

**Opening Statement of the Honorable Fred Upton  
Subcommittee on Commerce, Manufacturing, and Trade  
Markup of “Discussion Draft of  
H.R. \_\_\_\_, Data Security and Breach Notification Act of 2015”  
March 24, 2015**

*(As Prepared for Delivery)*

When one of my constituents in Southwest Michigan makes a purchase online or goes to a local store or restaurant, they should not be worried that their identity or their credit is going to be stolen. They should know that no matter where they go online, or wherever their payment information goes online, it will be protected. Sadly, that is not necessarily the case. Data breaches are occurring with alarming frequency and criminals are aggressively targeting key data points they can turn into money.

The good news is that we have a bipartisan answer to this problem that is making real progress through this committee. The legislation we will mark up represents a compromise between a wide variety of stakeholders and policymakers. Nearly 50 bills have been introduced in Congress since the first major data breach in 2005 and yet none have crossed the finish line. I believe our draft legislation finds the sweet spot that has eluded lawmakers over the past decade.

In maintaining a narrow focus on financial loss or identity theft, we have been able to achieve common ground on protecting the personal information that is most coveted by cyber hackers. Requiring these protections nationwide is long overdue. By avoiding health data and financial institutions, we do not ignore that reform may be needed in those areas, we only acknowledge that they present different policy issues deserving of their own legislative process.

As we set a national data protection requirement, we also establish a single set of rules on breach notification. As stewards of a slow and precarious economic recovery, we should work to eliminate confusing and resource-draining regulation like the current patchwork of rules governing breach notification. As I have said in the past, these compliance costs are just another regulatory cost that companies are forced to pass along to the consumer. Data breach victims should not be subjected to a double whammy - once by the theft of their data and again by rising costs due to corporate compliance.

Again, I want to thank the Vice Chairman of the full Committee Ms. Blackburn, and Congressmen Welch and Loebsack for continuing to drive forward with this legislation. A year ago, bipartisan agreement did not seem possible and now it is within reach. Our subcommittee chairman Dr. Burgess has been instrumental in finding this balance to protect consumers.

I want to point out that our bill does not preempt state or other federal laws that deal with privacy. What data can be collected, how it is used, what sharing is permissible, these privacy issues are left untouched. We focus instead on where we can agree right now – securing the data that pays the criminals.

Congress must do what it can now to help consumers, help the economy, and stop funding these cybercriminals. I look forward to working on this legislation as it advances through the committee to bring consumers the help they need. Let's continue our bipartisan progress forward.

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