

**Opening Statement of Senator Carl Levin
Before
Permanent Subcommittee on Investigations
on
*Online Advertising and Hidden Hazards
to Consumer Security and Data Privacy***

May 15, 2014

For almost a year, the Permanent Subcommittee on Investigations has been investigating hidden hazards to consumers' data privacy and security resulting from online advertising. Our Subcommittee operates in a very bipartisan way, and our practices and rules provide that the Ranking Minority Member may initiate an inquiry, and our tradition is for both sides of the aisle to work on investigations together.

Since this investigation was initiated and led by Sen. McCain, I'd like to call on him to give his opening statement first, after which I will add a few additional remarks. But first I would like to commend Sen. McCain for his leadership and for his staff's hard work in addressing the facts and issues that are the subject of today's hearing. Sen. McCain.

Today's hearing is about the third parties that operate behind the scenes as consumers use the internet. In particular, the Subcommittee's report outlines the enormous complexity of the online advertising ecosystem. Simply displaying ads that consumers see as they browse the internet can trigger interactions with a chain of other companies, and each link in that chain is a potential weak point that can be used to invade privacy or host malware that can inflict damage. And those weak links can be exploited although consumers have done nothing other than visit a mainstream website.

The Subcommittee's report also highlights the hundreds of third parties that may have access to a consumer's browser information with every webpage they visit. According to a recent White House report, more than 500 million photos are uploaded by consumers to the internet each day, along with more than 200 hours of video every minute. However, the volume of information that people create about themselves pales in comparison to the amount of digital information continually created about them. According to some estimates, nearly a zettabyte, or 1 trillion gigabytes, are transferred on the internet annually. That's a billion trillion bytes of data.

Against that backdrop, today's hearing will explore what we should be doing to protect people against the emerging threats to their security and privacy as consumers. The report finds that the industry's self-regulatory efforts are not doing enough to protect consumer privacy and safety. Furthermore, we need to give the Federal Trade Commission the tools it needs to protect consumers who are using the internet. Finally, as consumers use the internet, profiles are being

created based on what they read, what movies they watch, what music they listen to, on and on. Consumers need more effective choices as to what information generated by their activities on the internet is shared and sold to others.

I'd like to thank all of today's witnesses for their cooperation with this investigation, and I look forward to today's testimony.

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