



Internet Association



State Privacy and Security Coalition, Inc.



April 14, 2015

TO: Members, Assembly Committee on Utilities and Commerce

FROM: Internet Association
California Chamber of Commerce
Direct Marketing Association
State Privacy & Security Coalition, Inc.
TechNet

**SUBJECT: AB 886 (CHAU) TRANSPORTATION SERVICE NETWORK PROVIDER:
PASSENGER PRIVACY
SCHEDULED FOR HEARING – APRIL 20, 2015
OPPOSE**

The entities listed above respectfully **OPPOSE AB 886 (Chau)**. **AB 886** would establish a host of prescriptive rules that would micromanage a specific mobile app technology without any corresponding benefits, at the expense of one of California's most innovative industries and the larger mobile app economy.

AB 886 purports to enhance consumer privacy protections, however, in reality, it would do nothing but reduce the functionality and availability of the ridesharing mobile apps that consumers all around the State use and love. Among its many problems, the bill casts a needlessly broad and imprecise net for what is considered "personally identifiable data" (PID). Essentially any piece of information, identifiable to an individual or not, would be bluntly categorized as PID due to the expansive description of this information as anything that "relates to, describes, or is capable of being associated with a particular individual." This amorphous definition would result in, at best, awkward public policy. For example, non-identifiable information such as "likes pizza" or "tall" would be treated as identical to and meriting equivalent protection under the law as someone's social security or bank account numbers.

The bill also attempts to regulate dynamic and multi-faceted mobile technologies in a regime focused squarely on credit card transactions and, in so doing, impedes the basic functionality of ridesharing applications. In an apparent reference to the Song-Beverly Credit Card Act of 1971, the bill establishes a blanket prohibition against apps requesting or requiring data from a consumer when rendering transportation services unless that information is necessary to "complete a transaction." This would include information that is fundamentally necessary for the functioning of the app (e.g., information about the location of the passenger, location of the route, the device used to access the service, etc.).

AB 886 states that this information can only be accessed if it is necessary to "complete the transaction" or for the "detection, investigation, or prevention of fraud," which will be narrowly interpreted to mean that only the information that is necessary to process the payment securely can be accessed by the app. Unfortunately, the end result is a measure that would make the

basic functioning of ridesharing apps both a civil wrong and a crime in the State of California and unavailable to the scores of consumers that desire to use them.

As referenced above, the bill proposes to enforce its unworkable rules through a combination of civil penalties and criminal actions that require no proof of any actual harm. In fact, the State's law enforcement agencies could effectively shut down ridesharing services for even technical violations of **AB 886**. This regrettable posture against one of the State's premier and growing industries -- which has already delivered immense benefits to California in terms of transportation choice, safety, environmental protection, economic growth, and more -- is unjustified and also sends a concerning and inaccurate signal to the broader mobile app economy about California's stance towards technology and innovation. Ultimately, consumers will be left frustrated with the degradation of their mobile app experience and California more generally will suffer when the companies that Californians love are spending less time innovating and more time defending themselves in court from unnecessary litigation.

Rather than impose impractical rules against California-headquartered startups that are improving the way we travel and boosting local economies, the Legislature should spend its time reinforcing its heralded position as a leading incubator for technology, innovation, research and development.

For these reasons, we **OPPOSE AB 886**.

cc: Tom Dyer, Office of the Governor
The Honorable Ed Chau
Sue Kateley, Assembly Committee on Utilities and Commerce
Daryl Thomas, Assembly Republican Caucus
District Offices, Assembly Utilities and Commerce