

Opening Statement – Ranking Member Sherrod Brown
**5.11.2018 – Data Brokers and the Impact on Financial Data Privacy, Credit, Insurance,
Employment and Housing**

I appreciate Chairman Crapo continuing these important, bipartisan efforts to protect Americans' sensitive personal information.

Today, we're looking at a shadowy industry known as "data brokers." Most of you probably haven't heard of these companies. The biggest ones include names like Acxiom, CoreLogic, Spokeo, ZoomInfo, and Oracle. According to some estimates, 4,000 of these companies are collecting and selling our private information, but not one of them was willing to show up and speak in front of the committee today. Not one.

These companies expect to be trusted with the most personal and private information you could imagine about millions of Americans, but they're not even willing to show up and explain how their industry works. I think that tells you all you need to know about how much they want their own faces and names associated with their industry.

As Maciej Ceglowski told us at our last hearing, "the daily activities of most Americans are now tracked and permanently recorded by automated systems at Google or Facebook"

But most of that private activity isn't useful without data that anchors it to the real world. Facebook, Google, and Amazon want to know where you're using your credit cards, whether you buy name-brand appliances, if you're recently divorced, and how big your life insurance policy is. That's the kind of data that big tech gets from data brokers, and they then combine it with your social media activity to feed into their algorithms.

You might have noticed it seems like every product or service you buy comes with a survey or a warranty card that asks for strangely personal information. Why are all these non-tech companies so interested in your data?

It's simple – data brokers will pay those companies for any of your personal information they can get their hands on, so they can turn around and sell it to Silicon Valley. It's hard for ordinary consumers to have any power when unbeknownst to them, they're actually the product being bought and sold.

It reminds me of a time when corporations that had no business being in the lending industry decided to start making loans and selling them off to Wall Street. Manufacturers or car companies decided that consumer credit would be a great way to boost their profits. When big banks and big tech companies are willing to pay for something, everyone else will find a way to sell it to them, often with devastating results.

For example, Amazon is undermining retailers and manufacturers across the country through anti-competitive practices, and at the same time, it's scooping up data from the very businesses it's pushing out of the market.

Then there's Facebook—it has almost single-handedly undermined the profitability of newspapers across the country. It's also gobbling up personal information that The New York Times allows data brokers to collect from its readers.

Just like in the financial crisis, a group of shadowy players sits at the center of the market, exercising enormous influence over consumers and the economy while facing little or no rules at all.

Chairman Crapo and I are committed to shining a light on these companies, and to keeping an unregulated data economy from spiraling out of control. I look forward to the witnesses' testimony, and to continuing to work with Chairman Crapo in a bipartisan manner.