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Innovation Policy

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National Telecommunications and Information Administration  
U.S. Department of Commerce  
1401 Constitution Avenue, NW, Room 4725  
Washington, DC 20230

**RE: Request for Comments on Developing the Administration's Approach to  
Consumer Privacy (Docket No. 180821780-8780-01)**

On behalf of the 14,000 members of the National Association of Manufacturers (NAM), the largest manufacturing association in the United States representing manufacturers in every industrial sector and in all 50 states, the NAM submits these comments on the National Telecommunications and Information Administration (NTIA) Request for Comments (RFC) on Developing the Administration's Approach to Consumer Privacy.

Manufacturing employs more than 12 million men and women, contributes over \$2 trillion to the U.S. economy annually, has the largest economic impact of any major sector and accounts for more than three-quarters of all private-sector research and development in the nation. The NAM is the powerful voice of the manufacturing community and the leading advocate for a policy agenda that helps manufacturers compete in the global economy and create jobs across the United States.

Manufacturers are developing innovative products and transforming the manufacturing process with the latest technologies. Data is driving the innovation occurring in these processes and products today. The Internet of Things (IoT) is continuing to transform manufacturing through billions of connected devices and advanced wireless infrastructure that allow for the transmission of vast amounts of data. Connected shop floors are creating data that industry is harnessing to improve efficiency, manage production activities, streamline repairs and safeguard plant security. Additionally, connected products utilize data to transform the customers' experience in countless ways.

Our member companies are entrusted with vast amounts of data through diverse business interactions with customers, vendors, suppliers and governments. They understand that safeguarding privacy, protecting information and building consumer trust is a critical responsibility. Our nation's manufacturers support NTIA's efforts to develop a federal approach to privacy that advances consumer privacy while protecting prosperity and innovation. Government and industry must collaborate to identify an approach that accomplishes this goal, and the NAM welcomes the opportunity to comment on the proposed approach.

Continued economic growth in the manufacturing sector will be positively impacted by the federal policy approach to data privacy if it fosters innovation and accounts for the diverse ways that organizations are integrating data into their operations and products. Ongoing innovation requires flexibility, and action on data privacy must not sacrifice long-term progress for short-sighted compliance. The NAM supports the NTIA's proposed outcomes-based approach to a

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federal privacy policy that does not prescribe the specific practices an organization must institute. By focusing on outcomes, organizations have the flexibility to develop risk-based privacy practices suitable to their business needs.

An outcomes-based approach to privacy is necessary to account for the diverse ways data is used across different sectors and companies. The federal approach to data privacy must be flexible enough to account for various types of data, including consumer data, business-to-business data and data from digitized shop floors. It should also recognize that manufacturers design and build security and privacy into their systems and products, and it is often an extensive process to adjust those systems and products in the face of evolving data regulations.

A federal framework on data privacy should anticipate the constantly evolving nature of technology and be flexible enough to work for the data-intensive innovations of the future. Manufacturers are leading the development and application of emerging technologies, including automation, Artificial Intelligence, and quantum computing. The federal government should be mindful of current and future uses of data and embrace policies that promote U.S. progress and leadership in these emerging technologies.

The NAM appreciates that NTIA identified the need to harmonize the regulatory landscape among the goals identified for federal action on consumer privacy. A patchwork of state laws on consumer privacy stalls innovation by creating a regulatory burden that distracts from the development of next generation technologies and products. State-by-state privacy requirements are both inconsistent with the reality of manufacturing processes and products and in conflict with the interstate nature of data flows. A national approach to data privacy is better for businesses and consumers, and a workable federal privacy framework should pre-empt conflicting state privacy regulations.

In addition to providing regulatory harmony within the United States, a federal privacy framework should be interoperable with global privacy frameworks. This is necessary to ensure U.S. manufacturers with global operations and international data flows are not stymied by conflicting international frameworks. Manufacturers appreciate regulatory certainty in global business enterprises because 95 percent of the world's consumers live outside the United States. A confusing and inconsistent regulatory privacy regime deters U.S. manufacturers from seeking access to new markets or from delivering the best, most advanced products to their customers in different markets.

As the NTIA continues to develop the administration's approach to consumer data privacy, manufacturers support an approach that provides flexibility for innovation, addresses domestic and global inconsistencies in privacy regulations and maintains U.S. economic growth and technological leadership. The NAM respectfully submits these comments for NTIA's consideration.

*Comments submitted via email to [privacyrfc2018@ntia.doc.gov](mailto:privacyrfc2018@ntia.doc.gov) by:*

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