

**Prepared Statement by Senator Chuck Grassley of Iowa
Chairman, Senate Judiciary Committee
Hearing on Cambridge Analytica and the Future of Data Privacy
May 16, 2018**

The Facebook matter involving Aleksander Kogan and Cambridge Analytica shed a bright light on the data practices of some of our largest technology companies. Although advertisers and political campaigns have collected and used data for years, the public seemed generally unaware. This story has forced both the public and lawmakers to confront serious issues that need to be addressed, including what role Congress should play in promoting transparency for consumers regarding data collection and use, while ensuring a well-functioning marketplace for our data-dependent technologies to drive further innovation. We started that conversation with Mr. Zuckerberg last month. I hope that today we can continue a productive and meaningful debate about these serious policy issues.

Unfortunately, events like these, more often than not, seem to get muddied by partisanship and efforts to score a quick soundbite.

The Facebook story first broke in December 2015, when The Guardian identified that Dr. Kogan had allegedly transferred Facebook data to Cambridge Analytica in violation of Facebook's data policy. According to Cambridge's press releases and a recent internal report, in July 2016, Facebook requested Cambridge and its affiliates to remove any data received from Dr. Kogan. Cambridge said that they removed the data and filed legal certifications to Facebook saying as much.

I had requested that Cambridge Analytica appear at this hearing to explain these facts and tell their side of the story. Cambridge, however, recently commenced insolvency proceedings and therefore determined it could not participate in this hearing.

The underlying story has not changed since 2015, except for two important events. First, Cambridge began doing work for the Trump campaign. Second, President Trump won the 2016 election. These two facts sounded an alarm that revived the Cambridge story.

This does not diminish the importance of this discussion, but only highlights the extreme partisanship at play and that this conversation could have easily taken place in 2015.

In fact, this conversation could have taken place much earlier. Advertising agencies and political campaigns have utilized data analytics tools for many years. Campaigns, including those of Presidential candidates in every election year since at least the 1990s used data to micro-target. During the past three presidential elections these strategies have expanded to social media platforms, specifically Facebook.

President Obama's campaign developed an app utilizing the same Facebook feature that Cambridge used to capture the information of not just the apps users, but also millions of their

friends. President Obama's app potentially pulled even more information than Cambridge's app. A former Obama campaign official, Carol Davidsen, recently wrote, "Facebook was surprised we were able to suck out the whole social graph" in the 2012 election.

We could also be talking about more recent events, like BuzzFeed's partnering with multiple Democratic and anti-Trump super PACs in 2016. In a 2016 interview, BuzzFeed's Vice President of Politics and Advocacy said that one of the problems BuzzFeed was working with other partners to solve was "how are we going to get women who do not like Hillary Clinton to vote for her?" That type of voter outreach is not surprising to many. That's because it happens all the time. Similarly, it shouldn't be surprising that President Trump's campaign used consultants to help reach voters as well.

Regardless of these events and whether such tactics are actually effective, it is clear that the use of data across the political spectrum is only increasing.

And so, instead of just treating this as a partisan issue to score political points, the important policy discussion we should really have is where tech, consumers, and Congress should go from here.

Our tech companies have access to some of our most sensitive data. Are these companies doing enough to properly disclose their data policies and protect user data?

Many of the services offered by these tech companies provide huge benefits to consumers at little to no cost. Are consumers blissfully unaware or are they making informed choices with respect to how their data is collected and used?

In 2015, the U.S. consumer technology sector directly provided 4.7 million jobs and generated \$1.9 trillion in output, \$435 billion in labor income, and \$192 billion in tax payments. How do we ensure the proper amount of regulation to protect consumers without damaging an industry that has been vital to our economy?

These are the questions we should be asking. I hope today's hearing will allow us to continue that discussion.