# PRIV-ISP Act of 2018

Promoting Responsible ISP Values & Improving Subscriber Privacy Act of 2018

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The Internet: A Series of Tubes?



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### **Overview of Internet Service Providers (ISPs)**



# Why are ISPs unique?

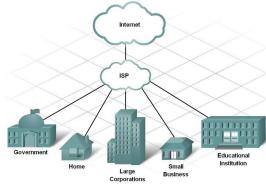
- Physical infrastructure that ISPs own and operate is expensive to build
- Users have limited choice over which ISPs to choose from
- Unlike with content providers, switching ISPs can be costly for consumers
- Users have alternatives to content providers (e.g., DuckDuckGo, Bing)
- Content providers generally only see user information while a particular user visits its site; ISPs have a broader pool of information

# What are ISPs' capabilities?

To provide service, ISPs must access extensive **Customer Proprietary Information (CPI)**, which comprises content and non-content information.

ISPs collect information across multiple platforms, use it to make inferences about users' behavior and preferences, and build profiles of

users based on such inferences.



# **Current ISP practices harm consumer privacy**

- Internet access is necessary for everyday life.
- ISPs **require** users to provide personal information to connect to the Internet.
  - Can't opt out: this is a technical necessity for service to function.
- Information on consumers spans all browsing on all devices. ISPs know:
  - Where you are
  - Which sites you visited
  - When you went there
- ISPs increasingly use their position as Internet gatekeepers to "double dip" and monetize consumer information.

### Consumers are disempowered by ISP data collection practices

- Americans believe they have "the right to be left alone."
- The overwhelming majority of **Americans highly value online privacy**.
  - o 90% say that being in control of what information is collected about them is important
  - Over a third of households are less likely to engage in basic Internet services if they do not believe their information is private.
- Current ISP practices strip consumers of control of how information is collected and used.
- While collection is often a technical requirement, use can and should be limited.

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#### **Major Provisions**

- I. Opt-In Privacy Consent
- II. Providing Access to New ISPs

### I. Opt-In Privacy Consent

In order to collect, use, disclose, sell, or permit access to Customer Proprietary Information (CPI) ISPs must:

- Obtain Opt-In consent
- Clearly explain what data will be used and how it will be used
- Make clear that the customer has the right to withhold consent
- Allow users to withdraw consent at anytime
- Not change services provided because of withheld consent

# **II. Providing Access to New ISPs**

Access to internet is achieved by physical infrastructure routed to end users. Cost of laying down fiber often leads to monopolies/duopolies

- Mandate ISPs to "unbundle local loop"
- ISPs must **lease out physical infrastructure** to other ISP that do not have the same infrastructure, at fair market price
- Gives customers power to switch providers if they do not like how their
   CPI is being used

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#### Promoting Responsible ISP Values and Improving Subscriber Privacy

#### <u>ISPs</u>

- Control access to the physical Internet
- Collect private user information by default

#### **Customers**

- Have little or **no choice** in how their data is used
- Cannot switch ISPs easily

#### **PRIV-ISP Act**

- ISPs must obtain user opt-in consent to use certain information
- Unbundle the local loop, promoting more user choice in ISPs