

Committee on Energy and Commerce
Opening Statement as Prepared for Delivery
of
Subcommittee on Oversight and Investigations Ranking Member Kathy Castor

***Hearing on "Who is Selling Your Data: A Critical Examination of the Role of Data Brokers
in the Digital Economy."***

April 19, 2023

Thank you, Mr. Chairman, for calling this hearing. The data broker industry impacts all of us, and I am grateful that we can take on these issues in a true bipartisan fashion.

The data broker industry affects every consumer in the United States. Yet, data brokers are often invisible to consumers—brokers rarely interact directly with consumers at all but nonetheless they collect thousands of data points on our neighbors, including names, geolocation data, addresses, health data, age, political preferences, and more. And they collect it no matter how sensitive that data may be.

Big Tech and brokers say that collecting and using this data is harmless. They say that it helps get consumers the products they want or to stay in touch with friends. But this is not the reality. Data brokers pass sensitive data on to companies with no regard for consumers at all—including to scammers, scalpers and advertisers that target our children.

Simply put, these privacy abuses have harmed our neighbors. These harms are well documented and affect some of the most vulnerable among us—including the elderly, veterans, and communities of color.

However, there are few things more concerning to me than the ways Big Tech—including data brokers—has enabled the surveillance and targeting of our children.

Take Recolor. Recolor is an online coloring book operated by Kuuhubb. Recolor provides images that consumers can color in on their mobile devices, including kid-friendly images like animated characters and cartoons.

In 2021, Kuuhubb was found to have collected and disclosed personal information about children to third parties—including advertisers—without their parents' consent. Like so many others, this company enticed children onto their platforms, only to monetize their data for the company's own commercial benefits.

Furthermore, in 2021, a data broker called OpenX was fined \$2 million after collecting personal information about children under 13, opening the door to massive privacy violations and predatory advertising.

We know that Big Tech has enabled advertisers to target children for a whole range of damaging products—ranging from tobacco and e-cigarettes to low-calorie diets that can create and exacerbate body-image anxieties. Data brokers have enabled this profiteering through excessive and shameful collection, monetization, and selling of data on our kids.

The U.S. has fallen too far behind in prioritizing the protection of young people online. Because we do not have a national privacy standard, we are currently stuck with a patchwork of state laws and narrow protections that leave a wide swath of our neighbors vulnerable to privacy abuses, including by data brokers.

Fortunately, there is much that Congress can do. This week I plan to re-introduce my landmark Kids PRIVACY Act to keep children safe online and curb the power of companies to indiscriminately track and target children. I also strongly support the bipartisan American Data Privacy and Protection Act, which would bring much-needed transparency to the brokerage industry and minimize the data available for them to collect.

As Ranking Member of this Subcommittee, I am committed to holding accountable data brokers that infringe on the rights of our neighbors. This is especially true for those who seek to profit off of our children's data, which is unconscionable. I am glad that we are doing this critical work on a bipartisan basis and look forward to hearing from our panel today.

And with that, I yield back.