

Via E-Mail: BehavioralMarketingPrinciples@ftc.gov

Date: April 11, 2008

From: Zachary Britton, CEO, Front Porch Inc.

To: Mr. Donald S. Clark, Secretary, Federal Trade Commission

Re: Online Behavioral Advertising Proposed Self-Regulatory Principles

Dear Secretary Clark:

Front Porch Inc. is pleased to submit these comments to assist Federal Trade Commission ("FTC") staff in its consideration of its proposed self-regulatory principles for online behavioral advertising. We appreciate the FTC's efforts to accommodate the variety of business models in this area. Because our business models differ from those of most other behavioral advertising companies, this point is extremely important to us, and we appreciate the opportunity to comment.

Please see our comments below and feel free to contact me with any questions.

Sincerely,

A handwritten signature in black ink, appearing to be 'ZB', is written on a light-colored background. To the right of the signature, the date '4/11/08' is written in the same ink.

Zachary Britton, CEO, Front Porch Inc.

UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

In the Matter of
Proposed Self-Regulatory Principles
for Online Behavioral Advertising;
Request For Comments

**COMMENTS FROM FRONT PORCH INC. ON THE COMMISSION STAFF'S PROPOSED
SELF-REGULATORY PRINCIPLES FOR ONLINE BEHAVIORAL ADVERTISING**

Front Porch Inc. has been actively participating as an invitee of the Network Advertising Initiative (NAI) to provide extensive input to and comments on the NAI's proposed self-regulatory guidelines for Online Behavioral Advertising. We acknowledge our participation as a contributor and invitee of that group and wish to confirm our acceptance and full support of the NAI's comments and proposed guidelines as submitted on April 9, 2008 in response to the FTC's request for comments on the FTC's proposed principles announced December 20, 2007 in the document "Behavioral Advertising, Moving the Discussion Forward to Possible Self-Regulatory Principles."

We understand that the NAI comments apply to a broad group of industry participants in online behavioral advertising, and that various business models exist among industry members such as website publishers, ad networks and exchanges, ad servers, advertisers, and third-party partners that may collect, share, or analyze data utilized in order to perform online behavioral advertising. We work closely with NAI members in providing our services that offer consumers 'Smarter Advertising', yet we have a unique business model that differentiates us from other NAI members.

We fully support the NAI's comments and proposed guidelines where applicable to our model. We are submitting our additional comments in this document to address only the areas where we differ from others' models and where we shall comply with the FTC's proposed principals that apply to our business model in a manner that is different from other industry participants.

We offer valuable services to consumers that go above and beyond the FTC's proposed principles:

- Most online behavioral advertising companies use a cookie-based system to track user behavior within a website or a network of websites. Front Porch installs our technology

directly into an Internet Service Provider's ("ISP") network in order to monitor ISP subscribers' web surfing patterns across the Internet.

- When online behavioral advertising is deployed by an Internet Service provider (ISP) utilizing our technology, we offer the ability for consumers to be notified and offered choice in the strongest possible transparent manner - clearly and conspicuously and unavoidable, directly in their browsers before the service starts.
- We offer a unique method of opt-out that offers consumers the strongest possible assurance that they will remain opted-out of the behavioral advertising service.

Our business models are different from those of most behavioral advertising companies, including other ISP-based behavioral advertising companies.

- Our unique differences enable us not only to comply, but to go above and beyond the FTC principles, but in a manner different from the proposal to post notice on every website. Since we work directly with ISPs, we are in a unique position to ensure that consumers receive direct notice of the behavioral advertising practices, including the ability to choose whether they want to participate.
- Front Porch's primary customers are ISPs; we partner with ISPs and ad networks to bring ISPs new revenue. We improve the user Internet experience by enabling ad networks to serve more relevant ads based on Internet-wide traffic patterns on ISPs' networks. We accomplish this by monitoring http traffic data in the ISPs' networks and passing temporary, anonymous data to ad networks when traffic patterns indicate a match to their categories of interest. In this Front Porch 'Smarter Advertising' program, the ad networks still serve the ads to their affiliated sites. Front Porch does not serve the ads and does not work directly with website publishers and advertisers.
- Our opt-out methods do not rely on cookies or user settings for cookies. We offer an iron-clad opt-out that cannot be modified by clearing cookies. Our technology lets ISP subscribers opt-out by clicking a link designated by the ISP as an opt-out link, while they are connected to the ISP's network. Our solution dynamically changes the user settings based on an anonymous identifier for that ISP subscriber.
- Front Porch also enables Internet providers to deliver any content directly to users' browsers anytime and anywhere they surf the web, regardless of the sites they are viewing. Besides other uses for ISPs, this feature is valuable for the ISPs to effectively display notification and offer choice to subscribers - directly in their browsers - about the Smarter Advertising program.
- To offer the strongest adherence to the FTC's proposed principals of transparency, notification and choice for consumers, Front Porch *requires* our ISP customers partnering with us in this Smarter Advertising program to use our browser-based notification as the primary method of notification to consumers regarding online behavioral advertising as implemented by the ISP utilizing our technology.

With regard to the FTC's proposed principles, we strongly believe that:

- Any self-regulatory principles regarding online behavioral advertising should be careful not to limit the tremendous benefits that behavioral advertising provides to consumers.

- The scope of activities considered as “online behavioral advertising” should consider any business model where information is collected from users’ online behavior in order to predict consumer characteristics or preferences for purposes of online advertising.
- Existing legal and self-regulatory regimes with respect to sensitive information should apply to behavioral advertising. We are prepared to commit to not using sensitive data, as ultimately defined by the FTC, for purposes of behavioral advertising, without the online user’s opt-in consent to such use.
- The principles of transparency, notification and choice for consumers must be honored with the highest possible regard for protecting consumers’ rights to privacy and control of their experience on the Internet.
- Staff’s proposal to require notice on every website where data is collected would exclude certain business models from the market. The proposed principle should therefore include other methods of providing notice.
 - Since Front Porch works directly through ISPs, and not website publishers, we do not have first-party relationships with those sites and thus no control over what publishers post on their sites. However, we firmly agree with Commission staff’s call for transparency and choice with respect to behavioral advertising.
 - We respectfully ask staff to consider that alternative methods of notice can be as effective, and even more effective, from a consumer protection standpoint, as its proposed website notices. Staff’s failure to permit alternate methods of notice delivery would, in effect, exclude an entire business model from the behavioral advertising market, thereby stifling competition and innovation in this rapidly developing industry.
 - Our business model gives us the opportunity to devise a notice that is direct, transparent, meaningful, and, most importantly, reasonably calculated to reach and be read and acted upon by the consumer, directly at the point of their activity on the Internet – in their browsers, before the behavioral advertising service starts.
 - We would welcome the opportunity to work with FTC staff and the privacy community in general to develop an appropriate transparency principle.

Thank you for the opportunity to comment. Please do not hesitate to contact us with any questions or if you would like any additional information.

Respectfully submitted by:

A handwritten signature in black ink, followed by the date "4/11/08" written in the same ink.

Zachary Britton, CEO, Front Porch Inc.