



March 7, 2022

The Honorable Josh Becker
1021 O Street, Suite 7250
Sacramento, CA 94293

Re: SB 1059 (Becker, data broker registry) – Support

Dear Senator Becker,

Consumer Reports (CR)¹ writes in support of SB 1059 to strengthen California’s data broker registry. Data brokers buy and sell consumer information, almost always without the consumers’ knowledge. In 2019, CR supported the creation of a public, mandatory data broker registry to help bring these businesses out of the shadows, and to make it easier for consumers to exercise their privacy rights under the California Consumer Privacy Act (CCPA) with respect to these companies. Now, we recommend updating the data broker registry through SB 1059, to ensure consistency with the CCPA as amended by Proposition 24, and to better ensure that the registry works for consumers.

Some data brokers, such as Acxiom and Intelius, collect personal details about consumers’ behavior online, their income, and addresses, which is used to create a detailed profile about them.² This information is then sold and resold, and often used for marketing and potentially for other purposes.³ Without an effective data broker registry, consumers would have limited ability to identify which data brokers are selling their personal information, or how to contact them.

¹ Founded in 1936, Consumer Reports (CR) is an independent, nonprofit and nonpartisan organization that works with consumers to create a fair and just marketplace. Known for its rigorous testing and ratings of products, CR advocates for laws and company practices that put consumers first. CR is dedicated to amplifying the voices of consumers to promote safety, digital rights, financial fairness, and sustainability. The organization surveys millions of Americans every year, reports extensively on the challenges and opportunities for today’s consumers, and provides ad-free content and tools to 6 million members across the U.S.

² Douglas MacMillan, *Data Brokers are Selling Your Secrets. How States are Trying to Stop Them*, Wash. Post (Jun. 24, 2019). <https://www.washingtonpost.com/business/2019/06/24/data-brokers-are-getting-rich-by-selling-your-secrets-how-states-are-trying-stop-them/>.

³ *Big Data, A Big Disappointment for Scoring Consumer Credit Risk*, Nat’l Consumer Law Ctr. at 15-16 (Mar. 2014), <https://www.nclc.org/images/pdf/pr-reports/report-big-data.pdf> [hereinafter “Big Data”].

Consumer Reports has found that it can be difficult for consumers to exercise their privacy rights under the CCPA with respect to data brokers even with the current registry. Some of these opt-out processes are so onerous that they have the effect of preventing consumers from stopping the sale of their information.⁴ We appreciate that SB 1059 requires data brokers to provide clear instructions on how consumers can exercise their privacy rights to delete, correct, opt-out, know who has purchased their personal data and limit the use of sensitive personal information.

Further, Consumer Reports has found that some companies have sought to avoid the CCPA's opt out by claiming that much online data sharing is not technically a "sale."⁵ Importantly, Prop. 24 expands the scope of California's opt-out to include all data sharing. This bill would update the definition of data broker in order to include data sharing, better ensuring that all data brokers are required to register for the registry.

Finally, the bill transfers authority over the registry from the Department of Justice to the new California Privacy Protection Agency ("CPPA" or "Agency") and gives the Agency the ability to issue rules to implement the measure. Since the CPPA now has rulemaking authority over the California privacy law, it's appropriate that the Agency also issues rules with respect to the data broker registry. Further, this rulemaking authority will help ensure that the registry stays up-to-date in response to changes in the data broker ecosystem.

For these reasons, we support your bill. Thank you again for your work to protect consumer privacy.

Sincerely,

Maureen Mahoney
Senior Policy Analyst
Consumer Reports

⁴ Maureen Mahoney, *California Consumer Privacy Act: Are Consumers' Rights Protected*, Consumer Reports (Oct. 1, 2020), https://advocacy.consumerreports.org/wp-content/uploads/2020/09/CR_CCPA-Are-Consumers-Digital-Rights-Protected_092020_vf.pdf.

⁵ Maureen Mahoney, *Many Companies Are Not Taking the California Consumer Privacy Act Seriously—The Attorney General Needs To Act*, Digital Lab at Consumer Reports (Jan. 9, 2020), <https://medium.com/cr-digital-lab/companies-are-not-taking-the-california-consumer-privacy-act-seriously-dcb1d06128bb>.