



December 14, 2011

Federal Trade Commission
Office of the Secretary
Room H-113 (Annex E)
600 Pennsylvania Avenue, NW,
Washington, DC 20580

Re: COPPA Rule Review, 16 CFR Part 312, Project No. P104503

Dear Sir or Madam:

On behalf of the California and Nevada Credit Union Leagues, I appreciate the opportunity to comment on the proposal by the Federal Trade Commission (FTC) to amend the Children's Online Privacy Protection Rule (COPPA Rule) to address changes in online technology. By way of background, the California and Nevada Credit Union Leagues (Leagues) are the largest state trade associations for credit unions in the United States, representing the interests of more than 400 credit unions and their 10 million members.

The COPPA Rule requires that website operators provide notice to parents and obtain verifiable parental consent prior to collecting, using, or disclosing personal information from children under the age of 13. The FTC proposes to expand the definition of "personal information" to include the geo-location information and certain types of persistent identifiers used for functions other than a website's internal operations, such as tracking cookies used for behavioral advertising. The expanded definition would also include photographs, videos, and audio files.

The Leagues' Concern and Recommendation

The collection of information from children is not a significant activity for credit unions and, therefore, the expanded definition of "personal information" would not be overly burdensome to the extent it only applies to the COPPA Rule. The Leagues' concern is the extent to which the FTC, or any other agency, may adopt and import this expanded definition into other privacy rules governing consumer privacy, especially since the FTC and others have studied and issued reports signaling the potential for extensive changes to those rules. This includes the FTC's *Protecting Consumer Privacy in an Era of Rapid Change (Preliminary Report)*, which was issued in December 2010.

We understand that the collection, use, and disclosure of a child's personal information is subject to stricter scrutiny than other types of information, and agree with the FTC if this is the rationale for expanding the definition of "personal information" within the context of the COPPA Rule. However, we would strongly oppose importing this expanded definition into other privacy rules. Doing so would impose significant, additional burdens on financial institutions, requiring them to process, track, maintain, and protect an overly broad range of additional information and content covered by the expanded definition. This would be in addition to the burden of changing the annual privacy notices that are required under the Gramm-Leach-Bliley Act.

The Leagues believe the preferable approach on this issue would be to address any specific concerns rather than create an entirely new U.S. framework to replace the current system, which we believe has worked well for consumers and businesses. Such an approach has been successful as it has continued to permit information-sharing that is appropriate and necessary for business operations, while protecting consumer privacy interests. Although we understand the heightened scrutiny with regard to the treatment of a child's personal information, it makes little sense to implement this expanded definition of "personal information" beyond the COPPA Rule, absent a compelling need.

Accordingly, we recommend that the FTC clarify that the definitions in the COPPA Rule, including the definition of "personal information," are intended and applicable only to the COPPA Rule since, as stated by the FTC, "[T]he Commission remains deeply committed to helping to create a safer, more secure online experience *for children...*" (emphasis added). This clarification point could be included in the supplemental and explanatory material that accompanies a final rule.

I appreciate the opportunity to share our concerns and recommendations. We appreciate your thoughtful consideration of our feedback.

Sincerely,

Diana R. Dykstra
President/CEO