



Maryland Consumer Rights Coalition

**Testimony to the Senate Finance Committee
SB 957: Online Consumer Protection Act
Position: Favorable**

February 19, 2020

Senator Delores Kelley, Chair
Senate Finance Committee
3 East Miller Senate Office Building
Annapolis, MD 21401
Cc: Members, Senate Finance

Honorable Chairwoman Kelley and Members of the Committee:

The Maryland Consumer Rights Coalition (MCRC) is a statewide coalition of individuals and organizations that advances financial justice and economic inclusion for Maryland consumers through research, education, direct service, and advocacy. Our 8,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland. We are writing today in support of SB 957, which would expand and create a series of crucial consumer protections for internet users.

In recent years, large and small web companies have demonstrated their willingness to exploit consumer trust for financial gain. Scandals over the past few years involving major tech companies – including Facebook, AOL, Google, and more – demonstrate a clear need for guardrails to protect consumers privacy and wellbeing.

While many of these significant online privacy breaches involve underlying technologies – like webcams, GPS, etc. – the heart of these troublesome disruptions are companies collecting personal data without the user's knowledge or consent and then either sharing it with third parties or simply failing to keep it safe.

There are major consequences to online firms failing to protect users' information. When websites neglect to adequately protect a consumer's personal information, identity theft and cyber fraud can follow. The sale of an internet user's profile or browsing habits can lead to harassment by "lead generators," including predatory for-profit colleges that buy this surreptitiously collected data to target low-income students for high-cost, low-return programs.¹

Beyond these clear and tangible dangers presented by unregulated internet businesses, there is also the simpler issue of consumer privacy. Americans use the internet for just about everything these days – to shop for insurance, communicate with their healthcare providers, purchase day-to-day needs, etc. Children – even very young children – use the internet as well. Many internet firms currently collect data from all these users and resell it to other companies for the purposes of creating targeted ads.

¹https://www.democraticmedia.org/sites/default/files/field/public-files/2015/forprofitcollegeleadgenreport_may2015_uspirgef_cdd_0.pdf



Consumers have few opportunities to consent to have this data collected and sold, and even fewer opportunities to remove their data from websites should they choose to do so. Last year, the Wall Street Journal reported that internet and phone apps collecting very personal data – including fertility tracking information – was being sold directly to Facebook for a profit.² These kinds of actions aren't just disturbing, they're clear violations of internet users' right to privacy – and Maryland has a responsibility to protect our state's individuals, children, and families from companies looking to sell personal information for monetary gain.

These types of concerns, as well as consumer privacy concerns have led other states and countries to implement new laws and regulations to expand data protections for users.

- This January, California's Consumer Privacy Act (CCPA) took effect. This landmark legislation ensures that consumers have the right to know what information companies are collecting about them, why that data is being collected, who their data is being shared with, etc. It also gives internet users the right to tell companies to delete their information, and/or not sell or share it.³ Since it has gone into effect, consumers have been using the protections that have been put in place.
- Also in 2018, Europe's General Data Protection Regulation (GDPR) took effect. This EU-wide regulation created a new framework developed through four years of discussion and negotiation meant to protect consumers on the internet. It provides crucial consumer rights, including a right to be forgotten, a right to demand one's personal information from a website be released to that individual, a need for internet companies to get greater consent from users, etc. This law is being called the world's most comprehensive internet privacy regulation.⁴

Because of the borderless nature of the internet, large companies are already complying with internet privacy legislation in California and in Europe, so they should not have trouble adhering to similar legislation in our state. In fact, it would be less burdensome for large companies to simply modify their privacy protections nationally, as a number of states including Florida, Illinois, New Hampshire, Virginia, and Washington state are introducing privacy measures⁵.

SB 957 is good public policy that updates Maryland's laws to be responsive to the changing technological world and the realities of the current internet climate. It shouldn't take an extensive knowledge of the internet and its inner-workings to protect one's own privacy – it should be an inalienable right for consumers to have control and consent over whether their personal information is bought and sold by faceless online firms. For all of those reasons the Maryland Consumer Rights Coalition supports SB 957 and urges a favorable report.

Best,

Marceline White

² <https://www.wsj.com/articles/you-give-apps-sensitive-personal-information-then-they-tell-facebook-11550851636>

³ <https://www.nytimes.com/2018/06/28/technology/california-online-privacy-law.html>

⁴ <https://blog.centrifly.com/consumer-privacy-benefits-gdpr/amp/>

⁵ <https://www.natlawreview.com/article/additional-us-states-advance-state-privacy-legislation-trend-2020>



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Executive Director