

## **STATEMENT OF CONGRESSMAN RICK BOUCHER**

### **Communications, Technology and the Internet and Commerce Trade and Consumer Protection Subcommittee Joint Hearing:**

#### **Behavioral Advertising: Industry Practices and Consumers' Expectations**

**June 18, 2009**

Thank you, Chairman Rush.

I appreciate the excellent cooperation among you and I, Mr. Stearns, Mr. Radanovich and our staffs as the plans for today's hearing progressed.

And I look forward to our continued work together as we consider privacy protection legislation over the coming weeks.

Broadband networks are a primary driver of the national economy, and it is fundamentally in the nation's interest to encourage their expanded use. One clear way Congress can promote greater use of the Internet for access to information, e-commerce and entertainment is to assure Internet users a high degree of privacy protection, including transparency about information collection and use practices and control over use of their information.

I have previously announced my desire to work with Chairman Waxman, Chairman Rush and Ranking Members Barton, Stearns and Radanovich to develop legislation this year extending to Internet users the assurance that their online experience is more secure. Such a measure will be a driver of greater levels of Internet uses such as e-commerce, not a hindrance to them.

Today's discussion will examine behavioral advertising and ways to enhance consumer protection in association with it.

I am a supporter and beneficiary of targeted advertising. I would much prefer to receive Internet advertisements that are relevant to my interests. In fact, I have bought quite a number of items that I otherwise might not have purchased as a result of targeted advertising delivered to me by websites that I frequently visit.

It's also important to note that online advertising supports much of the commercial content, applications and services that are available to Internet users without charge, and I have no intention of disrupting this business model.

At the same time, I believe consumers are entitled to some baseline protections in the online space.

- Consumers should be given clear, concise information in an easy-to-find privacy policy about what information a website collects about them, how it is used, how it is stored,

how long it is stored, what happens to it when it is no longer stored and whether it is given or sold to third parties.

- Consumers should be able to opt out of first party use of the information and for its use by third parties or subsidiaries who are part of the company's normal first party marketing operations, or without whom the company could not provide its service.
- Consumers should be able to opt in to use of the information by third parties for those parties' own marketing purposes.

This arrangement should not be burdensome. In fact, it is in line with the practices of many reputable service providers today.

I look forward to hearing from our witnesses about their reactions to this proposal and how we can best balance Internet business models that depend on online advertising with adequate protection of consumers' privacy. For example, have I suggested a workable line between opt-in and opt-out consent, or are there additional situations in which opt-out consent might sometimes be appropriate? What safeguards should be in place to ensure that consumers are giving meaningful consent to the sharing of their information both on and off the Internet? What role could self regulatory organizations play in a statutory arrangement that ensures that all entities that collect information about Internet users abide by a basic set of consumer privacy standards?

I also look forward to learning about emerging approaches to enhancing consumer choice and control over use of information through efforts like the Network Advertising Initiative and the persistent opt-out cookie. What benefits could such services offer to consumers? What is the best way to inform consumers about the availability of such services, and again, how should the consumer's meaningful consent be procured?

I am also interested in hearing a preview of what the future of behavioral advertising may hold—what new services it might enable and how to accommodate privacy concerns.

I thank our witnesses for taking time today to share their views with us about these and other matters.

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