TRUMP: PUTTING INTERNET COMPANY PROFITS BEFORE AMERICANS' PRIVACY

On April 3, 2017, President Trump quietly signed a bill reversing an Obama-era rule against internet providers collecting and selling their customers' browsing history, app usage history, location history, Social Security numbers, and other personal data. Internet providers are interested in using such information to target ads to specific users, and open themselves up to tens of billions in advertising revenue in the process.

Supporters of the bill included internet providers, their lobbyists, Republican politicians... and almost nobody else. The bill passed both chambers of Congress without a single Democratic vote, and a HuffPost/YouGov poll found 83 percent of respondents opposed to the concept of internet providers selling their personal information. Rep. Marsha Blackburn, who introduced a bill in the House to reverse the rule, was the 7th-largest House recipient of telecom industry donations during the 2016 election cycle.

Critics called out the bill for being a blatant payoff to the telecom industry at the expense of everyday Americans' privacy. Reversal of the rule could also incentivize internet providers to charge customers for keeping their information private, and many Americans live in an area with just one or two providers, making it difficult to switch if unhappy with the privacy practices of their local provider.

Trump Signed A Bill Allowing Americans' Internet Browsing History To Be Collected And Sold By Their Internet Providers

TRUMP REVERSED AN OBAMA-ERA RULE PROHIBITING INTERNET PROVIDERS FROM COLLECTING AND SELLING CUSTOMERS' BROWSING, APP, LOCATION, AND OTHER DATA

Washington Post: Trump Signed A Bill Repealing An Obama-Era Rule Against Internet Providers "Collecting, Storing, Sharing And Selling Certain Types Of Consumer Information Without User Consent." According to The Washington Post, "President Trump signed congressional legislation Monday night that repeals the Federal Communications Commission's privacy protections for Internet users, rolling back a landmark policy from the Obama era and enabling Internet providers to compete with Google and Facebook in the online ad market. The Obama-backed rules — which would have taken effect later this year — would have banned Internet providers from collecting, storing, sharing and selling certain types of customer information without user consent." [Washington Post, 4/4/17]

Washington Post: The Rule "Had Sought To Limit What Companies Could Do With Information Such As Customer Browsing Habits, App Usage History, Location Data And Social Security Numbers," And Strengthen Protections Against Hackers. According to The Washington Post, "In a party-line vote, House Republicans freed Internet service providers such as Verizon, AT&T and Comcast of protections approved just last year that had sought to limit what companies could do with information such as customer browsing habits, app usage history, location data and Social Security numbers. The rules also had required providers to strengthen safeguards for customer data against hackers and thieves." [Washington Post, 3/28/17]

The Rule Required Internet Providers To Receive Explicit Permission From Customers To Share Their Personal Usage Information. According to PCWorld, "The U.S. Senate has voted to kill broadband provider privacy regulations prohibiting them from selling customers' web-browsing histories and other data without their permission. The Senate's 50-48 vote Thursday on a resolution of disapproval would roll back

Federal Communications Commission rules requiring broadband providers to receive opt-in customer permission to share sensitive personal information, including web-browsing history, geolocation, and financial details with third parties. The FCC approved the regulations just five months ago." [PCWorld, 3/23/17]

INTERNET PROVIDERS WILL USE THE DATA TO TARGET ADS TO SPECIFIC USERS AND MAKE BILLIONS IN THE PROCESS

Washington Post: Without The Rule, Internet Providers Could Use Customers' "Personal And Financial Information To Sell Highly Targeted Ads — Making Them Rivals To Google And Facebook In The \$83 Billion Online Advertising Market." According to The Washington Post, "Congress sent proposed legislation to President Trump on Tuesday that wipes away landmark online privacy protections, the first salvo in what is likely to become a significant reworking of the rules governing Internet access in an era of Republican dominance. [...] If Trump signs the legislation as expected, providers will be able to monitor their customers' behavior online and, without their permission, use their personal and financial information to sell highly targeted ads — making them rivals to Google and Facebook in the \$83 billion online advertising market." [Washington Post, 3/28/17]

Supporters Of The Bill Included Internet Companies, Their Lobbyists, Republican Politicians... And Almost Nobody Else

MAJOR INTERNET PROVIDERS & THEIR LOBBYISTS SUPPORTED REPEAL OF THE RULE

The Hill HEADLINE: "AT&T, Comcast Defend Repeal Of Internet Privacy Rules" [The Hill, 3/31/17]

AT&T Public Policy Blog HEADLINE: "Reversing Obama's FCC Regulations: A Path To Consumer Friendly Privacy Protections" [AT&T Public Policy Blog, 3/31/17]

New York Times HEADLINE: "Cable Industry Mobilizes Lobbying Army To Block F.C.C. Moves" [New York Times, 6/12/16]

Telecom Companies Stepped Up Their Lobbying Efforts When The FCC Proposed The Privacy Rules In 2016. According to The New York Times, "The behind-the-scenes activity by cable companies and their industry groups is part of the biggest lobbying push by the \$115 billion industry in Washington since 2009, when the government drew up its net neutrality rules. These days, the cable and telecom industries are hiring more lobbyists, issuing warnings that they may sue federal agencies, and making speeches and writing scathing blog posts about policy makers. The trigger? A string of proposed regulations by the F.C.C. that has left cable companies feeling besieged. So far this year, the agency has proposed reforming rules on set-top boxes so that people can pick any television device to receive cable and online video, which could cut into the industry's \$19.5 billion in annual set-top-box rental fees. The F.C.C. also unveiled broadband privacy rules that would make it harder to collect and share data on users for targeted advertising. And the agency also announced a plan to force cable and telecom companies to lease bandwidth to competitors in certain areas, with potential limits on how much they can charge, curbing revenue for such deals." [New York Times, 6/12/16]

President Of The NCTA, Michael K. Powell, Called The Privacy And Other FCC Rules "Policy Blows" And "Thundering, Tectonic Shifts." According to The New York Times, "The trigger? A string of proposed regulations by the F.C.C. that has left cable companies feeling besieged. So far this year, the agency has proposed reforming rules on set-top boxes so that people can pick any television device to receive

cable and online video, which could cut into the industry's \$19.5 billion in annual set-top-box rental fees. The F.C.C. also unveiled broadband privacy rules that would make it harder to collect and share data on users for targeted advertising. And the agency also announced a plan to force cable and telecom companies to lease bandwidth to competitors in certain areas, with potential limits on how much they can charge, curbing revenue for such deals. 'The policy blows we are weathering are not modest regulatory corrections,' Michael K. Powell, president of the N.C.T.A., said in a speech last month. 'They have been thundering, tectonic shifts.'" [New York Times, 6/12/16]

Jonathan Spalter, CEO Of Lobbying Group USTelecom, Issued A Statement In Support Of The House's Vote to Repeal The Rule. According to The New York Times, "Congress completed its overturning of the nation's strongest internet privacy protections for individuals on Tuesday in a victory for telecommunications companies, which can track and sell a customer's online information with greater ease. [...] Broadband companies immediately celebrated the House vote. They promised they would honor their voluntary privacy policies, noting that violations would be subject to lawsuits. 'Today's vote removing another set of unnecessary regulations is a win-win for consumers and their privacy,' said Jonathan Spalter, the chief executive of the broadband lobbying group USTelecom. "Online users will continue to have the consistent and strong privacy protections they require and the promise of continued innovation they expect from the internet." [New York Times, 3/28/17]

THE BILL PASSED THE HOUSE AND SENATE WITH ONLY REPUBLICAN SUPPORT

S.J.Res.34 Passed The House Of Representatives 215-205, With All 215 "Yeas" From Republican Members. [Clerk of the U.S. House of Representatives, S.J.Res.34, Vote 202, 3/28/17]

S.J.Res.34 Passed The Senate 50-48, With All 50 "Yea" From Republican Senators. [U.S. Senate, S.J.Res.34, Vote 94, <u>3/23/17</u>]

Rep. Marsha Blackburn, Who Introduced A Bill In The House To Reverse The Rule, Was One Of The Largest Recipients Of Telecom Industry Donations During The 2016 Cycle

Among House Republicans Who Voted For The Bill, Marsha Blackburn Received The 7th-Greatest Amount Of Campaign Cash From The Telecom Industry During The 2016 Election Cycle. [The Verge, 3/29/17]

Blackburn Introduced A Bill In The House To Reverse The Rule. According to Fox News Nashville, "Tuesday evening, the House passed H.J. 86, a resolution introduced by Rep. Blackburn and 16 other legislators. It was the proposal's final hurdle after passing in the Senate a week earlier. The bill nullified a December 2016 rule issued by the FCC which was set to go into effect. The 'Protecting the Privacy of Customers of Broadband and Other Telecommunications Services' rule would have forced internet service providers and other telecommunication services to request from customers the sharing of confidential information. According to the rule, it would have also required consent when 'a broadband provider offers customers financial incentives in exchange for the provider's right to use a customer's confidential information.' Among the information considered 'sensitive' would have been financial information, health information, Social Security numbers, precise location, browsing history, app usage, voice services, and information pertaining to children." [Fox 17 Nashville, 3/30/17]

<u>Blackburn Has Received Nearly \$546,000 From The Telecom Industry Over The Course Of</u> Her Career Blackburn Has Received Nearly \$546,000 From The Telecom Industry Over The Course Of Her Career. According to Fox 17 Nashville, "In the wake of the resolution's passing, questions surrounding the impact of contributions from the telecom industry received by Rep. Blackburn have been raised. According to the Center for Responsive Politics, a self-proclaimed nonpartisan, independent research group which tracks money in politics, Rep. Blackburn has received close to \$546,000 from the telecom industry over the course of her career." [Fox 17 Nashville, 3/30/17]

Republicans Who Voted For The Bill Received Considerably More Campaign Cash From The Telecom Industry Than The 15 Republicans Who Voted Against It

OpenSecrets Found Republicans Who Voted For The Bill Received An Average Of \$138,000 From The Telecom Industry Over The Course Of Their Careers, Compared To \$77,000 Among Republicans Who Voted Against It. According to the OpenSecrets Blog, "We took a look at the contributions received by members of the House and Senate from the telecom industry, Here's what we found: On the House side, while there wasn't a huge difference in overall funds received by lawmakers voting for or against the resolution, there was a gap in the Republican vote. GOP lawmakers who voted to quash the rule received an average of \$138,000 from the industry over the course of their careers. The 15 Republicans voting nay? They got just \$77,000." [OpenSecrets Blog, 3/29/17]

POLLING SHOWED AMERICANS OVERWHELMINGLY OPPOSED TO INTERNET PROVIDERS SELLING THEIR BROWSING HISTORY AND OTHER PERSONAL DATA

A HuffPost/YouGov Poll Found 83% Of Respondents Opposed To The Concept Of Telecom Companies Being Allowed To Share Customers' Personal Data Without Their Permission. According to a HuffPost/YouGov poll, when asked, "Do you think telecom and cable companies should or should not be allowed to share personal information about customers, such as their web browsing history, without first getting customers' permission?," 83% of respondents said "They should not be allowed." [HuffPost/YouGov poll, 3/31/17]

A HuffPost/YouGov Poll Found 71% Of Respondents Supported The Obama-Era Privacy Rules. According to a HuffPost/YouGov poll, when asked, "Last year, the federal government adopted a set of rules to ban telecom and cable companies from sharing customers' personal information, including their web browsing history, without their permission. A Republican bill passed by Congress would overturn those rules

before they go into effect. Which describes your opinion?," 71% of respondents said "The ban on sharing customers' information should go into effect." [HuffPost/YouGov poll, 3/31/17]

A HuffPost/YouGov Poll Found 74% Of Respondents Wanted Trump To Veto The Bill. According to a HuffPost/YouGov poll, when asked, "If President Trump vetoes the bill, telecom and cable companies will be banned from sharing customers' personal information without permission. If President Trump signs the bill, telecom and cable companies will be allowed to share customers' information without permission. What do you think President Trump should do?," 74% of respondents said "Veto the bill." [HuffPost/YouGov poll, <u>3/31/17</u>]

Trump Signed The Deeply Unpopular Legislation Without His Usual Pomp

Washington Post: "Trump Signed The Legislation With Little Fanfare Monday Evening, A Contrast To Other Major Executive Actions He Has Taken From The Oval Office." According to The Washington Post, "Trump signed the legislation with little fanfare Monday evening, a contrast to other major executive actions he has taken from the Oval Office. The move prohibits the FCC from passing similar privacy regulations in the future. And it paves the way for Internet providers to compete in the \$83 billion market for digital advertising." [Washington Post, $\frac{4}{4}$]

Critics Called Out The Bill As A Blatant Payoff To Internet Companies At The Expense Of Everyday Americans' Privacy

CRITICS RANGED FROM PRIVACY ACTIVISTS TO LATE NIGHT COMEDIAN STEPHEN COLBERT

Craig Aron, CEO Of Advocacy Group Free Press: "There Is Literally No Public Support For This Bill. Its Only Advocates Are The Nation's Biggest Phone, Cable And Internet Companies."

According to The Hill, "It's shocking that of all the challenges facing this country the Trump administration would prioritize taking away people's privacy,' said Craig Aron, CEO of the advocacy group Free Press. There is literally no public support for this bill. Its only advocates are the nation's biggest phone, cable and Internet companies. There's no longer any question — if there ever was — whose needs this administration intends to serve. But people everywhere are on high alert to the serious threat to the free and open Internet. And they will fight back." [The Hill, 4/3/17]

Neema Singh Giuliana Of The ACLU: "It Is Extremely Disappointing That The Senate Voted Today To Sacrifice The Privacy Rights Of Americans In The Interest Of Protecting The Profits Of Major Internet Companies." According to The Washington Post, "It is extremely disappointing that the Senate voted today to sacrifice the privacy rights of Americans in the interest of protecting the profits of major Internet companies, including Comcast, AT&T, and Verizon,' Neema Singh Giuliani, legislative counsel for the American Civil Liberties Union, said in a statement." [Washington Post, 3/23/17]

Former FCC Chairman Tom Wheeler: Reversing The Rule "Is A Dream For Cable And Telephone Companies [...] The Problem Is They Are Selling Something That Doesn't Belong To Them."

According to an opinion by Tom Wheeler in The New York Times, "On Tuesday afternoon, while most people were focused on the latest news from the House Intelligence Committee, the House quietly voted to undo rules that keep internet service providers — the companies like Comcast, Verizon and Charter that you pay for online access — from selling your personal information. The Senate already approved the bill, on a party-line vote, last week, which means that in the coming days President Trump will be able to sign legislation that will strike a significant blow against online privacy protection. [...] Reversing those protections is a dream for cable and telephone companies, which want to capitalize on the value of such personal information. I understand that network executives want to produce the highest return for shareholders by selling consumers' information. The problem is they are selling something that doesn't belong to them."

[Tom Wheeler, Opinion – New York Times, 3/29/17]

Center For Digital Democracy Executive Director Jeff Chester Said That The FCC's Regulation On Sensitive Customer Web Data Was "The Only Privacy Protections Americans Can Have When They Use The Internet Or Their Mobile Phones." According to PCWorld, "The U.S. Senate has voted to kill broadband provider privacy regulations prohibiting them from selling customers' web-browsing histories and other data without their permission. [...] Privacy advocates blasted the Senate's vote, and many net neutrality advocates see the vote as an early step toward dismantling net neutrality. The vote kills 'the only privacy protections Americans can have when they use the internet or their mobile phones,' said Jeff Chester, executive director of the Center for Digital Democracy." [PCWorld, 3/23/17]

 Chester: If Congress Passed A Resolution Repealing The FCC Regulation, Americans Would Become "Victims Of Massive Ongoing Surveillance From Theirs ISPs." According to PCWorld, "The U.S. Senate has voted to kill broadband provider privacy regulations prohibiting them from selling customers' web-browsing histories and other data without their permission. [...] The vote kills 'the only privacy protections Americans can have when they use the internet or their mobile phones,' said Jeff Chester, executive director of the Center for Digital Democracy. If Congress passes the resolution, 'Americans will become victims of massive ongoing surveillance from their ISPs,' he added." [PCWorld, 3/23/17]

• Chester: Repealing The Regulation Meant That Americans Would "Never Be Safe Online From Having Their Most Personal Details Stealthily Scrutinized And Sold To The Highest Bidder." According to The Washington Post, "In a party-line vote, House Republicans freed Internet service providers such as Verizon, AT&T and Comcast of protections approved just last year that had sought to limit what companies could do with information such as customer browsing habits, app usage history, location data and Social Security numbers. [...] Advocates for tough privacy protections online called Tuesday's vote 'a tremendous setback for America.' "Today's vote means that Americans will never be safe online from having their most personal details stealthily scrutinized and sold to the highest bidder,' said Jeffrey Chester, executive director of the Center for Digital Democracy." [Washington Post, 3/28/17]

Stephen Colbert On "The Late Show:" "I Guarantee You There Is Not One Person, Not One Voter Of Any Political Stripe Anywhere In America Who Asked For This." According to The Hill, "I guarantee you there is not one person, not one voter of any political stripe anywhere in America who asked for this,' Stephen Colbert said on 'The Late Show' last week. 'No one in America stood up in a town hall and said, 'Sir, I demand you let somebody else make money off my shameful desires. Maybe blackmail me someday." [The Hill, 4/3/17]

• Colbert: "No One In America Stood Up In A Town Hall And Said, 'Sir, I Demand You Let Somebody Else Make Money Off My Shameful Desires." According to The Hill, "I guarantee you there is not one person, not one voter of any political stripe anywhere in America who asked for this,' Stephen Colbert said on 'The Late Show' last week. 'No one in America stood up in a town hall and said, 'Sir, I demand you let somebody else make money off my shameful desires. Maybe blackmail me someday."' [The Hill, 4/3/17]

Reversal Of The Rule Could Incentivize Internet Providers To Charge Customers For Their Privacy

AT&T PREVIOUSLY OFFERED INTERNET DISCOUNTS TO CUSTOMERS WHO LET THE COMPANY MONITOR THEIR BROWSING HISTORY

Reversal Of The Rule Could Lead To Internet Providers Charging Customers Who Don't Want Their Browsing History Monitored. According to The Washington Post, "In a party-line vote, House Republicans freed Internet service providers such as Verizon, AT&T and Comcast of protections approved just last year that had sought to limit what companies could do with information such as customer browsing habits, app usage history, location data and Social Security numbers. [...] Industry backers say that allowing providers to use data-driven targeting could benefit consumers by leading to more relevant advertisements and innovative business models. AT&T, for instance, used to offer Internet discounts to consumers in exchange for letting the company monitor their browsing history. With Tuesday's vote, such programs could see a return, and be marketed as a way to access cheaper Internet — although consumer groups have criticized these plans as a way for providers to charge customers a premium for their privacy." [Washington Post, 3/28/17]

AT&T Previously Offered Internet Discounts To Consumers Who Let The Company Monitor Their Web Browsing History. According to The Washington Post, "Industry backers say that allowing providers to use data-driven targeting could benefit consumers by leading to more relevant advertisements and innovative business models. AT&T, for instance, used to offer Internet discounts to consumers in exchange for letting the company monitor their browsing history." [Washington Post, 3/28/17]

Many Don't Have The Option Of Switching Internet Providers If They Find Issue With Their Provider's Privacy Practices

MANY AMERICANS HAVE ACCESS TO JUST ONE OR TWO INTERNET PROVIDERS IN THEIR AREA

Many Americans Only Have Access To One Or Two Internet Providers In Their Area. According to The Washington Post, "And although consumers can easily abandon sites whose privacy practices they don't agree with, it is far more difficult to choose a different Internet provider, the activists said. Many Americans have a choice of only one or two broadband companies in their area, according to federal statistics." [Washington Post, 3/28/17]