

Remarks of Commissioner Julie Brill
Before the Executive Committee of the CTIA – The Wireless Association
Washington, DC
June 7, 2011

Good morning. Thank you for having me today. Special thanks to Maureen Ohlhausen for providing me with the opportunity to spend some time with you this morning.

I know that you all have a busy agenda today, so I will get straight to the point. I would need a calculator, or better yet, a smartphone, to calculate the revenues generated from mobile apps. We are able to accomplish more and more on mobile devices; our smartphones, our tablets, our notebook computers, and more. We can send email, read a book, browse the web, text, shop, play games, pay a bill, get directions...the list goes on and on. Although they can't make a cup of coffee, you can use your smartphone to pay for one.

There is no mistaking the benefits of these capabilities. And there is no ignoring the consumer protection concerns that go along with them. Among them are privacy issues, advertising misrepresentations, fraud, and unauthorized charges. At the Federal Trade Commission we are thinking about all of these issues and we are taking action.

Let me back up for a minute. You can't take any action without the proper tools. In this case, the most important tool is a deep understanding of how all this technology works. That's why at the FTC, we have come to realize that while lawyers can do many things, there are others out there that are better equipped to closely examine what these devices are in fact doing and what they are capable of. As many of you know, we have our first Chief Technologist, Ed Felten, whom I imagine some of you know. We also have other technologists on staff who are invaluable in enabling us to make sense of it all.

That being said, I'll turn to some issues

As you know, the FTC is in the midst of rethinking the appropriate framework for privacy, including in the mobile space. We released a preliminary staff privacy report back in December of 2010. The staff is now looking at the many comments received in response to the draft—including the CTIA submission. We expect a final report to be issued in the coming months.

Let me reiterate the risk. That is hardly “privacy by design.” From example, an app that asks for access to the device’s location, contacts, and other data without a clear purpose and without the user’s knowledge and consent. At the mobile device panel during one of the FTC Roundtables.

In the behavioral advertising area, the staff recommended implementation of Do Not Track.⁴ As you know, this is a catchy name for an easy to use choice mechanism for consumers to opt out of the collection of information about their online behavior for targeted ads. A majority of the FTC Commissioners have indicated their support for a Do Not Track mechanism.

Since the report was issued, the Do Not Track proposal has received a great deal of attention. We've seen some industry initiative in this area—at the major browser companies and within the advertising industry. The international interest in Do Not Track is considerable among our counterpart regulators. And the World Wide Web consortium, an international community whose mandate is to lead the World Wide Web to its full potential through the

And last, Persistence: An effective Do Not Track mechanism would ensure that consumers' choices will be persistent. Consumers should not have to reset their preferences every time they clear their cookies or close their browsers.

We asked in the report whether Do Not Track should apply in the mobile context. The answer, at least for me, is "Yes".

But I do recognize that the mobile space is quite different from what we now refer to as the traditional online environment. We're talking about apps that operate differently from websites and it can be more complicated. And that's why it became clear to the agency that it is