CENTER FOR DIGITAL DEMOCRACY

October 7, 2024

Hon. Rob Bonta Attorney-General 1300 I Street Sacramento, CA 95814 Via email

Dear Attorney-General Bonta,

We respectively urge your office to launch an investigation into the connected television (CTV) industry operating in California, including the network of video providers, data companies, adtech operators, and device makers based in our state. As background for this request, we refer you to the Center for Digital Democracy's new report, *How TV Watches Us: Commercial Surveillance in the Streaming Era*, documenting a series of data collection and marketing practices that require a comprehensive consumer protection response. We attach a legal memo commissioned from a leading privacy attorney analyzing how CTV industry practices are likely not in compliance with the California Consumer Privacy Act. The Center for Digital Democracy (CDD) is based in both Washington, D.C. and Ventura, California.

As you know, CTV has become a major focal point for the commercial surveillance marketing system. So-called "first-party" data is gathered from California consumers through an opaque array of tactics operating within and behind TV screens and digital devices. Consumer CTV data flows into an array of state-of-the-art advertising technology systems operated by many of the leading digital media, TV manufacturer and entertainment companies. Through elaborate partnerships with data brokers, consumer "identity" specialists, ad agencies, retailers, supermarkets, data "clean rooms," and platforms, CTV data is further enhanced to deliver personalized targeting to individuals and families across online and offline environments. So-called "programmatic" data-driven personalized targeting, including through auctions and direct placement, dominates CTV, as it does elsewhere online. AI, as well as generative AI, play a growing and consequential role in the creation and delivery of marketing, including efforts to foster increased data collection. Among the well-known companies operating in the state, and which should be examined by your office, are The Trade Desk, the Walt Disney Company, Comcast/NBCUniversal, Roku, Amazon and LiveRamp.

We also urge you to examine the report's discussion of how consumer health data is currently being harvested and utilized by CTV, as well as the complex of data-driven programming services aimed at both communities of color and young people. The numerous and growing interactive ad formats on CTV also require scrutiny, such as those undertaken by Amazon, Comcast/NBCU and Disney to expand the ways the medium delivers real-time product sales. In addition to consumer protection and privacy, we also request an antitrust and competition inquiry

into the close set of partnerships and data collaborations CTV companies have with major data brokers, retailers and platforms.

Here is the <u>link</u> to our report.

We look forward to any questions you and your colleagues may have about this request to investigate CTV.

Sincerely,

Jeffrey Chester Executive Director