

**PREPARED STATEMENT OF
THE FEDERAL TRADE COMMISSION**

“PROTECTING YOUTHS IN AN ONLINE WORLD”

**SUBCOMMITTEE ON CONSUMER PROTECTION,
PRODUCT SAFETY, AND INSURANCE
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION
UNITED STATES SENATE**

Washington, DC

July 15, 2010

I. INTRODUCTION

Chairman Pryor, Ranking Member Wicker, and members of the Subcommittee, my name is Jessica Rich and I am the Deputy Director of the Bureau of Consumer Protection at the Federal Trade Commission (“FTC” or “Commission”).¹ I appreciate this opportunity to appear before you today to discuss the Commission’s efforts to protect the privacy and security of teens in the digital environment.

The Federal Trade Commission is committed to protecting teens as they navigate digital technologies and applications. The agency has actively enga.2800 0.0000 TD(nc)Tj11.2800 0.0000 TD(y)Tjure

¹ While the views expressed in this statement represent the views of the Commission, my oral presentation and responses to questions are my own and do not necessarily reflect the views of the Commission or any individual Commissioner.

⁸ See e.g., Commonsense Media, *Is Social Networking Changing Childhood? A National Poll* (Aug. 10, 2009), available at www.commonsensemedia.org/sites/default/files/CSM_teen_social_media_080609_FINAL.pdf (indicating that 28 percent of teens have shared personal information online that they would not

and friendships – as well as possible legal consequences if kids create, forward, or save these kinds of messages – and gives parents straightforward advice: “Tell your kids not to do it.” With respect to cyberbullying, *Net Cetera* advises parents to talk with their kids about online behavior and about any messages or images that make them feel threatened or hurt. The guide advises parents to work with a child who is being bullied by helping them to not react, save the evidence, and block or delete the bully.

The Commission has partnered with schools, community groups, and local law enforcement to publicize *Net Cetera*, and the agency has distributed more than 3.7 million copies of the guide since it was introduced in October 2009. The FTC will continue to work with other federal agencies, state departments of education, school districts, and individual schools to distribute *Net Cetera* and OnGuardOnline.gov to parents and educators. Additionally, the FTC plans to reach out to other groups that work with kids, such as summer camps, state education technology associations, and scouting organizations to publicize these materials.

In furtherance of the FTC’s education efforts, Commission st

¹⁴ *Youth Safety on a Living Internet: Report of the Online Safety and Technology Working Group* (June 4, 2010), available at www.ntia.doc.gov/reports/2010/OSTWG_Final_Report_060410.pdf.

actions against social networking sites since 2006, when social networking exploded on the youth scene. Most recently, the Commission announced a consent order against Twitter, Inc. settling charges that it falsely represented to consumers that it would maintain reasonable security of its system and that it would take reasonable steps to ensure that private tweets remain private. Under the order, Twitter has agreed to maintain reasonable security and to obtain independent audits of its security procedures every two years for 10 years.¹⁸ The Commission also has brought actions against several social networking sites that targeted youth but failed to adhere to the Children’s Online Privacy Protection Act (“COPPA”) with respect to users under the age of 13.¹⁹ The Commission will continue to examine the practices of social networking sites and bring enforcement actions when appropriate.

In addition to its enforcement work, the Commission has been gathering information about social networking as part of a recently-concluded series of public roundtables on consumer privacy.²⁰ The goal of the roundtables was to explore how best to protect consumer privacy without curtailing technological innovation and beneficial uses of information.²¹ Participants at

¹⁸ *In re Twitter*, FTC File No. 092 3093 (June 24, 2010) (approved for public comment), available at www.ftc.gov/opa/2010/06/twitter.shtm.

¹⁹ *United States v. Xanga.com, Inc.*, No. 06-CIV-6853(SHS) (S.D.N.Y.) (final order Sept. 11, 2006); *United States v. Industrious Kid, Inc.*, No. 08-CV-0639 (N.D. Cal.) (final order Mar. 6, 2008); *United States v. Sony BMG Music Entm’t*, No. 08-CV-10730 (S.D.N.Y.) (final order Dec. 15, 2008); *United States v. Iconix Brand Group, Inc.*, No. 09-CV-8864 (S.D.N.Y.) (final order Nov. 5, 2009).

²⁰ More information about the Privacy Roundtables can be found at www.ftc.gov/bcp/workshops/privacyroundtables/index.shtml.

²¹ Several key concepts emerged from the roundtable discussions. First, participants stated that data collection and use practices should be more transparent by, for example, simplifying privacy disclosures so that consumers can compare them. Second, participants said that it should be easier for consumers to exercise choice. For example, rather than burying

the roundtables repeatedly raised issues related to social networking, and a specific panel was devoted to the subject. Experts on this panel discussed the difficulty of defining consumer expectations on social networking sites, issues related to third-party applications that use data from social networking sites, and the effectiveness of privacy disclosures and privacy settings in the social networking space.

The Commission is reviewing the information it received as part of the roundtable series and drafting initial privacy proposals, which it will release for public comment later this year.²² The Commission will consider the information it obtained about social networking as it makes its recommendations.

B. Mobile Technology

Teens' use of mobile devices is increasing rapidly – in 2004, 45 percent of teens aged 12 to 17 had a cell phone; by 2009, that figure jumped to 75 percent.²³ Many teens are using their phones not just for calling or texting, but increasingly for applications like emailing and web

important choices in a lengthy privacy policy, such choices should be presented at the most relevant time – e.g., the point of information collection or use. Further, it may not be necessary to provide choice about uses of data that are implicit or expected as part of a transaction – for example, sharing address information with a shipping company to send a product that the consumer has requested. Finally, participants noted that companies should build basic privacy protections into their systems at the outset by, for example, collecting and retaining information only if they have a business need to do so. The Commission is taking these basic principles into account as it develops privacy proposals to be released for comment later this year.

²² In addition to the information presented at the roundtables, the Commission received over 100 submissions in response to its request for written comments or original research on privacy, *available at* www.ftc.gov/os/comments/privacyroundtable/index.shtm.

²³ Amanda Lenhart, Rich Ling, Scott Campbell, Kristen Purcell, Pew Internet & American Life Project, *Teens and Mobile Phones* (Apr. 20, 2010), *available at* www.pewinternet.org/~media/Files/Reports/2010/PIP-Teens-and-Mobile-2010.pdf.

browsing, including accessing social networking sites and making online purchases.²⁴ They are also using relatively new mobile applications that raise unique privacy concerns, such as

location-based tracking.²⁵

²⁴ *Id.*

²⁵ Nielsen, *How Teens Use Media* (June 2009), available at blog.nielsen.com/nielsenwire/reports/nielsen_howteensusemedia_june09.pdf.

²⁶ Under the rulemaking authority granted to it by the Children’s Online Privacy Protection Act of 1998 (“COPPA”), the FTC promulgated the COPPA Rule, 16 C.F.R. Part 312, in 1999.

³⁰ The consumer alert is available at www.ftc.gov/bcp/edu/pubs/consumer/alerts/alt128.shtm.

³¹ *FTC v. Cashier Myricks Jr.*, Civ. No. CV05-7013-CAS (FMOx) (C.D. Cal., filed Sep. 27, 2005) (suit against the operator of the web site MP3DownloadCity.com for making allegedly deceptive claims that it was “100% LEGAL” for consumers to use the file-sharing programs he promoted to download and share music, movies, and computer games); *FTC v. Odysseus Marketing, Inc.*, Civ. No. 05-330 (D.N.H., filed Sep. 21, 2005) (suit against website operator that encouraged consumers to download free software falsely marketed as allowing consumers to engage in anonymous P2P file-sharing).

See Hearing: an Examination of Children’s Privacy

³³ See Testimony of the Federal Trade Commission Before the Subcommittee on Communications, Senate Committee on Commerce, Science & Transportation (Sept. 23, 1998), available at www.ftc.gov/os/1998/09/priva998.htm.

³⁴ See, e.g., *American Amusement Mach. Ass'n. v. Kendrick*, 244 F.3d 572 (7th Cir. 2001) (citing *Erznoznik v. City of Jacksonville*, 422 U.S. 2e181, 4available at

children to spend a greater proportion of their time online on websites that also appeal to adults, the practical difficulties in expanding COPPA’s reach to adolescents might unintentionally burden the right of adults to engage in online speech.³⁵

The Commission will continue to evaluate how best to protect teens in the digital environment and take appropriate steps to do so. In specific instances, there may be opportunities for law enforcement or advocac(l continue to ev)Tj43.2000.0.00000720 (p. 15) 19/2000 (1991)

³⁵ See *ACLU v. Ashcroft*, 534 F.3d 181, 196 (3d Cir. 2008) (citing *ACLU v. Gonzales*, 478 F. Supp. 2d 775, 806 (E.D. Pa. 2007) (“Requiring users to go through an age verification process would lead to a distinct loss of personal privacy.”)); see also *Bolger v. Youngs Drug Prods. Corp.*, 463 U.S. 60, 73 (1983) (citing *Butler v. Michigan*, 352 U.S. 380, 383 (1957) (“The Government may not reduce the adult population . . . to reading only what is fit for children.”)).

VI. CONCLUSION

The Commission is committed to protecting all consumers in the digital environment, especially those consumers, such as teens, who are particularly vulnerable to threats on the Internet. The FTC will continue to act aggressively to protect teens through education, law enforcement, and policy initiatives that will better enable teens to control their information online.

Thank you for this opportunity to discuss the privacy and security of teens on the Internet. I look forward to your questions.