



September 5, 2024

The Honorable Gavin Newsom
Governor of California
1303 10th Street, Suite 1173
Sacramento, CA 95814

Re: AB 3048 - "California Consumer Privacy Act of 2018: opt-out preference signal"

Dear Governor Newsom:

On behalf of Chamber of Progress – a tech industry association supporting public policies to build a more inclusive society in which all people benefit from technological advances – I write to ask you to **veto AB 3048** which would require web browser developers to include prominent opt-out functionality.

The browser market is dynamic and competitive

Chamber of Progress welcomes thoughtful regulation, above all, to correct market failures. However, in this case, the market for web browsers is dynamic. Consumers have numerous choices, each with distinct feature offerings. As AB 3048's authors note, many browser developers already include an opt-out setting. Moreover, competitive developers offer explicitly privacy-conscious browsers for consumers who want them.

The market is functioning, and any new regulation stands to undermine the product differentiation strategies of existing market players that are indicative of a healthy market. Moreover, imposing new regulatory obligations may foreclose future browser innovation.

Disproportionate economic impact on low-income Californians

Personalized advertising undergirds the entire California innovation economy. This bill would undermine the ad-supported services that Californians depend on. These ads often

provide critical information about nearby services, discounts, and opportunities, which are especially valuable to individuals with limited resources.¹


Moreover, the bill introduces significant uncertainty into the ad-supported ecosystem, potentially moving those services behind paywalls. This would disproportionately harm low-income residents who would lose access to these services or face new costs - at a time when costs are still too high. This unfortunate outcome would harm consumers, as well as online publishers who would see reduced revenues - a particular ironic outcome at a time when the legislature has otherwise prioritized protecting California publishers.

Disproportionate impact on small and minority-owned businesses

Lastly, this bill would have a detrimental impact on California's small and minority-owned businesses. These businesses often lack larger companies' and national chains' substantial advertising budgets. Traditional forms of advertising, such as billboards and print ads, are often cost-prohibitive for them. Personalized advertising is a cost-effective tool that allows them to reach potential customers in the state.

For these reasons, we urge you to **veto AB 3048**.

Sincerely,



Todd O'Boyle
Senior Director, Technology Policy
Chamber of Progress

¹ See "Use of Location-Based Marketing in Social Marketing Campaign Successfully Reaches Priority Communities in SNAP-Ed." Peralta et al. (2023). *Journal of Nutrition Education and Behavior*. 55. 103. 10.1016/j.jneb.2023.05.222.
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