

TESTIMONY ON PROPOSED INTERNET PRIVACY AND GEOLOCATION ORDINANCES
JOINT COMMITTEE ON FINANCE AND COMMITTEE ON ECONOMIC,
CAPITAL AND TECHNOLOGY DEVELOPMENT
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Good morning Chairman Burke, Chairman Moreno and Committee Members. Thank you for the opportunity to submit this testimony for the record. The Chicagoland Chamber of Commerce is a 113-year old business and civic organization that advocates on behalf of our members and the broader business community. We represent the depth and breadth of the business community.

Not only do we continue to represent the interests of tech companies large and small that are members of the Chamber, but it is worth noting that the Chicagoland Chamber actually launched the Chicagoland Entrepreneurial Center, which would later evolve to become the stand-alone parent of 1871, a crown jewel of Chicago, and the Midwest's tech hub.

The proposed internet privacy and geolocation ordinances would send a chilling message to not only current and thriving tech-entrepreneurs, but to those who are thinking of starting businesses of their own. **It impacts every industry, and every business large and small who have a website and/or an app.**

Let me be clear- these two proposed pieces of legislation are not about protecting consumer privacy. Much like their sister legislation that were defeated in Springfield, they are designed to enrich trial attorneys through more avenues for frivolous litigation and at the cost of depressing economic development of our City.

Among many other concerns, the two most important to know of and understand are:

1. the explicit private right of action; and,
2. a 'backdoor' to class action litigation by voiding terms of use and contracts.

The message it would send is that Chicago is not a place to do business; against all efforts to encourage entrepreneurship and growth of the technology community in Chicago. The message it would send is that an entrepreneur will need the resources of a Fortune 500 company, and an army of lawyers, to understand these complex ordinances that would open up new start-ups to frivolous litigation. These ordinances would shut down these companies before they ever have a chance to grow. The message would be that Chicago doesn't want to

encourage the next Chicago-made Grubhub, Motorola, Gogo, Orbitz, or Groupon. The impact would also likely give pause to companies already creating jobs in Chicagoland; from Uber and Lyft, to Amazon delivery and distribution.

The chilling effect goes down the rhetorical supply chain of jobs created and other industries supported. This is not just a tech issue. Every action, or law in this case, has an equal and opposite, reaction from a business perspective.

To be clear, privacy and consumer protection are important. It is in the best interest of companies large and small to ensure their customers know how information is being used. In fact, there are numerous protections provided by companies, and laws already in place. I can assure you, no company wants the headlines involving customer data being misused, whether illegally or an honest mistake that turns into a PR problem.

With these ordinances an honest mistake becomes a lawsuit. In an already highly competitive environment, we do not want to scare away potential tech companies and leaders from choosing Chicago as their headquarters or a location to expand and grow or from providing hundreds of jobs to our talented and STEM educated Chicagoans.

It is important to understand the current economic and tech climate we have in Chicagoland. On March 3 of this year, KPMG released a study that showed Chicago is expected to be a top-ten center for tech-hubs over the next four-years. We were only one of four U.S. cities to make the cut.

The bi-partisan Commission on Government Forecasting & Accountability's 2017 annual State of Illinois Economic Forecast reported that new jobs in tech and science-based companies helped lift Illinois' sagging employment numbers. In addition, it identified Chicago's tech sector as one of the long-term positive factors for Illinois' future economic outlook, and specifically, continued growth in Chicagoland. "The increase in activity is a clear positive for long-term growth because some of the smallest firms are the most important when it comes to spurring employment. Startups that can expand quickly, often dubbed 'gazelles,' are especially important to economic growth, sparking lots of job creation and investment."

It is important to understand the chilling effect these ordinances would have on the smallest of startups in Chicagoland and across Illinois, and the negative chain reaction they will create across industries. Stunting growth stunts our City and State's overall economy.

Please oppose these ordinances which limit and discourage entrepreneurship by opening every business, large and small, to frivolous litigation. Thank you for your consideration.