

Commissioner Julie Brill
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Family Online Safety Institute

and that the company often did not obtain parental consent. We required Artist Arena to pay a \$1 million penalty.⁵

All of our enforcement efforts have been designed to ensure that parents are empowered, as COPPA requires, to make decisions about which online and mobile entities can collect information about their kids.

And there is every indication that parents appreciate the opportunity to exert the control that COPPA gives them.

A salient example. Much attention has been given to estimates of the number of children under the age of 13 on Facebook – despite the fact that Facebook requires its users to be over 13 in order to sign up. Consumer Reports estimates that there are 5.6 million children under 13 who are signed up as users of Facebook.⁶

One study found that most parents of kids under 13 who are on Facebook actually assist their children to input erroneous birth date information in order to gain access to the social network, so they can communicate with their friends and family who also are part of the network.⁷

There have been a variety of conclusions drawn from this study. I believe its significance is that it demonstrates – quite powerfully – that parents want to be involved in helping their kids gain access to social networks and online services that parents find beneficial for their kids. That is, parents want to exert precisely the type of control over their kids’ online experience that Congress envisioned when it enacted COPPA.

And it’s our job to figure out how parents can exercise this control most effectively and easily.

The Federal Trade Commission is in the midst of considering how to update the COPPA Rule to continue to provide parents with the meaningful control that they want in this new technological environment.

Much has changed since the COPPA Rule was originally issued back in 2000.

⁵ *United States v. Artist Arena LLC*, No. 1:12-cv-07386-JGK (S.D.N.Y. filed Oct. 3, 2012).

⁶ *Facebook & your privacy: Who sees the data you share on the biggest social network?*, CONSUMERREPORTS.ORG, June 2012, available at <http://www.consumerreports.org/cro/magazine/2012/06/facebook-your-privacy/index.htm>.

⁸ Boyd, Danah, et al., *Why Parents Help Their Children Lie to Facebook About Age: Unintended Consequences of the ‘Children’s Online Privacy Protection Act’*, First Monday [Online], Volume 16 Number 11 (31 October 2011), available at <http://www.uic.edu/htbin/cgiwrap/bin/ojs/index.php/fm/article/view/3850/3075>.

As the New York Times columnist Tom Friedman has said, “Back then, the cloud was in the sky, 4G was a parking space, an application was what we harassed our teenagers to send to college, twitter was a sound, and skype was a typo.”⁸

In today’s new high tech, high mobility environment, the COPPA Rule clearly needs an upgrade.

The changes that the agency has proposed to the COPPA Rule have received a bit of attention – as some of you know.

And that’s good.

Our rule-making is a transparent process for a reason – so we can get as much stakeholder input as possible, consider it all, and then incorporate that input into the final rule.

Among other things, the changes we have proposed would:

Make clear that COPPA applies to new media, including the mobile app space

Ensure that information that should be characterized as “personal information” is in fact covered by the COPPA Rule. Children share so much these days – including videos, photos and audio files.

Streamline how parents are notified about an operator’s privacy practices; and

Allow operators to innovate and create new ways to obtain verifiable parental consent from parents.

We also want to make sure that all the right entities are required to comply with the COPPA Rule. So we’ve proposed to capture a greater portion of the universe of entities who collect and use information about kids, to ensure they too come within the ambit of COPPA.

I assure you – we are still in the midst of our rule-making process. We are still hearing from stakeholders about their reactions to our proposed changes. I greatly appreciate all of the input that we have received – and continue to receive – to help us in this process.

We understand the issues. And perhaps more importantly, we understand that these are difficult issues. We are deeply sensitive to creating a rule that will allow companies to innovate and create new, exciting products for kids and that will also fulfill Congress’s mandate to ensure that:

Parents are informed; and

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Parents have the opportunity to say “no” before their young children divulge their personal information online.

In closing, I’d like to urge industry to continue to innovate – providing websites and apps that will educate, entertain and delight children. But I also urge a continued careful deployment of today’s robust technology for the benefit of kids that provides parents with the control that they want – the control they need — and the control that Congress required the FTC to ensure that they have.

Thank you.