

Opening Remarks

example, Comcast's Xfinity app allows subscribers to display their traditional TV subscriptions through streaming devices like Roku.

Opportunities and Concerns

These changes provide enormous benefits to consumers. Consumers now have access to a diverse array of content from a variety of TV providers. Internet connectivity also permits finegrained audience measurement, which can help niche video content programmers get ad dollars for programs that may not otherwise have registered as popular using more blunt measurement tools. Tracking of video content also allows services like Netflix to record where you are when you pause a video on one device, so you can start it up on another.

However, Smart TVs also test the privacy expectations that consumers developed in the era of traditional television. Many consumers have a fundamentally different relationship with their TVs than with their computers. From the moment we first went online, there was data collection and data driven advertising. Internet use and online data collection evolved simultaneously, and consumers have come to expect some level of data collection when they use their computers.

By contrast, the television industry did not evolve with data collection as a critical component. Broadcast signals traveled to households anonymously, over the air. Unlike the Internet, which requires two-way communication, consumers' TV viewing information was something that remained inside of the home. So, it matters whether consumers think of their Smart TV as a computer or a television, and whether they recognize that today, it may be both.

The incredible number of choices consumers now have in their TV viewing also raises privacy issues. In the 1950s, when TVs became prevalent in American households, consumers could only watch two or three channels. As a result, there wasn't much to learn about individual consumers from their TV viewing habits. With the arrival of cable and VCRs in the 70s and 80s, consumers had a variety of choices of what to watch on their TVs, and the choices they made became much more interesting to marketers. This information also became much more sensitive as it could provide insight into consumers' religious beliefs, political views, and

For example, back in 2001, a U.S. Senator asked us to investigate the data practices of TiVo following a public report that raised concerns about the types and amount of information that TiVo boxes were collecting.¹ In a letter to the Senator, our then Chairman stated that the collection of customers' viewing information in a manner that is personally identifiable could raise serious privacy concerns.² The letter declined to take action, concluding that TiVo either received consent, or collected and stored information in a manner that was not personally identifiable.

More recently, in a comment to the FCC, we highlighted our potential role in preventing unfair or deceptive privacy practices in the set-top box marketplace. The FCC had proposed a rulemaking to require cable and satellite television providers to allow access

of top-flight panelists to help us. We'll start with a presentation about the marketplace by Justin Brookman, Policy Director of our Office of Technology Research and Investigations. Then, our first panel will examine the current and potential benefits of advanced analytics in the Smart TV ecosystem and efforts to provide transparency and choice. Finally, the second panel will examine consumer protection concerns and how these issues are addressed by the current regulatory landscape.

Before we turn to Justin's presentation, I want to thank the staff from the FTC's Privacy Division and Office of Technology Research and Investigations for their work in organizing today's event. In particular, Megan Cox, Kevin Moriarty, Justin Brookman, Joe Calandrino, Aaron Alva, Tina Yeung, and Ian Kleinschmidt, as well as all of the speakers who are here to share their insights.

Thanks again for joining us and enjoy the program.