



April 16, 2023

Senator Thomas J. Umberg
Chair of the Senate Judiciary Committee
1021 O Street, Suite 6530
Sacramento, CA 95814

Senator Scott Wilk
Vice Chair of the Senate Judiciary Committee
1021 O Street, Suite 6530
Sacramento, CA 95814

RE: SB 1076 – SUPPORT

Dear Chair Umberg and Vice Chair Wilk:

The undersigned trade associations, companies, and organizations collectively represent a broad cross-section of the United States business community spanning various industry. Together, we represent thousands of companies that do business in California, employ millions of Californians, and deliver goods and services that provide value to the economy and consumers across the country. We write to **SUPPORT** SB 1076.

In 2023, the legislature approved SB 362 to expand disclosures for registered data brokers and require the Consumer Privacy Protection Agency to establish a mechanism for consumers or their authorized agents to make a one-stop deletion request to all registered data brokers. While the mechanism is intended to allow greater consumer privacy options, the mechanism, as established, is at risk for abuse. Current law does not provide adequate guardrails to protect consumers from potential misuse of the deletion mechanism or unnecessary fees or charges and does not provide a path for a consumer to opt back into specific services. The deletion mechanism does not go into effect until 2026, providing the legislature the opportunity to resolve critical consumer protection issues. SB 1076 represents the opportunity to resolve consumer protection issues before the mechanism is established.

If passed, SB 1076 will protect Californians while not limiting consumer privacy rights. Like the CCPA, SB 362 allowed “authorized agents” to help consumers exercise the rights afforded them under the law. However, SB 362 lacks the same guardrails or limitations around those authorized agents that the CCPA and its regulations maintain. Without appropriate consumer protections, a bad actor posing as an “authorized agent” could fraudulently make a consumer deletion request. Fraudulent or unintended deletion of data establishes a scenario where consumers may have difficulty with access to essential services, including anti-fraud and identity verification services, marketing services and loyalty programs, cybersecurity services, public interest research, risk management services, beneficiary location, and more. Bad actors could easily use this mechanism to delete a consumer from an anti-fraud service to more easily steal their identity. The deletion of data is permanent, with no reasonable way for a consumer to opt back into specific services.

SB 1076 will also stop consumers from being mistakenly opted-out when they did not make a deletion request. When a consumer request for deletion cannot be verified by a data broker, SB 362 requires that request to be processed instead as an opt out from the sale or sharing of the consumer's data under CCPA. This requirement will thwart consumer choice by converting a consumer's intent to delete their data into an entirely different and unrelated request to instead opt out of data. In many cases, effectuating this request as an opt out will result in that request being applied to non-requesting Californians. This could result in data being opted out for Californians that did not make the original deletion request or intend to exercise an opt-out, thereby removing their rights under the law.

Further, SB 1076 will help protect Californians from fraudsters and scammers who would seek to charge for a free government service. While the deletion mechanism does not charge a consumer, there is no limitation on third party services, or authorized agents, to charge consumers in order to facilitate deletion through the mechanism. In 2023, the CFPB reached a multi-billion dollar resolution with firms that had been found to be charging illegal upfront fees for a free service. As is, the data deletion mechanism will purposefully create a similar environment where bad actors could charge consumers for a service that has already been paid for by their tax dollars. SB 1076 would prohibit an authorized agent from charging consumers a fee to use the mechanism.

The undersigned fully support empowering consumer choice and advancing workable privacy protections for Californians. SB 1076 will help protect Californians from bad actors that would have a severe and detrimental impacts on Californians and the economy. We therefore respectfully ask you to advance the bill.

Sincerely,

Association of National Advertisers (ANA), Christopher Oswald
American Association of Advertising Agencies (4As), Alison Pepper
American Advertising Federation (AAF), Clark Rector
AFC - American Fintech Council, Ian Moloney
Atlantic Fox, Peg Kuman
American Financial Services Association (AFSA), Danielle Fagre Arlowe
California Financial Services Association (CFSA), Scott Govenaar
Consumer Data Industry Association (CDIA), Sarah Ohs
Digital Advertising Alliance (DAA), Lou Mastria
Interactive Advertising Bureau (IAB), Lartease Tiffith
Insights Association, Howard Feinberg
Los Angeles Area Chamber of Commerce, Esabella Rojas