

An Analysis of the California Consumer Privacy Act

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Personal privacy online has been a subject of debate throughout the world. Organizations have discovered a market for obtaining and sharing the personal information of their users. This information allows the organization to provide a more personalized experience, but often without the user's knowledge or consent. Some nations have recognized this as an issue and in response adopted policies to regulate consumer privacy. Europe, for instance, has adopted the General Data Protection Regulation or GDPR, allowing more control for the European consumer over their personal data. The United States currently has no national policies addressing consumer privacy, leaving the regulation of consumer data up to each state if they choose to do so. Most notably California for enacting the California Consumer Privacy Act also referred to as CCPA similar to the GDPR. This analysis will provide a brief overview of the CCPA and how it affects consumers.

The CCPA originally was proposed in response to the controversy surrounding Facebook and Cambridge Analytica in March 2018(Bukaty, 2019). It was discovered that Facebook had shared personal information it had gathered on users with Cambridge Analytica without the Facebook user's consent. At the time organizations would collect data on their users and then share this data with third parties to create targeted ads and a more personalized user experience. Often consumers had little control over what data would be shared, how it was handled, or even give consent to share their data with third parties. On June 2018, Californians enacted the CCPA giving consumers more control over their personal data and holding businesses accountable for potential mishandling of consumer data. The parties to which the CCPA is applicable are defined within the CCPA itself.

Consumers covered under the CCPA are Californians and those Californians temporarily out of state. In order for a business to comply with the CCPA, it must have either an annual revenue greater than \$25 million, handle over 50,000 consumers, or receives more than 50% of revenue from the selling of consumer data (de la Torre, 2018). The CCPA requirements for a business appear to target primarily larger organizations or organizations that handle personal information as a business. Under this act, Californian residents must be informed on how their data is handled by the business, what information will be collected, and give consent to acquiring data. This information is defined within the CCPA as any information capable of identifying the individual, except for medical or financial information (de la Torre, 2018). These two exemptions are regulated by federal laws which will be discussed moving on.

Medical and financial data protections are covered by other federal laws, such as the Health Insurance Portability and Accountability Act. The CCPA was enacted to work in conjunction with existing federal laws, extending the coverage of protection for user data. Comparing the CCPA to other national regulatory acts around the world, the CCPA takes inspiration from the GDPR as mentioned before. The GDPR provides similar protections, but where it differs is in what can be defined as protected data (Goldman, 2020). The CCPA encompasses data of a specific household which may include family members, while the GDPR primarily focuses on the user themselves. Having multiple interpretations of personal data is a contributing factor to the absence of a national policy on consumer data protection within the United States.

Other issues brought about by the introduction of the CCPA involve business compliance. Since the internet has provided the capability of connecting people across the world, many businesses run the risk of operating within the state of California's regulations. This

essentially has all businesses even those out of state in a position where they must comply with the CCPA. Goldman (2020) mentions possible issues that may occur such as multiple consumers on the same device, or new technology could come into conflict with the CCPA. This is important to keep in mind with the wider adoption of wearable technology. This new technology is constantly monitoring users and collecting data which could potentially cause issues in the future. That is why the CCPA is constantly evolving to adapt to new technology. The number of changes and amendments to this act has led to its replacement by the California Privacy Rights Act or CPRA for short. This act expanded upon the policies established by the CCPA and has replaced it as the regulation governing consumer data within California.

In Summation, the CCPA attempted to address the issue of consumer privacy online, but it is an ongoing issue that consistently needs to be addressed and/or updated. Leaving each state to regulate consumer data could potentially cause issues such as inconsistency between each state. What could be interpreted as protected personal data in one state, may be interpreted by another as publicly available information not needing protection. The CCPA and GDPR demonstrate that adopting a wider national policy on consumer personal privacy is possible. With the wider adoption of new emerging technologies, protecting personal data will only become a bigger issue in the future. By adopting new laws and regulations governing consumer data, consumers could be reassured that their data is protected online.

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