

**Opening Statement of Chairman Greg Walden
Energy and Commerce Committee
“Facebook: Transparency and Use of Consumer Data”
April 11, 2018**

As Prepared for Delivery

Good morning and welcome, Mr. Zuckerberg, to the Energy and Commerce Committee.

We’ve called you here today for two reasons: One is to examine alarming reports regarding breaches of trust between your company – one of the biggest and most powerful in the world – and its users. And the second reason is to widen our lens to larger questions about the fundamental relationship between tech companies and their users.

The incident involving Cambridge Analytica and the compromised personal information of approximately 87 million users, mostly Americans, is deeply disturbing to this committee.

The American people are concerned about how Facebook protects and profits from its users’ data. In short, does Facebook keep its end of the agreement with its users? How should we, as policy makers, evaluate and respond to these events?

Does Congress need to clarify whether or not consumers own or have any real power over their online data? Have edge providers grown to the point that they need federal supervision?

You and your co-founders started a company in your dorm room that has grown to be one of the biggest and most successful businesses in the world. Through innovation and a quintessentially American entrepreneurial spirit, Facebook and the tech companies that have flourished in Silicon Valley join a legacy of great American companies who built our nation, drove our economy forward, and created jobs and opportunity. And you did it all without having to ask permission from the federal government, and with very little regulatory involvement. The company you created disrupted entire industries and has become an integral part of our lives.

Your success story is an American success story, embodying our shared values of freedom of speech, freedom of association, and freedom of enterprise. Facebook

also provides jobs for thousands of Americans, including in my own congressional district at the data center in Prineville, Oregon.

Many of our constituents feel a genuine sense of pride and gratitude for what you have created, and you are rightly considered one of this era's greatest entrepreneurs.

This unparalleled achievement is why we look to you with a special sense of obligation and hope for deep introspection.

While Facebook has certainly grown, I worry it has not matured. I think it is time to ask whether Facebook may have moved too fast and broken too many things.

There are critical, unanswered questions surrounding Facebook's business model and the entire digital ecosystem regarding online privacy and consumer protection.

What exactly is Facebook – a social platform, a data company, an advertising company, a media company, a common carrier in the information age, all of the above, or something else?

Users trust Facebook with a great deal of information—their name, hometown, email, phone number, photos, private messages, and much, much more. But in many instances, users aren't actively providing Facebook with data. Facebook collects this information while users simply browse other websites, shop online, or use a third-party app.

People are willing to share quite a bit about their lives online based on the belief that they can easily navigate and control privacy settings and trust that their personal information is in good hands.

If a company fails to keep its promises about how personal data are being used, that breach of trust must have consequences.

Today, we hope to shed light on Facebook's policies and practices surrounding third party access to and use of user data. We also hope you can help clear up the considerable confusion that exists about how people's Facebook data are used outside the platform.

We hope you can help Congress, but more importantly the American people, better understand how Facebook user information has been accessed by third parties,

from Cambridge Analytica and CubeYou, to the Obama for America presidential campaign.

And we ask that you share any suggestions you have for ways policymakers can help reassure our constituents that data they believe was only shared with friends or certain groups, remains private to those circles.

As policymakers we want to be sure that consumers are adequately informed about how their online activities and information are used. These issues apply not just to Facebook, but equally to the other internet-based companies that collect information about users on-line.

Mr. Zuckerberg, your expertise in this field is without rival. Thank you for joining us today to help us learn more about these vital matters.

And now, I yield to the Gentleman from New Jersey, Ranking Member of the Energy and Commerce Committee, Mr. Pallone for five minutes.