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July 18, 2017

Joint Committee on Economic Development and Emerging Technologies  
Senator Eric Lesser & Representative Joseph Wagner, Chairs

**SUPPORT FOR S.2062  
AN ACT RELATIVE TO INTERNET SERVICE PROVIDERS**

Dear Senator Lesser, Representative Wagner, and members of the committee:

Thank you for the opportunity to discuss internet consumer privacy with the committee. Unfortunately, since the presidential inauguration we've already witnessed the undoing of basic consumer privacy rights established by the previous administration. We cannot look to Washington D.C. to fix a problem it is responsible for creating. The burden of restoring these rights therefore falls to the states. It is our hope that legislators on both sides of the aisle in Massachusetts will make it a priority to reinstate these lost privacy rights for Massachusetts consumers.

In the 21<sup>st</sup> century, use of the internet is fundamental to living in society, participating in our democracy, and exercising our constitutional rights to speak and access information. No one should be forced to sacrifice their privacy to access these rights. S.2062, if enacted, will protect Massachusetts consumers as they seek employment, look for love, query for information about medical issues, communicate with loved ones, stay up-to-date on current events, do work-related research, find cultural events and activities, explore religious ideas, and so much more.

**Background on FCC regulations**

Among the Obama administration's last major policy reforms was the implementation of Federal Communications Commission (FCC) regulations establishing basic privacy rules pertaining to internet service providers' use and sale of sensitive customer information (hereafter "FCC regulations"). The regulations aimed to protect internet users' private information much in the same way federal regulations have long protected the privacy of landline phone users.

Just as telecommunications regulations bar AT&T and other telephone service providers from gleaning information about us from our phone calls and monetizing that information, the FCC regulations barred internet service providers, or "ISPs"<sup>1</sup> from using or monetizing sensitive customer information without opt-in consent from the consumer.

However, in late March 2017, the current GOP Congress used a Newt Gingrich-era law, the Congressional Review Act, to overturn the Obama FCC regulations. On April 3, President Trump signed that measure into law, killing the regulations.

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<sup>1</sup> ISPs are also sometimes referred to as broadband internet access services ("BIAS").

Members publicly defended their repeal of the FCC regulations by echoing industry talking points, which argue the rules created an unfair playing field in the digital space. If Google and Facebook aren't subjected to these regulations, they asked, why should Comcast and Verizon be? But that analogy fails. ISPs are utilities that provide access to the internet; they are not merely a service accessible through it. If the internet's infrastructure supplied by the ISPs is like the roadways we drive on, Google and Facebook are like vehicles. We may feel attached to one method of getting around or another—and some vehicles may be more popular than others—but alternatives exist. By contrast, if we want to participate in the digital economy, apply for school, look for jobs, or communicate with other 21<sup>st</sup> century denizens, we *must* access the internet via the ISPs. Additionally, we must pay Comcast, Verizon, or another ISP for access to this internet roadway. For individual privacy, democratic freedoms, and a sustainable and equitable digital future, internet access must be protected through regulation and law.<sup>2</sup>

Unfortunately for consumers, the Congressional Review Act contains a provision barring regulatory agencies from ever instituting “substantially similar” regulations once the Act is used to eradicate them. It will therefore be difficult, if not impossible for the FCC to institute regulations to protect internet users under a future administration.

For that reason, state legislatures across the country are considering legislation to provide consumers with similar protections under state law.

### **Key policy requirements for state level internet consumer privacy law**

Here in Massachusetts, legislators on both sides of the aisle have already proposed bills to fill the gap left behind when the Trump administration killed the Obama FCC regulations. Among those proposals is Senator Creem's S.2062, which is a strong step towards regaining what we as a Commonwealth lost when President Trump eliminated the federal privacy regulations.

Among the key elements in S.2062 are:

- Definitions of “opt-in approval” and “customer proprietary information.” Any legislation that aims to provide Massachusetts residents with FCC regulation-equivalent protections must clearly stipulate what it means to “opt-in” to data collection, and what information is protected by the law.
- A ban on the collection, use, and disclosure of customers' private information absent the granting of customer opt-in approval, with few exceptions. The exceptions in S.2062 are comprehensive, and allow for the provision of internet service, billing, customer-requested service assistance, and emergencies.
- A requirement that the opt-in process and language be “clear and conspicuous.” In other words, it's important that ISPs don't hide the truth about what they want to do with our information in fine, legalistic print that most people will not read or understand. S.2062 stipulates that information about the opt-in process be written and presented in ways that will provide maximum benefit to the public.

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<sup>2</sup> In addition to being based on a faulty and dangerous analogy, the argument that we should eliminate ISP regulations rather than expand consumer privacy protections to account for companies like Google and Facebook charts an ill-advised race to the bottom.

- A provision stipulating that the process whereby customers grant, deny, or revoke access to sensitive information be clear, easy to locate, and simple to use. S.2062 requires that ISPs enable customers to engage with their privacy choices via app, website, and a toll free phone number.
- S.2062 mandates that ISPs must promptly implement any changes to a customer's privacy choices, and that those choices will remain in effect unless and until the customer decides to alter them. It sensibly forbids ISPs from making any material retroactive change that would result in information being collected, used, or shared in a way the customer did not previously opt-in to.
- To achieve its desired aim, internet consumer privacy legislation must preclude "Pay-for-Privacy" and other incentives for customer opt-ins, and forbid ISPs from providing different qualities of internet service to customers based on their opt-in status. This is essential to prevent companies from undermining the intent of the law. Some companies, including AT&T, have already experimented with Pay-for-Privacy schemes, charging substantially less money to people who allow the company to sell their sensitive information.<sup>3</sup> It isn't fair to grant privacy rights only to those who can afford them. Nor is it acceptable for companies to provide privacy-conscious customers with lesser quality service. S.2062 ensures consumers in Massachusetts will reap the benefits of internet consumer privacy legislation by banning these "pay-for-play" schemes.
- S.2062 provides consumers with the ability to access information their ISP holds about them, a key mechanism for ensuring accountability.
- Finally, S.2062 grants consumers the power to advocate on their own behalf by bringing a 93A lawsuit against any ISP in violation of the statute.

The ACLU respectfully urges the committee to consider a few additional measures to strengthen S.2062, in order to ensure comprehensive protection for Commonwealth residents.

- 1) **Attorney General enforcement.** Legislation should include a provision to grant the state Attorney General the explicit power to hold ISPs accountable if they do not obey the law by bringing a 93A suit.
- 2) **A tie to government contracts with ISPs.** In order to avoid potential federal preemption issues, any state legislation regulating internet consumer privacy should tie its privacy provisions to state-funded contracts with ISPs. States have clear legal authority to impose certain conditions and requirements on entities with which the state contracts. In Massachusetts, consumers only have a few options for internet service, and the state government is in the same boat. Applying the bill's requirements to any ISP that enters into contracts funded in whole or in part with state tax dollars is a simple way to ensure the legislation's critical protections shield Massachusetts residents from inappropriate surveillance and tracking.

### Why regulating internet consumer privacy matters

In his now famous floor speech decriing the vote to kill the FCC regulations, Congressman Mike Capuano asked his Republican colleagues, "What are you thinking?" He couldn't believe any sensible person would prefer an unregulated internet, through which faceless corporations and data brokers could

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<sup>3</sup> Sandra Fulton, "Pay-for-Privacy Schemes Put the Most Vulnerable Americans at Risk," Free Press, May 10, 2016. Available at <https://www.freepress.net/blog/2016/05/10/pay-privacy-schemes-put-most-vulnerable-americans-risk>.

readily amass incredibly detailed, sensitive profiles of every person in America and use those profiles however they see fit.

Congressman Capuano is right. Unregulated, the ISPs will know you better than your own spouse does—and they will be able to sell or share all the detailed sensitive information it collects about you to other companies, which will be able to use it in ways you'll never fully understand. Indeed, as artificial intelligence systems become more intelligent and complex, enabling new forms of surveillance, tracking, and data analytics, the stakes for establishing commonsense internet consumer privacy couldn't be higher. Information collected by ISPs and sold to the highest bidder can be used to alter individual lives and even manipulate public discourse. If state legislatures don't protect internet consumer privacy, people in America will not be able to use the internet without subjecting themselves to increasingly dangerous levels of unregulated corporate surveillance.

We respectfully ask that you strengthen S.2062 as outlined above and give the amended legislation a strong favorable report.

Thank you for your time and attention to this important matter. Please do not hesitate to contact me if you have questions or want more information.