



August 25, 2017

The Honorable Scott Wiener
California State Senate
State Capitol, Room 4066
Sacramento, CA 95814-4900

RE: Oppose AB 375, Broadband Internet Privacy Act

Dear Senator Wiener,

The San Francisco Chamber of Commerce, representing over 2,500 local businesses with more than 200,000 employees, urges you to oppose AB 375, the Broadband Internet Privacy Act.

This poorly drafted legislation is a threat to the internet and California's economy. The technology sector is a critical component of California's economy and according to experts will drive our future economic growth. AB 375 would stall this growth and accelerate the movement of people, investment, and jobs from California. AB 375 will deter investment and innovation by saddling some internet businesses with an overly restrictive set of rules for collecting and using data, rules that apply nowhere else in America and to no other companies on the internet. Internet service providers will have to engineer new systems and software and retrain their employees to comply with this outlier regulation – driving up prices and deterring innovators from coming to California. And many consumers will be deprived of low-cost and ad-supported options and discounts that depend on the modest use of routine data.

AB 375 would also have dire results for the millions of small businesses like book stores, coffee shops, restaurants in California by prohibiting free ad-supported wi-fi. For these small businesses wi-fi is more than just amenity, it is central to their health and success. For example, a study by technology research and consulting firm the Yankee Group showed that 96 percent of respondents prefer businesses that offer free Wi-Fi, and that 64 percent of respondents have chosen a restaurant based on free Wi-Fi availability.

AB 375 would also have dire results for consumers. AB 375 does NOT mirror the Federal Communications Commission's privacy order. The FCC had more than a hundred vital pages of clarifications, qualifications, and exceptions, which not only ensured that the innovation and investment which has driven the development of the Internet and California's tech sector would continue, but also that consumer's online experience would not be negatively impacted. On the other hand, AB 375 is only seven pages long and contains a myriad of flaws and problems the FCC itself felt necessary to address – with no provision to repair or solve them.

This bill would undermine cyber security protections by banning the sharing of incident and breach information that the FCC intended to be allowed. It will frustrate basic internet functions and operations that consumers expect and depend upon – disrupting key services and applications including machine-to-machine business services, website analytics, cloud storage apps, device financing, and insurance.

And it will require a huge new number of privacy notices and “opt-in” requests to be presented to California consumers as they use the internet. The great majority of these requests would relate to inconsequential matters users would not generally consider sensitive like app usage, news, weather, and surfing the internet for sports results. Most people will quickly become exhausted and default to simply clicking “yes” on everything, undermining the point of the notices and desensitizing them to the genuine privacy choices that require real attention and thought.

Protecting consumer privacy online is important, but AB 375 is the wrong approach. It undermines and distorts the internet economy, cripples small businesses, frustrates consumers, and does little to improve consumer privacy protections.

Please oppose this flawed legislation and restart deliberations on a more thoughtful, consistent, pro-consumer, pro-innovation approach to the important subject of internet privacy.

Sincerely,



Tallia Hart
President and CEO



Jim Lazarus
Senior Vice President of Public Policy

