

Press Remarks of Chairman Jon Leibowitz as Prepared for Delivery
Release of the Final FTC Privacy Report

“Protecting Consumer Privacy in an Era of Rapid Change:
Recommendations for Businesses and Policymakers”

March 26, 2012

Early in the 20th Century, Justice Brandeis, one of the intellectual fathers of the Federal Trade Commission, called the right to privacy “the most comprehensive of rights and the right most valued by civilized men.”

Today, still early in the 21st Century, the Federal Trade Commission, the nation’s privacy protection agency, releases a report that lays out what we – in the public and private sectors – must do to make sure that consumers’ right to privacy remains robust.

Over the last decade, Americans have enthusiastically migrated more and more of their lives online – checking in to catch up on the latest March Madness results or buy a car, to finance their college education or find their first job. As a result, we’ve asked: How can consumers continue to enjoy the riches of a thriving online and mobile marketplace without surrendering their privacy as the price of admission.

It is at this intersection of high-tech innovation and privacy rights that the FTC has interceded, not to erect a stop light but to take a look at traffic patterns. We ask who should control the personal information consumers reveal – about sites they view, purchases they make, people they talk to, even physical locations they visit – when they go online or use their mobile devices?

Our resounding answer? Consumers should have choice and control.

And to ensure that control, our report lays out three simple but powerful principles for companies to follow when handling personal data:

- First, incorporate privacy protections into products as they are developed – that is, privacy by design;
- Second, offer consumers choice about how their data is collected and used; and
- Third, provide more transparency – that is, better explanations to consumers about how their data is handled by companies.

Simply put, your computer is your property; no one has the right to put anything on it that you don’t want. So we also urge industry to continue to move forward with a Do Not Track system that would let consumers choose what information is collected about them online and how it’s used.

Our report details how the FTC will help put these principles into action:

- We call on Congress to enact legislation addressing data security, which we have long supported, and data brokers – the companies that, without the consent or even knowledge of most consumers, collect and traffic in the data we leave behind as we travel through

virtual and brick-and-mortar worlds. We also ask Congress to consider baseline privacy legislation.

- We challenge companies offering mobile services to improve their privacy practices, including developing meaningful disclosures. We'll be holding a workshop to talk about so-called "Dot-Com Disclosures" on May 30th.
- We are concerned about the ability of large platforms – such as ISPs, operating systems, and social media – to track users virtually everywhere they go on the Internet. This is a topic we plan to explore further, starting with another workshop later in 2012.
- And we are partnering with the Department of Commerce to help stakeholders develop privacy codes of conduct – and then give those codes teeth by using the FTC Act as a backstop.
- But we will not conduct any rulemaking in this area, other than our pending update of the Children's Online Privacy Protection Act Rule, otherwise known as COPPA.

We are demanding more and better protections for consumer privacy not because industry is ignoring the issue. In fact, the best companies already follow the privacy principles we lay out in the report. In the last year, online advertisers, major browser companies, and the W3C – an Internet standard-setting group – have all made strides toward putting in place the foundation of a Do Not Track system, and we commit to continue working with them until all consumers can easily and effectively choose not to be tracked. I'm optimistic that we'll get the job done by the end of the year.

Though the report we issue today is about privacy policy, it builds on our experience as an enforcement agency. In this arena we have won many high-tech victories for consumers.

Over the last ten years, we've brought more than 100 spam and spyware cases, more than 30 data security cases, and almost 80 Do Not Call cases. In addition, we've stopped apps from collecting children's information without parental consent.

Indeed, just recently, Facebook and Google signed FTC consent orders that require them to give consumers more privacy choices and to obtain outside audits of their privacy practices – actions that protect well over one billion users worldwide.

Justice Brandeis could not have imagined phones that keep track of where we are going, search engines that predict what we're thinking, advertisers that monitor what we're reading, and data brokers who maintain dossiers of every who, what, where, when, and how of our lives.

But he knew that, when technology changes dramatically, consumers need privacy protections that update just as quickly. So we issue our report today to ensure that, online and off, the right to privacy, that "right most valued by civilized men," remains as relevant and robust to Americans in the 21st century as it was nearly 100 years ago.