



Connected Commerce Council (3C)
1701 Rhode Island Avenue NW
Washington, DC 20036

September 30, 2025

The Honorable Gavin Newsom
Governor of California

**REQUEST TO VETO AB 566 (LOWENTHAL) CALIFORNIA CONSUMER PRIVACY ACT
OF 2018: OPT-OUT PREFERENCE SIGNAL**

Dear Governor Newsom,

On behalf of the Connected Commerce Council (3C) — a nonprofit organization dedicated to ensuring small businesses have the digital tools they need to thrive in today's economy — I respectfully ask that you veto AB 566 (Lowenthal). 3C supports¹ sensible data privacy regulations, and the California Consumer Privacy Act is considered a gold standard that empowers consumers with choice and control over their data. However, AB 566's proposed browser opt-out requirement would badly hurt California small businesses without meaningfully benefiting consumers.

Over 2.5 million² small California businesses offer their products and services online. Many rely on data they collect when customers visit their websites. The data helps them understand their customer base by allowing them to access past-purchase information and analyze customers' likes and dislikes.

¹ [A Smart National Data Privacy Law Would Boost Small Business, Consumers](#), RealClearMarkets, January 30, 2025

² [New Study: More Than 2.5 Million California Small Businesses Sell Online](#), Connected Commerce Council, July 17, 2023

Small-business owners may also delete said data if their customers ask them to do so. Furthermore, data-powered (or “personalized”) advertising from digital partners like Google and social media sites is the most cost-effective way³ to reach potential customers. Digital ad platforms use non-personally identifiable data to ensure that small businesses’ ads are shown to the audiences most likely interested in those businesses’ products or services — allowing even the smallest businesses with a \$100 advertising budget to compete with much larger companies.

AB 566 would mandate a grossly overbroad opt-out that consumers will poorly understand.⁴ This would inadvertently block small business websites from collecting the data they need to serve their customers properly, and decrease the available data needed to power affordable and effective digital ads. The result is a diminished experience for customers⁵ online and more expensive, less effective ads for small businesses.

AB 566 would hurt small businesses by raising costs, reducing sales, and stifling growth — while providing minimal, if any, benefits for consumers. For these reasons, we respectfully urge you to veto AB 566.

Sincerely,

Rob Retzlaff
Executive Director
Connected Commerce Council (3C)

³ [A Brief Primer on the Economics of Targeted Advertising](#), Federal Trade Commission, January 2020

⁴ [Americans Get an F on Digital Privacy Knowledge](#), [Security.org](#), April 1, 2025

⁵ [Nearly 8 in 10 Consumers Would Rather Receive More Ads Than Pay for Digital Content and Services, According to IAB Research](#), IAB, January 30, 2024.