



President Barrack Obama
The White House
1600 Pennsylvania Ave., NW
Washington, DC
20500

March 17, 2011

Dear Mr. President,

We write to strongly oppose the nomination of Google CEO Eric Schmidt to become Secretary of the United States Department of Commerce.

Google provides amazing online services and connectivity thanks to tremendous growth at the company under Mr. Schmidt's leadership. However, Mr. Schmidt's views on privacy, antitrust issues, workers rights and commercial growth are inimical to the ethical customs, social mores and rules of law the American people have demanded of their leaders.

Google's business model is the exploitation of personal information and data so that consumers can be targeted with advertising for the commercial gain of the corporation. As you may know, 96% of Google's revenue is from online advertising. In recent years, Mr. Schmidt has made some outrageous statements that show his view of commerce is to allow corporations to run roughshod over the privacy rights of citizens in the pursuit of advertising dollars.

For instance, Mr. Schmidt has said:

If you have something that you don't want anyone to know, maybe you shouldn't be doing it in the first place.

We know where you are, we know where you have been, we can more or less know what you are thinking about.

There is what I call the creepy line. The Google Policy on a lot of things is to get right up to the creepy line and not cross it.

These are terribly inappropriate positions for an emissary of American commerce and trade.

Under Mr. Schmidt's watch, Google committed the greatest wiretapping scandal in world history – collecting wireless data from Wi-Fi networks around the world without the consent of the network owners. Google turned email address books into social networks against the will of its Gmail subscribers. Recently Google committed yet another serious privacy intrusion when the company gathered children's social security information on entry forms for its "Doodle 4 Google" art contest.

Under Mr. Schmidt's leadership, Google has faced increased scrutiny for anticompetitive behavior. The U.S. Justice Department has opposed a settlement in the Google Books class

action suit, on antitrust grounds. European competition authorities are investigating antitrust allegations and the Texas Attorney General also has launched a probe. The U.S. Justice Department is deciding whether Google's acquisition of ITA Software should be blocked as anticompetitive.

Appointing Mr. Schmidt as Secretary of Commerce while these matters are pending would be highly inappropriate.

Worse, however, is the signal the appointment would send to the rest of the world that the next great wave of economic growth will be the exploitation of personal information to target consumers worldwide. Already America's largest corporations have set their sights on consumers in the developing world where health safety laws are virtually nonexistent. Tobacco makers, fast food companies and drug makers already see new virgin markets for unhealthy products whose use has been curbed in the United States by consumer protection laws.

Google's business model, which could become official U.S. policy if Mr. Schmidt joins the Administration, is to gather as much information as possible about online consumers in order to serve them up as targeted markets to the highest bidder. The products we search for, be it a hotel room or a Pottery Barn rug, increasingly follow us around online thanks to Google's tracking technology. While 90% of Americans want to be able to opt out of being tracked, the consequences for consumers emerging online in the developing world are far greater because our health and safety laws don't apply.

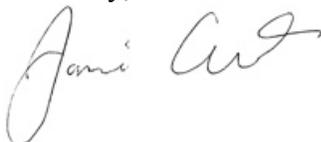
Reckless data mining in pursuit of profit is how Mr. Schmidt became a billionaire, but it should not be the official policy of the Commerce Department, which is the federal agency charged with establishing and executing the Administration's official online privacy policies. Putting Eric Schmidt in charge of policing online privacy is like appointing Bernie Madoff to direct the Securities Exchange Commission.

Google under Mr. Schmidt's stewardship has proved it is willing to help any kind of advertiser regardless of whatever they are peddling. For example, a recent Consumer Watchdog report found that Google continued to make money from predatory lending advertisements for products that are illegal in the United States. Internationally, the goal of the Commerce Department should not be the type of economic growth that exploits new online consumers in the developing world to sell them products that would be illegal in America because we have higher standards.

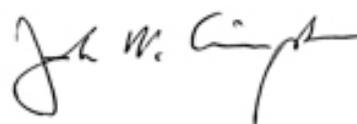
Mr. Schmidt's appointment would send the wrong signal to the world about our commercial intentions. Exporting technology is not the same as exploitation of personal data on a global basis. This should not be the model for American commerce or democracy.

We caution you about the grave ramification of nominating Eric Schmidt for Commerce Secretary, whom we understand is now a most serious contender for the post.

Sincerely,



Jamie Court
President



John M. Simpson
Consumer advocate