

Testimony of Alexandra Reeve Givens, Center for Democracy & Technology

One Page Summary

1) How Current Commercial Data Practices Harm Consumers

- We share a vast amount of information with apps and online websites in the course of our daily lives. All of that data can be collected and stored indefinitely by companies, and sold to data brokers, which aggregate information and market it for ad targeting, among other uses.
- These practices can cause social, psychological, and economic harm. For example, predatory lenders can target an audience that is vulnerable to payday loans and exploitative interest rates. Ads for diets and dangerous weight loss medications persistently target people with histories of disordered eating, leading to depression and self-harm. Scammers can target ads to seniors. Inferences about people have been used to unfairly target ads for jobs, housing or credit. Other harms can also result, like when a fitness app revealed secret information about the location and layouts of U.S. military bases. There can also be national security concerns.

2) The Need for Comprehensive Federal Privacy Legislation

- While some companies have taken important steps to protect their users' privacy, the lack of a comprehensive federal privacy law is leaving consumers open to exploitation and abuse.
- Under current law, Americans' primary comprehensive privacy protections are based on the Federal Trade Commission's limited Section 5 authority, which typically turns on a "notice and consent" approach that allows businesses to do what they want provided they disclose it in their (lengthy) privacy policy. This solution simply is not workable in the modern age.

3) Elements of a Comprehensive Federal Privacy Law

- There are several elements essential to any meaningful federal privacy law:
 - Data minimization requirements that restrict companies to collecting and using only data that is necessary for the services they perform
 - Specific protections for sensitive data
 - Civil rights protections and algorithmic transparency and assessment provisions
 - Data security requirements
 - Rights for consumers to access, correct, delete, and port data pertaining to them
 - Meaningful, easy-to-use mechanisms for consumers to opt-out of data profiling for persistent targeted advertising
 - Children's protections that take into account the inability of children to protect themselves against exploitative data practices
 - Limits on sharing or selling data with third parties, including a national registry for data brokers and the right for consumers to delete data about them held by a data broker, and
 - Meaningful enforcement by the Federal Trade Commission, State Attorneys General, and a private right of action.
- The ADPPA reflects a well thought through and valuable bipartisan compromise, building on years of work by this Committee and its Senate counterpart. We encourage the Committee to take it up again without delay.