

# Testimony of Chris Kelly

Chief Privacy Officer  
Facebook

June 18, 2009

Before the U.S. House of Representatives Committee on Energy and Commerce  
Subcommittee on Commerce, Trade, and Consumer Protection  
Subcommittee on Communications, Technology, and the Internet

**facebook**

Testimony of Chris Kelly  
Chief Privacy Officer  
Facebook  
June 18, 2009

Before the U.S. House of Representatives Committee on Energy and Commerce  
Subcommittee on Commerce, Trade, and Consumer Protection  
Subcommittee on Communications, Technology, and the Internet

---

Chairmen Waxman, Boucher and Rush, Ranking Members Barton, Radanovich and Stearns, and Members of the Subcommittees, thank you for the opportunity to address important privacy matters facing the online advertising industry.

I am Chris Kelly, Chief Privacy Officer of Facebook, an online site that serves more than 200 million active users worldwide, roughly 65 million of whom are in the United States. Facebook is a technology company that gives people the power to share their lives and experiences in an authentic and trusted environment, making the world more open and connected. From the founding of the company in a dorm room in 2004 to today, Facebook's privacy settings have sought to give users control over how they share their information, allowing them to choose the friends they accept, the affiliations they choose, and how those are presented to their friends and to the world at large.

Today, I would like to make four key points:

- (i) Facebook's user-centric approach to privacy is unique, innovative and empowers consumers. Our privacy-centric principles are at the core of our advertising model.
- (ii) In offering its free service to users, Facebook is dedicated to developing advertising that is relevant and personal without invading users' privacy, and to giving users more control over how their personal information is used in the online advertising environment.
- (iii) We primarily achieve these objectives by giving users controls over how they share their personal information that model real-world information sharing and provide them transparency about how we use their information in advertising.
- (iv) The FTC's behavioral advertising principles recognize the important distinctions made by Facebook in its ad targeting between the use of aggregate, non-personally identifiable information that is not shared or sold to third parties, versus other sites' and companies surreptitious harvesting, sharing and sale of personally identifiable information to third party companies.

## I. Facebook and Privacy

From its founding, Facebook has understood that few of us want to be hermits, sharing no information with anyone. Nor do many of us want to share everything with everyone – though some do want that. Most people seek to share information with friends, family, and others they share a social context with on a regular basis, seeking to control who gets our information and how they have access to it. People come to Facebook to share information, we give them the technological tools to manage that sharing.

The statement that opens our privacy policy, a short plain-English introduction, is the best place to start this discussion. It reads:

---

We built Facebook to make it easy to share information with your friends and people around you. We understand you may not want everyone in the world to have the information you share on Facebook; that is why we give you control of your information. Our default privacy settings limit the information displayed in your profile to your networks and other reasonable community limitations that we tell you about.

Facebook follows two core principles:

1. You should have control over your personal information.

Facebook helps you share information with your friends and people around you. You choose what information you put in your profile, including contact and personal information, pictures, interests and groups you join. And you control the users with whom you share that information through the privacy settings on the Privacy page.

2. You should have access to the information others want to share.

There is an increasing amount of information available out there, and you may want to know what relates to you, your friends, and people around you. We want to help you easily get that information.

Sharing information should be easy. And we want to provide you with the privacy tools necessary to control how and with whom you share that information. If you have questions or ideas, please send them to [privacy@facebook.com](mailto:privacy@facebook.com).

---

We implement these principles through our friend, network architectures, and privacy controls that are built into every one of our innovative products. Contrary to some popular misconceptions, full information on Facebook users isn't even available to most users on Facebook, let alone all users of the Internet. For example, if someone is searching for new friends on Facebook, all that she might

see about other users who are not yet her friends would be the limited information that those users have decided to make available. Many of our users choose to limit what profile information is available to non-friends. Users have extensive and precise controls available to choose who sees what among their networks and friends, as well as tools that give them the choice to make a limited set of information available to search engines and other outside entities.

We are constantly refining these tools to allow users to make informed choices whenever they are using the site. Everyday use of the site educates users as to the power they have over how they share their information, and user feedback informs everything we do.

One example conveys this concept better than any other. In February of this year, we looked to revise our Terms of Use, simplifying them to cut out as much legalese as possible and explain them in plain language. When we released a first version of our new terms, a blog misinterpreted our simplification of our copyright license, claiming that it meant we were seeking to own user content. The user reaction was predictably swift and severe, and we needed to choose among weathering the storm, revising the language, and introducing an entirely new process that would directly involve users in the governance of the site.

Our choice was to change our process in its entirety, building user input in through a notice and comment period modeled in part on the Federal government's rulemaking procedure, and instituting a user vote at the end of the process. This unprecedented innovation at this scale has led to a plain language set of governing documents for our site and greater user understanding about our rules and principles.

The comment period was very informative and led to useful revisions. When our users had the opportunity to vote on our new Statement of Rights and Responsibility, they were overwhelmingly affirmed with over 70% of those voting approving the new approach. In fact, we have committed to our users that any further changes to our critical site documents will be put out for discussion and, where certain activity thresholds are met, votes by our users. This is yet another way in which we allow our users to decide their own balance between what they keep private or make available to those with whom they wish to share information.

## II. Privacy and Advertising on Facebook

### A. Personally Identifiable and Non-Personally Identifiable Information

Facebook is transparent with our users about the fact that we are an advertising-based business, and we explain to them fully the uses of their personal data they are authorizing by interacting with Facebook either on Facebook.com or on the over 10,000 Facebook Connect sites throughout the Web. For instance, the

following explanation of how we use information for advertising has been a prominent part of our privacy policy for over three years:

---

Facebook may use information in your profile without identifying you as an individual to third parties. We do this for purposes such as aggregating how many people in a network like a band or movie and personalizing advertisements and promotions so that we can provide you Facebook. We believe this benefits you. You can know more about the world around you and, where there are advertisements, they're more likely to be interesting to you. For example, if you put a favorite movie in your profile, we might serve you an advertisement highlighting a screening of a similar one in your town. But we don't tell the movie company who you are.

---

Ads targeted to user preferences and demographics have always been part of the advertising industry. The critical distinction that we embrace in our advertising policies and practices, and that we want users to understand, is between the use of personal information for advertisements in personally-identifiable form, and the use, dissemination, or sharing of information with advertisers in non-personally-identifiable form. Users should choose what information they share with advertisers. This is a distinction that few companies make and Facebook does it because we believe it protects user privacy. Ad targeting that shares or sells personal information to advertisers (name, email, other contact oriented information) without user control is materially different from targeting that only gives advertisers the ability to present their ads based on aggregate data.

Many companies do not believe in this distinction, and to the extent that the Congress seeks to establish new legislation, it should be focused on these actors that undermine instead of enhance user control over personal data.

Most Facebook data is collected transparently in personally identifiable form – users know they are providing the data about themselves and are not forced to provide particular information. Sharing information on the site is limited by user-established friend relationships and user-selected networks that determine who has access to that personal information. Users can see how their information is used given the reactions of their friends when they update their profiles, upload new photos or videos, or update their current status.

On Facebook, then, a feedback loop is established where people know what they are uploading and receive timely reactions from their friends, reinforcing the fact they have uploaded identifiable information. The privacy policy and the users' experiences inform them about how advertising on the service works – advertising that enables us to provide the service for free to users is targeted to the expressed attributes of a profile and presented in the space on the page allocated for advertising, without granting an advertiser access to any individual user's profile.

Furthermore, advertising on Facebook is subject to guidelines designed to avoid any deceptive practices, and with special restrictions and review with respect to any advertising targeted at minors.

Unless a user decides otherwise by directly and voluntarily sharing information with an advertiser – for instance, through a contest –advertisers can only target Facebook advertisements against non-personally identifiable attributes of a user derived from profile data.

Products that provide personally identifiable information to advertisers without user permission, that rely on transforming non-personally identifiable information into personally identifiable information without notice and choice to users, or that rely on data collection that a user has no control over raise fundamentally different privacy risks and concerns than data sharing through Facebook.

Facebook builds and supports products founded on the principles of transparency and user control, where data may be collected directly from users in personally identifiable space but targeting is done based on aggregate or characteristic data in non-personally identifiable space. This approach respects users' privacy, it does not invade it. We believe other companies should follow our example of protecting privacy by giving users extensive control over their own data.

## B. The Future of Advertising on the Web

Perhaps because our site has developed so quickly, Facebook may have sometimes been inartful in communicating with our users and the general public about our advertising products. We learned many lessons about the importance of user education and extensive control from the imperfect introduction of our Beacon product in 2007. As a result, Facebook continues to be dedicated to empowering consumers to control their information in both the noncommercial and the commercial context because we believe that should be the future of advertising.

Our next generation of Facebook interactions with third party (non-Facebook) websites, called Facebook Connect, empowers users to share content and actions with their friends throughout the Web using the Facebook infrastructure. Controls we built into this system serve users well and reflect our goals of transparency and user control.

As we look at serving targeted advertising on Facebook Connect and other sites, we publicly recommit ourselves to the critical goals of user understanding and empowerment, and the transparent approach to the use of data that remains under user control. We invite other companies to match our commitments, and welcome the Subcommittees' review of the privacy innovations we continue to implement at Facebook.

### III. Federal Trade Commission Principles on Behavioral Targeting

Finally, we would like to reinforce our earlier positive comments about the Federal Trade Commission's ("FTC") leadership in addressing privacy concerns about how data are collected and shared online.

While our current Facebook Ads are materially different from behavioral targeting as it is usually discussed in that they are based on transparently collected data that users control, we applaud the FTC's desire to establish principles in this area. Given Facebook's goals of transparency and user control, the important corollary of ensuring appropriate security and the goal of providing users notice and choice with respect to service changes, the FTC principles describe the steps Facebook has already taken, and should guide where the rest of the industry should go.

We are pleased that the principles expanded and enhanced their discussion of the distinction between personally and non-personally identifiable information, and advertising based on those different types of information, from earlier versions. As these principles are implemented as standards for the industry, we look forward to working with other leaders to assure that users understand the implementation of innovative products and how users can exercise their own choice and control in these environments.

Thank you again, Chairmen, Ranking Members, and Subcommittee Members, for the opportunity to share our views. Facebook is very pleased to join you today, and looks forward to assisting the Subcommittees in their continuing review of these subjects.