## U.S. Chamber of Commerce



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## December 10, 2025

The Honorable Gus Bilirakis Chairman Commerce, Manufacturing & Trade Subcommittee U.S. House of Representatives Washington, DC 20515 The Honorable Jan Schakowsky Ranking Member Commerce, Manufacturing & Trade Subcommittee U.S. House of Representatives Washington, DC 20515

Dear Chairman Bilirakis and Ranking Member Schakowsky:

The U.S. Chamber of Commerce ("Chamber") appreciates the opportunity to provide comments on legislation being considered by the Commerce, Manufacturing and Trade Subcommittee, to protect children and teens online. We applaud many of the significant improvements that have been made to both H.R. 6291, the "Children and Teens' Online Privacy Protection Act" ("COPPA 2.0") and the Kids Online Safety Act ("KOSA") that would make these bills more certain and workable while increasing protections for kids. We believe it is critically important that Congress exercise its constitutional mandate to regulate interstate commerce by enacting a single national standard regarding children's online privacy and protection as well as app store usage.

#### I. Uniform National Standards Are Rooted in Constitutional Federalism

A single national standard is the appropriate mechanism to address children's online privacy and other harms given the internet is inherently interstate. The Founders enshrined in the United States Constitution the power of Congress to regulate commerce "among the several states" and made federal legislation the supreme law of the land.<sup>2</sup>

The exclusive power of Congress to regulate interstate commerce is necessary to prevent regulatory confusion and conflicting regulations. James Madison noted in *The Federalist Papers*<sup>3</sup> that the purpose of Congress's authority to regulate interstate commerce was to facilitate economic harmony and prevent the economic defects that occurred when the United States operated under the Articles of Confederation. This

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<sup>&</sup>lt;sup>1</sup> U.S. Constitution Art. I § 8.

<sup>&</sup>lt;sup>2</sup> U.S. Constitution Art. VI.

<sup>&</sup>lt;sup>3</sup> Federalist 42

same concept rings true today and has been acted upon by Congress numerous times to instill uniformity.

The United States Supreme Court has upheld Congress' authority to regulate the channels and instrumentalities of interstate commerce as well as commercial activity that has a substantial impact on the national economy.<sup>4</sup> The Supreme Court has also affirmed on numerous occasions the ability of Congress to preempt state regulatory action that encroaches on Congress' ability to foster a uniform national economy.<sup>5</sup> In fact, Congress has successfully done so with enactment of national motor vehicle safety standards<sup>6</sup>; prohibitions on states regulating airline routes, service, and fares<sup>7</sup>; similar prohibitions on states regulating the scheduling or pricing of motor carriers<sup>8</sup>; and prohibitions on states imposing requirements that inhibit interstate communications.<sup>9</sup>

## II. Uniform National Online Privacy and Protection Laws Are Necessary

A uniform national standard for children's online privacy and protection is necessary to eliminate confusion and potential conflicting state standards as well as foster certainty for parents and those providing online services. A single national approach to children and teen's *online* protections is legally appropriate, consistent with the Founders' approach to federalism, and is necessary to promote the modern economy. Online activity in today's connected digital world inherently relies on interstate commerce.<sup>10</sup> Much like it does not make sense for airlines to have to navigate fifty different service, pricing and safety rules, a patchwork of state privacy laws creates confusion and the potential for conflicting laws.

For example, in the broader privacy context, the State of Maryland recently enacted legislation that would prevent the collection of sensitive data<sup>11</sup>. In June 2026, Colorado's SB-205 will go into effect, barring companies from developing or deploying AI that has a disparate discriminatory impact.<sup>12</sup> Because of Maryland's law, many companies may be left without the data necessary to determine compliance with Colorado's AI statute. In the context of children's privacy, state attempts to ensure the

<sup>&</sup>lt;sup>4</sup> United States v. Lopez, 514 U.S. 549, 558-59 (1995).

<sup>&</sup>lt;sup>5</sup> See Congressional Research Service, "Federal Preemption: A Legal Primer" (2023) available at <a href="https://www.congress.gov/crs-product/R45825#">https://www.congress.gov/crs-product/R45825#</a>.

<sup>&</sup>lt;sup>6</sup> 49 U.S.C. § 30103(a)(b).

<sup>&</sup>lt;sup>7</sup> 49 U.S.C. § 41713(b).

<sup>8 49</sup> U.S.C. § 14501(a).

<sup>&</sup>lt;sup>9</sup> 47 U.S.C. § 253(a).

<sup>&</sup>lt;sup>10</sup> See e.g. United States v. Lewis, 554 F.3d 208, 215 (1st Cir. 2009).

<sup>&</sup>lt;sup>11</sup> Maryland HB 567 (2024)

<sup>&</sup>lt;sup>12</sup> Colorado SB 205 (2024)

design of products and services are safe for children could impede on another state's privacy protections.

From an economic perspective, a patchwork of online privacy laws would harm the national economy. According to one report, fifty different state privacy laws could cost the American economy \$1 trillion over ten years, with small businesses incurring \$200 billion of that burden.<sup>13</sup> The Chamber found that sixty-five percent of small business owners are concerned that out-of-state privacy laws will increase their litigation and compliance costs.<sup>14</sup>

It is imperative that Congress pass thoughtful, consistent, and seamless children's protection and privacy legislation that works as opposed to an uncoordinated and unharmonized system of state regulation.

### III. States Should Have a Role in Enforcement

While we believe that a uniform national approach to setting the rules for online protections is necessary, states should continue to have a role in pursing enforcement against actors who violate the law. The Chamber fully supports the ability of state attorneys general to enforce comprehensive privacy legislation, as well as such legislation specifically protecting children and teens. As presented before the Committee, both COPPA 2.0 and KOSA would preserve the ability of state attorneys general to enforce violations against residents of their home states. State attorneys general are experts in consumer protection who understand the impact of online harms to their respective constituencies.

#### IV. Conclusion

Children and teens deserve online protections, and their parents need the tools to prevent harms that can occur online. At the same time, the best approach to ensuring all American children are protected is a uniform national standard. We look forward to engaging with Congress on this important issue to perfect COPPA 2.0 and KOSA.

<sup>&</sup>lt;sup>13</sup> ITIF, "50-State Patchwork of Privacy Laws Could Cost \$1 Trillion More Than a Single Federal Law, New ITIF Report Finds" (January 2022) *available at* <a href="https://itif.org/publications/2022/01/24/50-state-patchwork-privacy-laws-could-cost-1-trillion-more-single-federal/">https://itif.org/publications/2022/01/24/50-state-patchwork-privacy-laws-could-cost-1-trillion-more-single-federal/</a>.

<sup>&</sup>lt;sup>14</sup> U.S. Chamber of Commerce, *Empowering Small Business: The Impact of Technology on U.S. Small Business*, (August 2025) *available at* <a href="https://www.uschamber.com/assets/documents/20251621-CTEC-Empowering-Small-Business-Report-2025-v1-r10-Digital-FINAL.pdf">https://www.uschamber.com/assets/documents/20251621-CTEC-Empowering-Small-Business-Report-2025-v1-r10-Digital-FINAL.pdf</a>.

# Should you have any questions, please do not hesitate to contact <u>jcrenshaw@uschamber.com</u>.

Sincerely,

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