

Statement of Chair Jan Schakowsky
Consumer Protection and Commerce Subcommittee
Hearing on “Protecting Consumer Privacy in the Era of Big Data”
February 26, 2019
Rayburn 2123 - 10am

Good morning and thank you all for joining us today. Before we start the hearing, I'd like to welcome you to the first Consumer Protection and Commerce Subcommittee of the 116th Congress. Consumer protection is my passion, and what first drew me to public life. I like to call our subcommittee the nation's legislative helpline, because we field consumer complaints.

The subcommittee's jurisdiction is vast in scope, ranging from the safety of cars to consumer product defects to consumer fraud – both online and offline. In the past when Democrats controlled the House, this subcommittee was responsible for making pools and children's products safer, increasing the fuel efficiency of cars, and made sure agencies aggressively protected consumers over corporate interests.

Under my leadership, this subcommittee will be extremely active and push companies and the Administration to put consumers first.

I look forward to working with Ranking Member McMorris Rodgers. I believe there are many issues on which we will be able to work together.

As I said earlier, our subcommittee is the nation's legislative helpline, and our first hearing, “Protecting Consumer Privacy in the Era of Big Data,” couldn't be more timely because the phone at the helpline is ringing off the hook. According to a recent SAS survey, over 80 percent of U.S. adults were not very confident in the security of personal information held by social media, retail, and travel companies and 67 percent wanted the government to act to protect them.

There is good reason for consumers' suspicion. Modern technology has made the collection, analysis, sharing, and sale of data both easy and profitable. Personal information is mined from Americans with little regard for the consequences.

In the last week alone, we learned that Facebook exposed individuals' private health information they thought was protected in closed groups, and collected data from third-party app developers on issues as personal as women's menstrual cycles and cancer treatments. People seeking solace may instead find increased insurance rates as a result of the disclosure of that information.

But Facebook isn't alone. We have seen the data collection industry transform from a nascent industry most Americans haven't heard of to an economic powerhouse gobbling up every piece of consumer data it can – both online and offline.

While many companies claim to provide notice and choice to consumers, the truth is this provides little real protection. Who has the time to wade through the dozens of privacy policies that impact them daily? How many people think about being tracked through their phones or by the overhead lights in a store? And often the only “choice” they have to avoid data collection is not to go to the store or use an app.

Reports of the abuse of personal information undoubtedly give Americans the creeps. But this data isn’t being collected to give you the creeps. It’s being done to control markets and make a profit.

Without a comprehensive federal privacy law, the burden has fallen completely on consumers to protect themselves. This must end.

Without a doubt, there are legitimate and beneficial reasons for companies to use personal information, but data collection must come with responsibilities. There should be limits on the collection of consumers’ data and on the use and sharing of their personal information. My goal is to develop strong, sensible legislation that provides meaningful protections for consumers while promoting competitive markets and restoring Americans’ faith in business and government.

Rules alone are not enough. We also need aggressive enforcers. Unfortunately, in recent years, the Federal Trade Commission’s (FTC) enforcement actions have done little to curb the worst behavior in data collection and data security. Any legislation must give federal regulators the tools to take effective action to protect consumers. It is important to equip regulators and enforcers with the tools and funding necessary to protect privacy, but it is also critical to make sure that requests for more tools and privacy are not used as an excuse for inaction. We must understand why the FTC hasn’t used its existing suite of tools to the fullest extent, such as its Section 5 authority to ban “unfair methods of competition” or its ability to enforce violations of consent decrees.

I welcome our witnesses today to learn how we should achieve these goals. Given the breadth of this issue, this will be the first of several hearings. Others will allow us to focus on specific issues of concern to the public.

At the same time, I want to work with my colleagues on both sides of the aisle on drafting privacy legislation. I have talked to a number of you about your priorities, and I want them to be reflected in what gets reported from this subcommittee.

I look forward to working with each of you on this important issue.