USPS Mailers Technical Advisory Committee (MTAC).
- ANA convenes a monthly group of Mail Industry Leaders.
- ANA has member committees (Data & Direct mail, Postal Council) focused on mailing community needs and trends.





- INDUSTRY COMPLIANCE RESOURCES
 - Ethics Policy Committee
 - ANA Center for Ethical Marketing Ethical Code
 - DMAchoice: ANA Data Hygiene Tools
 - ANA DPF Dispute Resolution

- CONSUMER COMPLIANCE RESOURCES
 - <u>Consumer Help</u>
 - <u>DMAchoice</u> consumer mail management service
 - Digital Advertising Alliance (DAA) online interest-based ad choice tool
 - ANA DPF Dispute Resolution for Consumers





Special pricing for ANA members

Do the Right Thing and Subscribe to the ANA's Data Hygiene Tools to Help You Reach the Right Audience



Premier industry mail removal services to help you clean your prospect marketing lists of unresponsive consumers, the deceased, and impaired individuals

> Subscribe • Clean Lists • Save ana.net/accountability | DMAchoice.org

All of ANA's LEGR Offerings

ANA A-s CAPITOL HILL DAY WEDNESDAY, MAY 15 | WASHINGTON, D.C. AND VIRTUAL

- 50 State Legislative Tracking by Leonine FOCUS
- Our Weekly Newsletter The ADviser
- Ethics Policy Committee
- Govt Relations Capitol Hill Day, Cmte Meetings
- Legal Affairs Masters of Advertising Law Conference, One Day Conferences, Webinars & Meetings
- Regulatory Working Group, Legislative Roundup, and Al Working Group



Association of National Advertisers



@ANAGovRel



washington@ana.net



ANA.net/advocacy





Law, Ethics & Gov't Relations Department

Contact us: washington@ana.net