



August 10, 2012

Chair Felipe Fuentes
Assembly Appropriations Committee
Room 2114
State Capitol
Sacramento, CA
Fax: 916-319-2139

Oppose SB 1298, unless amended

Dear Chair Fuentes:

I am writing on behalf of Consumer Watchdog to express our opposition to SB 1298, which would allow Google's driverless cars on our highways, unless the bill is amended to adequately protect consumers' privacy rights. In response to our concerns about privacy the Assembly Transportation Committee adopted this amendment:

(h) The manufacturer of the autonomous technology installed on a vehicle shall provide a written disclosure to the purchaser of an autonomous vehicle that describes what information is collected by the autonomous technology equipped on the vehicle.

While we appreciate the attempt, this amendment is completely insufficient. It gives the user no control over what data is gathered and how the information will be used. Indeed, it does not even require an explanation of how the data will be used.

SB 1298 must be amended to provide that driverless cars gather only the data necessary to operate the vehicle and retain that data only as long as necessary for the vehicle's operation. The amendment should provide that the data must not be used for any additional purpose such as marketing or advertising without the consumer's explicit opt-in consent.

Why won't Google endorse simple privacy safeguards for its self-driving cars? There are two reasons.

First, Google's entire business model is based on building digital dossiers about our personal behavior and using them to sell the most personal advertising to us. You're not Google's customer; you are its product – the one it sells to corporations willing to pay any price to reach you. Will the driverless technology be just about getting us from point to point or about tracking how we got there and what we did along the way?

Second, computer engineers, who believe that more data is always better, are in charge at Google. They may not know what they would use data for today, but they think they may someday find a use for it and don't want any restrictions on them now.

Google is first and foremost an advertising company; 98 percent of its \$38 billion in revenue comes from advertising, and the more personalized the marketing the better.

Indeed, Executive Chairman Eric Schmidt has said, “We don't need you to type at all. We know where you are. We know where you've been. We can more or less know what you're thinking about.”

You may remember the last time Google deployed high tech vehicles around the world. The result was Wi-Spy, the biggest wire-tapping scandal in history when the company's Street View cars sucked up data from tens of millions of private Wi-Fi networks, including emails, health information, banking information, passwords and other data.

Citing its “Don't Be Evil” motto, Google claims it can be trusted with our information. Facts show otherwise. Recently the FCC released documents showing the Wi-Spy scandal was not a mistake or the work of one rogue engineer, as the company had claimed; but was part of the Street View design. The Commission fined Google \$25,000 for obstructing its investigation. In the latest Wi-Spy development Google has just admitted that it had retained the ill-gotten data it pledged to delete almost two years ago.

On Thursday the Federal Trade Commission imposed a \$22.5 million penalty on Google for violating a consent agreement and hacking around privacy settings on Apple's Safari browser, which is used on iPads and iPhones. Simply put, there is no reason to trust or believe Google when it claims to be concerned about privacy.

Consumers enthusiastically adopted the new technology of the Internet. What we were not told was that our use of the Information Superhighway would be monitored and tracked in order to personalize corporate marketing and make Google a fortune. Now that Google is taking to the freeways, we must prevent inappropriate collection and storage of data about our personal movements and environment before we allow Google's robots to take to the roads and report back to the Googleplex.

Without appropriate regulations, Google's vehicles will be able to gather unprecedented amounts of information about the use of those vehicles. How will it be used? Just as Google tracks us around the Internet, it will now be looking over our shoulders on every highway and byway. Will the data be provided to insurance companies for underwriting purposes or to third parties that develop some kind of a driving score related to where and when individuals travel? Will it be used to serve in-car advertisements or advertisements through other venues in the Google suite of products? Will it be used to track our movements and those of surrounding cars and mobile devices so that Google's advertisers can better locate us?

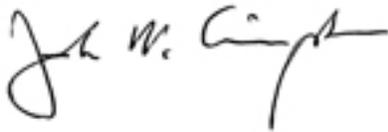
Consumer Watchdog supports driverless car technology and predicts it will be commonplace sooner than many of us expect. However, it must not be allowed to become yet another way to track us in our daily lives. Internet technology was implemented with little regard to protecting users' privacy. We are playing catch-up for our failure to consider the societal impact of a new technology. Only this year has the Federal Trade Commission called for the implementation of a Do Not Track system that would allow consumers to let websites know that they do not want data about their web surfing to be gathered.

The time to ensure that this new driverless car technology has the necessary privacy protections is while it is being designed and developed. This is a concept known as “Privacy by Design.” It means privacy issues are considered from the very beginning and solutions are “baked in.” Trying to catch up after a new technology is developed and broadly implemented simply will not work. Google has demonstrated that it only plays lip service to privacy concerns and

repeatedly violated consumers' privacy. That is why I call on you to amend SB 1298 to require that consumers must give opt-in consent before any data gathered through driverless car technology is used for any purpose other than driving the vehicle.

In its current form SB 1298 provides no real privacy protection for the users of the coming technology. The bill must be amended to ban all personal data collection by autonomous cars. While we don't propose to limit the ability of the cars to function by communicating as necessary with satellites and other devices, the collection and retention of data for marketing and other purposes should be banned. Unless the bill is amended, once again society will be forced to play catch-up in dealing with the impact of the privacy invading aspects of a new technology.

Sincerely,

A handwritten signature in black ink, appearing to read "John M. Simpson". The signature is fluid and cursive, with a long horizontal stroke at the end.

John M. Simpson
Privacy Project Director
Consumer Watchdog

Cc: Sen. Alex Padilla

Jay Dickenson, Principal Consultant, Assembly Appropriations Committee