The Big Picture: Comprehensive Online Data Collection
Transcript
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Session 3

INNOVATIVE NEW SERVICES AND
PRODUCTS AND SUPPORT THE MODEL
OF THE FREE INTERNET.
BUT CONVERSELY THEY WARNED THE
PRACTICE CAN ALSO RAISE THE
RISKS TO CONSUMER'S PRIVACY IN
CASES WHERE THE DATA IS HALF OR
USED FOR INTENDED PURPOSES.
THIS AFTERNOON WE'LL SWITCH
GEARS A LITTLE BIT.
THE FIRST PANEL WILL EXAMINE
CONSUMER ATTITUDES ABOUT AND
CHOICE WITH RESPECT TO
COMPREHENSIVE DATA COLLECTION
AND WHAT DATA COLLECTORS NEED TO
DO TO INFORM CONSUMERS ABOUT
THEIR PRACTICES AND TO PROVIDE
MEANINGFUL CHOICE.
AND I HOPE THE PANEL WILL ALSO
PROVIDE INSIGHTS INTO WHAT
CONSUMERS ALREADY KNOW AND WHAT
THEY SHOULD BE TOLD ABOUT DATA
COLLECTION CHOICES THAT ARE
AVAILABLE TO THEM ABOUT DATA
COLLECTION AND EXISTENCE OF
COMPETITIVE ALTERNATIVES THAT
OFFER DIFFERENT DATA COLLECT
TOUGH PRACTICES TO THEM.
THE LAST PANEL TODAY WILL OFFER
A FRAMEWORK HOW POLICY MAKERS
SHOULD THINK ABOUT DATA
COLLECTION PRACTICES IN AN
ENVIRONMENT WHERE COMPANIES ARE
INCREASINGLY OFFERING
INTEGRATIVE PRODUCTS AND
SERVICES.
WHAT ARE THE POTENTIAL NEXT
STEPS FOR POLICY MAKERS IN

INDUSTRY AND IS THE MARKET
WORKING TO PROTECT CONSUMERS OR
DOES MORE NEED TO BE DONE
THROUGH SELF REGULATION OR
ENFORCEMENT LEGISLATION OR OTHER
REGULATION.
SO AS YOU ALL KNOW A MAJOR CHIN
FOR INDUSTRY AND FOR REGULATORS
IN THE AREA IS THE FANTASTIC
PACE OF TECHNOLOGICAL CHANGE IT
WAS ONLY TWO YEARS AGO THAT
APPLE INTRODUCED THE iPAD
TABLET.
THAT WAS ONLY TWO YEARS AGO.
THAT DEVICE AND OTHERS LIKE IT
SERIOUSLY CHANGED HOW CONSUMERS
VIEW AND USE THEIR COMPUTERS.
SELLS OF TABLETS ARE EXPECTED TO
ECLIPSE SALES OF PC'S IN THE
VERY NEAR FUTURE.
SMART PHONES, THE PREVALENCE OF
SMART PHONES VEX PLODED.
THEY'VE BECOME MORE LIKE PC'S BY
INCLUDING INTERNET ACCESS,
BROWSERS, MAPS, VIDEO, MUSIC AND
ALL KINDS OF OTHER SERVICES, AND
INCREASINGLY NEW FORMS OF
PAYMENT THROUGH MOBILE SYSTEM.
AND MANY COMPANIES SUCH AS
MICROSOFT HAVE SHIFTED THEIR
BUSINESS MODEL FROM SELLING
SOFTWARES TO ALL TYPES OF
COMPUTERS TO ALSO MARKETING
DEVICE SUCH AS TABLETS AND SMART
PHONE OPERATING SYSTEMS.
INDEED THIS PRODUCTS AND
SERVICES MODEL IS SO MUCH THE
FORM THAT COMPANIES WHO DON'T
ENGAGE IN THIS RISK ARE FALLING
BEHIND.
SO OUR TASK TODAY IS TO CONSIDER
HOW THESE CHANGES MAY IMPACT
COMPREHENSIVE DATA COLLECTION
AND WHAT THAT MEANS BOTH
POSITIVELY AND NEGATIVELY FOR
CONSUMERS.

YESTERDAY THE FUTURE OF PRIVACY FORUM RELEASED AN INTERESTING REPORT ENTITLED IT'S NOT HOW MUCH DATA YOU HAVE BUT HOW YOU USE IT.
IN IT, THE AUTHORS ARGUE THAT THEIR QUEST, THAT IN THEIR QUEST FOR INTEGRATIVE USERS EXPERIENCE QUOTE CONSUMERS ARE UNLIKELY TO OBJECT WHERE THE USE OF PERSONAL DATA IS CONTEXTUALLY CONSISTENT OR WHERE OTHER CIRCUMSTANCES WARRANT DATA USE FOR AN INTEGRATED USER EXPERIENCE, END QUOTE.
THEY OBSERVE THAT CONSUMERS WANT PRODUCTS THAT PROVIDE SMOOTH ENTER OPERABILITY BETWEEN HARDWARE, OPERATING SYSTEMS AND SOFTWARE.
MEETING THIS DEMAND MEANS THAT DATA PROVIDED FOR ONE PURPOSE MAY BE REPALO VERDE FOR ANOTHER COORDINATED SERVICE.
SO I BELIEVE THAT THE GREATEST CHALLENGE FACING POLICY MAKERS IN THIS ARENA IS HOW TO BALANCE OUR CONSUMER PRIVACY CONCERNS WITH THE IMPORTANT BOWL OF SUPPORTING INNOVATIVE USES FOR TECHNOLOGY AND DATA.
SO THAT CONSUMERS BENEFIT FROM THESE ADVANCES WITHOUT SUFFERING HARM FROM THE MISUSE OF THEIR DATA.
SO IN THE FTC'S PRIVACY REPORT FROM MARCH PROTECTING PRIVACY IN AN ERA OF RAPID CHANGE, THEY EMPHASIZE THE IMPORTANCE OF CONTEXT WITH RESPECT TO THE NEED OF PROVIDING CONSUMERS CHOICE BEFORE COLLECTING DATA.
THE REPORTS STATED THAT IF DATA COLLECTION AND USE PRACTICES ARE CONSISTENT WITH THE CONTEXT OF THE TRANSACTION, CONSISTENT WITH

THE COMPANY'S RELATIONSHIP WITH THE CONSUMER OR SPECIFICALLY REQUIRED OR AUTHORIZED BY LAW OFFERING CONSUMERS CHOICE WASN'T NECESSARY.
IT WASN'T NECESSARY BUT CONVERSELY FOR PRACTICES THAT ARE INCONSISTENT WITH THE CONTEXT OF INTERACTION, COMPANIES SHOULD PROVIDE CONSUMERS WITH CHOICE.
INTERESTINGLY WHEN IT ISSUED THE FINAL REPORT, THE COMMISSION CHANGED FROM ITS EARLIER APPROACH OF LISTING FIVE CATEGORIES OF COMMONLY EXPECTED DATA PRACTICES FOR WHICH COMPANIES WOULD NOT NEED TO PROVIDE CONSUMERS WITH CHOICE.
AND THESE CATEGORIES WERE PRODUCT FULFILLMENT, INTERNAL OPERATIONS, BROAD PREVENTION, LEGAL COMPLIANCE AND PUBLIC PURPOSE AND FIRST PARTY MARKETING.
WHILE I THINK THESE ARE STILL APPROPRIATE-BELIEVE THE SHIFT WAS MORE RECOGNIZING THAT CONTEXT WITH BE QUITE NUANCED AND WE NEED FLEXIBILITY IN EVALUATING CONSUMER-SPECIFIC, CONTEXT SPECIFIC CONSUMER EXPECTATIONS.
SO OVER TIME USES MAY CHANGE, CONSUMER EXPECTATIONS MAY CHANGE SO WE DIDN'T WANT TO BE TOO LOCKED INTO SPECIFIC TYPES OF USE.
THE FUTURE OF PRIVACY FORUM REPORT SUGGESTS THAT THE RELATIONSHIP THAT INVOLVED DATA COLLECTION WILL AND SHOULD CHANGE OVER TIME.
IT'S NOT JUST THE FTC'S REPORT THAT RECOGNIZES THIS WILL BE A DYNAMIC KIND OF RELATIONSHIP

[INDISCERNIBLE] OTHERS HAVE RECOGNIZED IT AS WELL.
AND IT'S COMPANIES THAT EXPAND THEIR BRANDS INTO PREVIOUSLY UNTAPPED MARKETS.
THE CONSUMER RELATIONSHIP EXPAND TO MEET THE CONSUMER RELATIONSHIP.
THIS IS IN THE FTC'S PRIVACY REPORT THE CONTEXT OF TRANSACTION OR RELATIONSHIP SHAPED BY CONSUMER EXPECTATIONS WILL LEGITIMIZE NEW DATA PRACTICES.
THIS APPROACH AS THEY SUGGEST APPEARS TO MAKE A GREAT DEAL OF SENSE TO ME AND PROVIDES THE FLEXIBILITY NECESSARY TO ADDRESS THE ONGOING CHALLENGES CREATED BY IN IN NO VEYIVE AND FLUID INDUSTRY.
BUT THE FTC IS NOT THE ONLY ENTITY INTERESTED IN PRIVACY OVERSIGHT.
OVER THE MOST FEW YEARS THERE HAVE BEEN A VARIETY OF PROPOSALS IN CONGRESS DEALING WITH PRIVACY AND DATA SECURITY.
SEVERAL MEN'S WHO HAD KEY ROLES IN THE PRIVACY DEBATE SUCH AS REPRESENTATIVE MARY MAC AND CHRIS STERNS IS NOT FOR THE 113TH CONGRESS.
AS SOME OF YOU MAY HEARD JUST TODAY SENATOR DEMINT ANNOUNCED HE WILL BE LEAVING THE SENATE TO HEAD UP THE HERITAGE FOUNDATION.
THERE'S GOING TO BE A WHOLE CHANGE IN THE PLAYERS IN THE CONGRESSIONAL DEBATE ON THIS ISSUE.
OTHER NEW MEMBERS SUCH AS REPRESENTATIVE LEE TERRY WILL HAVE LEADERSHIP POSES ON THE RELEVANT COMMITTEES WHO HAVE JURISDICTIONS IN THIS AREA.

IN THE LAST CONGRESS WITH DOZENS OF HEARINGS AND BILLS, WE ARE APPROACHING -- YOU MIGHT ASK WHY THIS HAPPENED.
THERE WAS A LOT OF DEBATE AND DISCUSSIONS IN HEARINGS BUT IT'S POSSIBLE THIS PAY REFLECT THE FACT THAT THERE REALLY ISN'T A CLEAR AGREEMENT ON WHAT THE CONTOURS OF WHAT CONSUMER HARM MAY BE OCCURRING IN THE MARKET THAT CURRENT LAW CAN'T REACH.
AND WHAT MAY BE AN EFFECTIVE AND PREFERRABLE SOLUTION FOR ANYTHING THAT'S OCCUR.
I LOOK IN ORDER WORKING WITH MY COLLEAGUES AT THE FTC AND ON THE HILL IN THE NEXT TO DISCUSS ANY LEGISLATION IN THE PRIVACY ARENA IN THE FUTURE.
FOR NOW I WANTED TO OFFER A FEW BASIC PRINCIPLES WHICH I BELIEVE ARE IMPORTANT TO KEEP IN MIND WHEN CONSIDERING ANY REGULATORY FRAMEWORK FOR CONSUMER PRIVACY.
I BELIEVE ANY PRIVACY REGULATION SHOULD FOCUS ON WHETHER PARTICULAR TYPES OF DATA COLLECTION AND USE MAY HARM CONSUMERS AND VIOLATE THEIR LEGITIMATE PRIVACY INTEREST.
THERE SHOULD BE A FOCUS PROVIDING CONSUMERS MORE TOOLS SUCH AS WEB ICONS OR OPT OUT MECHANISMS AND WAYS TO DELINEATE AND EXPRESS THEIR PREFERENCES.
AND MARKET-BASED APPROACHES PAIRED WITH SELF REGULATORY INITIATIVES SHOULD BE ALLOWED TO CONTINUE TO DEVELOP.
GOVERNMENT PRIVACY REGULATION SHOULDN'T PICK WINNERS AND LOSERS BASED ON TECHNOLOGY OR BUSINESS MODELS, PARTICULARLY IN RAPIDLY EVOLVING EXPANSIVE INTERNET MARKETPLACE.

I BELIEVE THE TECHNOLOGY NEUTRAL APPROACH THAT FOCUSES ON THE IMPACT ON CONSUMERS PRESERVES FLEXIBILITY AND HELPS PROMOTE INNOVATION AND COMPETITION AMONG DIFFERENT TYPES OF ENTITIES.
AND I BELIEVE THAT ANY FRAMEWORK SHOULD RECOGNIZE THAT IN TODAY'S DYNAMIC INTERNET ECOSYSTEM, CONSUMER INFORMATION CAN SUPPORT LEGITIMATE AND BENEFICIAL ON-LINE SERVICES AND APPLICATIONS.
AND SERVICES OF ALL ACROSS MULTIPLE PLATFORMS, CONSUMER DATA CAN BE USEFUL IN GENERATING NEW BUSINESS MODELS.
AND ULTIMATELY INCREASING CONSUMER CHOICE.
SO THAT'S THE KIND OF BALANCE THAT WE NEED TO STRIKE BETWEEN CONSUMER HARM, CONSUMER EXPECTATIONS AND ALSO SOME OF THE BENEFITS THAT CONSUMER MAY GET FROM NEW AND INNOVATIVE USES OF DATA.
SO HAVING SAID MY PEACE, I'D LIKE TO INTRODUCE MY FIRST PANEL OF THE AFTERNOON TO TALK ABOUT CONSUMER ATTITUDES ABOUT AND CHOICE WITH RESPECT TO COMPREHENSIVE DATA COLLECTION.
SO PLEASE WELCOME ALESSANDRO SCQUITITI AT THE CARNEGIE MELLON UNIVERSITY, CHRIS CAL BREEZE, LORRIE CANCER, A PROFESSOR AT CARNEGIE MELLON UNIVERSITY AND MIKE HINTZE ASSOCIATE GENERAL COUNSEL.
THANK YOU FOR HAVING ME AND WE'LL LOOK FORWARD TO THE NEXT TIME.
[APPLAUSE]
>> HI EVERYONE WELCOME TO OUR SECOND PANEL OF THE DAY.
MY NAME IS KATIE BRAN AND I'M AN

ATTORNEY HERE AT THE FTC IN THE DIVISION OF IDENTITY PROTECTION.
I WILL BE CO-MODERATING TODAY'S PANEL WITH PAUL, WHO IS A LAW PROFESSOR AT THE UNIVERSITY OF COLORADO AND A RENOWN PRIVACY EXPERT.
WE'RE HAPPY TO HAVE HIM HERE DOING A DETAIL WITH OUR OFFICE OF POLICY AND PLANNING.
SO THANK YOU, PAUL, FOR BEING HERE.
THE PURPOSE OF THIS PANEL IS TO TALK ABOUT CHOICE MECHANISMS AND CONSUMER ATTITUDES WHEN IT COMES TO THE TYPE OF BEHAVIOR WE'VE BEEN TALKING ABOUT TODAY, COMPREHENSIVE DATA COLLECTION.
AND WE WILL DISCUSS WHAT CONSUMERS KNOW ABOUT THE KIND OF DATA COLLECTION THAT'S TAKING PLACE BOTH ON THE WEB AND THROUGH MOBILE DEVICES.
AND WE'LL ALSO ADDRESS TOPICS OF TRANSPARENCY AND CONSUMER CHOICE INCLUDING WHEN TRANSPARENCY'S IMPORTANT TO CONSUMERS, WHAT CHOICE MECHANISMS ARE EFFECTIVE IN THIS AREA AND WHAT ARE THE LIMITS OF CHOICE.
AS A REMINDER WE WILL BE ACCEPTING VARIOUS WAYS FROM THOSE WHO ARE HERE, YOU HAVE COMMENT CARDS OR QUESTION CARDS IN YOUR MATERIALS THAT YOU CAN FILL OUT AND HAPPENED TO OUR FTC STAFF.
FOR THOSE VIEWING OUR WEBCAST, YOU CAN SUBMIT QUESTIONS THROUGH OUR FACEBOOK PAGE, THROUGH OUR TWITTER FEED HASH TAG POUND FTCPRIV OR BY E-MAIL AT OPA@FTC.GOV.
I WANT TO MENTION PROFESSOR DAN'S PRESENTATION FOR THOSE HAVING PROBLEMS NOT SEEING IT

BEFORE IS ON OUR WEB PAGE.
YOU MIGHT NEED TO REFRESH YOUR BROWSER BUT IT SHOULD BE THERE.
I WOULD LIKE TO INTRODUCE OUR PANELISTS AND THANK THEM FOR PARTICIPATING TODAY.
WE HAVE LORRIE FAITH CANCER PROFESSOR AT CARNEGIE MELLON.
WE HAVE TO INGIS.
WE HAVE AL IS AN DROA ACQUISITI PROFESSOR OF CARNEGIE MELLON AND CHRIS CALABRESE -- I WOULD LIKE TO LEAD OFF WITH YOU LORRIE.
YOU'VE DONE A LOT OF RESEARCH IN THE RARE YEAH OF CONSUMER ATTITUDES ABOUT PRIVACY.
WHAT DOES YOUR RESEARCH TELL US ABOUT WHAT CONSUMERS KNOW AND THINK ABOUT THIS TYPE OF COMPREHENSIVE DATA COLLECTION THAT WE'VE BEEN TALKING ABOUT AND DO WE HAVE A SENSE WHAT REALLY MATTERS TO CONSUMERS WHEN IT COMES TO THEIR INFORMATION THAT'S BEING COLLECTED?
>> SURE.
SO WE DONE A LOT OF RESEARCH AND OTHER PEOPLE HAVE DONE RESEARCH AS WELL ON CONSUMER ATTITUDES.
I DON'T THINK THAT'S BEEN MUCH RESEARCH SPECIFICALLY A COMPREHENSIVE DATA COLLECTION, CERTAINLY NOT COUCHED IN THAT PARTICULAR TERM BUT I THINK THERE'S A LOT OF USEFUL RESEARCH ABOUT OTHER TYPES OF TRACKING AND DATA COLLECTION WHICH I THINK SHEDS LIGHT ON THIS.
SO WHEN WE HAVE DONE INTERVIEWS WITH CONSUMERS, WE FOUND THAT WHEN WE ASKED THEM ABOUT THING LIKE ON-LINE BEHAVIORAL ADVERTISING, MOST OF THEM HAVE VERY LITTLE UNDERSTANDING OF IT.
THEY HAVE VERY LITTLE UNDERSTANDING OF MOST OF THE

TYPES OF DATA COLLECTION THAT
TAKE PLACE EXCEPT FOR THE DATA
THEY HAVE COLLECTED.
THEIR FIRST RESPONSE IS THIS
SEEMS VERY CREEPY, VERY SCARY.
THEY FEEL LIKE IT'S HAPPENING
BEHIND THEIR BACKS.
ON THE OTHER HAND, IF YOU
EXPLAIN IT TO THEM AND EXPLAIN
WHY IT'S DONE, THEN THEY GET
KIND OF A MIXED REACTION.
YOU DEFINITELY HAVE PEOPLE WHO
SEE THERE MAY BE SOME VALUE IN
THIS, I CAN SEE HOW I MIGHT
ABOUT A GETTING SOME CUSTOMIZED
SURVICES I LIKE BUT ON THE OTHER
HAND THEY ALSO FEEL LIKE I SEEM
TO HAVE JUST GIVEN UP BLANK
CHECKS FOR VARIOUS COMPANIES TO
COLLECT MY DATA AND DO WHATEVER
THEY WANT TO IT.
THEY OFTEN HAVE MISCONCEPTIONS
ABOUT HOW IT MIGHT BE USED.
WE HAD A LOT OF PEOPLE WE TALKED
TO ABOUT ON-LINE BAIFERL
ADVERTISING WHO TALKED TO US
ABOUT IDENTITY THEFT.
A LOT OF MISUNDERSTANDING AND
LOT SURE WHAT IS GOING TO HAPPEN
TO THEIR DATA.
WE FIND SOME OF THE EFFORTS THAT
HAVE BEEN MADE TO TRY TO INFORM
CONSUMERS ABOUT THE DATA
COLLECTION ARE THINGS THAT THEY
HAVEN'T NOTICED.
SO WE SURVEYED OVER 1500 PEOPLE
AND ALMOST NONE OF THEM
RECOGNIZED THE AD CHOICE ICON SO
INFORMS NOT COMMUNICATING TO
THEM IN USEFUL.
WE ALSO FOUND THAT WHEN WE ASKED
CONSUMERS HOW THEY'D LIKE TO
MAKE DECISIONS ABOUT THIS DATA
AND WE SHOWED THEM SOME OF THE
TOOLS AVAILABLE TO THEM, A LOT
OF THESE TOOLS ASKED THEM TO

DECIDE BETWEEN DIFFERENT COMPANIES.
AND IT LOOKED TOWN THE LIST OF COMPANIES THAT DO TRACKING, DO ADVERTISING, AND THEY DIDN'T RECOGNIZE THE NAMES OF ANY OF THESE COMPANIES.
AND SO THEY REALLY DIDN'T KNOW HOW TO MAKE A DECISION ABOUT THEM.
EVEN THE COMPANIES THEY DID RECOGNIZE, GOOGLE, MICROSOFT, YAHOO.
THEY DIDN'T ACTUALLY ASSOCIATE WITH ADVERTISING.
SO THEY WERE A LITTLE BIT CONFUSED AS TO WHY THEY WERE ON THE LIST AND WHY THEY NEEDED TO MAKE A DECISION ABOUT THAT.
WE FOUND ONLY SAID USERS WERE VERY CONCERNED ABOUT CONTEXT.
AND USERS WOULD TELL US, WELL WHEN I'M BOOKING MY PLAY TICKETS, SOME USERS WOULD SAY I THINK IT'S GREAT IF SOME COMPANIES KNOW THIS IS WHAT I'M DOING AND THEN THEY CAN TELL ME ABOUT ACTIVITIES I MIGHT WANT TO DO AT THAT LOCATION.
AND OTHER USERS SAID NO THIS IS TERRIBLE BECAUSE THEN PEOPLE WILL KNOW WHEN I'M NOT GOING TO BE HOME AND I'M REALLY CONCERNED ABOUT IT.
SO DIFFERENT CONTEXT, DIFFERENT USERS HAD DIFFERENT OPINIONS ON AND IT WAS REALLY QUITE NUANCE.
>> THANK YOU.
PROFESSOR WALLIC IN OUR FIRST PANEL TALKED ABOUT -- IPS'S OPERATING SYSTEMS, BROWSERS AND SOCIAL PLUG INS AND THE LIKE.
MIKE, YOU AT MICROSOFT IS A LEADER IN THE AREA OF BROWSER AND OPERATING SYSTEMS, BOTH DESKTOP AND IN THE MOBILE

CONTEXT.
WHAT ARE CONSUMERS EXPECTATIONS
CONCERNING DATA COLLECTION FOR
THOSE VARIOUS TECHNOLOGIES?
>> IT'S IMPORTANT TO POINT OUT
THAT THERE'S A BIG GAP
[INDISCERNIBLE]
[INDISCERNIBLE]
[INDISCERNIBLE]
WIN DOZE DOES COLLECT SOME DATA
BUT IT'S VERY LIMITED AND IT'S
DONE WITH A VERY [INDISCERNIBLE]
DECISION ON PRIVACY.
ONE EXAMPLE [INDISCERNIBLE]
WINDOWS CRASHES [INDISCERNIBLE]
YOU GET A LITTLE DIALOGUE SAYING
HEY INFORMATION JUST HAPPENED ON
THE COMPUTER COULD REALLY HELP
IMPROVE THE PRODUCT.
WILL YOU SEND THAT TO MICROSOFT
AND YOU HAVE TO OPT IN TO THAT.
IN SOME CASES ACTUALLY A LITTLE
BIT MORE [INDISCERNIBLE]
BUT THE POINT IS [INDISCERNIBLE]
REALLY USEFUL FOR US
[INDISCERNIBLE] BUT IN THE
BALANCE BETWEEN WHAT'S USEFUL
AND WHAT CAN OPENLY BENEFIT OUR
USERS AND WHAT WOULD BE
[INDISCERNIBLE] THAT'S WHERE WE
CAME OUT.
WE HAD AN UPDATE TO ACCOMPLISH
THAT BENEFICIALLY
[INDISCERNIBLE]
BUT WE DID THAT IN A WAY THAT
DOESN'T EXCEED [INDISCERNIBLE]
AND THAT'S KIND OF HOW WE THINK
ABOUT IT IN ALL THE THING WE DO,
WHETHER IT'S THE OPERATING
SYSTEM [INDISCERNIBLE] WE TRY TO
STRIKE THAT RIGHT BALANCE
BETWEEN HOW DO YOU GET THE DATA
[INDISCERNIBLE] BENEFICIAL TO
THE USERS [INDISCERNIBLE] NOT
CROSS THAT LINE [INDISCERNIBLE]
>> JUST AS A QUICK FOLLOW UP TO

THAT.
HOW DO YOU AT MICROSOFT DETERMINE WHAT CONSUMER EXPECTATIONS ARE?
AND THEN MAYBE I CAN THROW IT OUT TO THE PANEL AND SAY FOR THOSE COMPANIES THAT MAY NOT CONSIDER CONSUMER EXPECTATIONS OR LIMB THEIR BEHAVIORS BASED ON CONSUMER EXPECTATIONS, WHAT ARE THE ALTERNATIVES THERE?
>> THERE ARE A VARIETY OF [INDISCERNIBLE]
>> WE'VE GOT A REQUEST TO LEAN IN A LITTLE BIT FOR THE WEBCAST.
>> THERE'S A VARIETY OF MEANS [INDISCERNIBLE]
THERE'S A VARIETY OF MEANS BY WHICH WE DETERMINE CONSUMER EXPECTATIONS ARE.
WE DO YOU KNOW SOME OF OUR OWN RESEARCH.
WE LOOK AT OTHER PEOPLE'S RESEARCH FOR SURE LIKE LORRIE'S AND OTHERS.
THERE'S SOME INTERESTING RESEARCH THAT CAME OUT OF THE RESEARCH RECENTLY THAT TALKED ABOUT THAT PEOPLE NOT ONLY SAY THEY CARE ABOUT PRIVACY BUT THAT THEY'VE ACTUALLY ARE MAKING CHOICES BASED ON THAT.
THAT THE RESEARCH JOTTED THIS DOWN SHOWED THAT 56% OF USERS DECIDED NOT TO COMPLETE AN ON-LINE PURCHASE OUT OF PRIVACY CONCERNS AND 30% OF USERS HAVE UNINSTALLED AN APP FROM THEIR SMART PHONE BECAUSE OF PRIVACY CONCERNS.
WE SUM PLEMENTED THAT WITH SOME OAF OUR OWN RESEARCH.
WE RECENTLY DID RESEARCH IN FOUR PAGE MARKETS THE U.S., UK, FRANCE AND GERMANY TO GAUGE USERS' ATTITUDES ABOUT ON-LINE

TRACKING AND WHETHER OR NOT THEY
THINK IT GOES TOO FAR.
NOT SURPRISINGLY AN OVERWHELMING
NUMBER OF USERS SAID YES, THEY
DO THINK THEY'VE GONE TOO FAR
AND PEOPLE NEED BETTER EASIER TO
USE CONTROLS AROUND THAT.
IN ADDITION TO THAT, WE SORT OF,
WE READ THE PAPERS LIKE
EVERYBODY ELSE, AND WE KIND OF
SEE WHERE CONSUMERS HAVE
OBJECTED TO THINK THAT WE TRY TO
LEARN FROM THE MISTAKES NOT ONLY
OF OURSELVES BUT OF OTHERS.
AND YOU KNOW KIND OF GET A PAGE.
IN MANY CASES ES SUBJECTIVE.
IT'S KIND OF A GUT FEEL.
WHAT'S CROSSING THAT CREEP E
LINE.
WHY ARE USERS GOING TO REJECT A
DATA USE OR DATA COLLECTION THAT
MIGHT BE UNDER CONSIDERATION.
IT'S SOMETIMES MORE AN ART THAN
A SCIENCE BUT A LOT OF FACTORS
GO INTO THIS DECISION.
>> GREAT.
DOES ANYONE WANT TO COMMENT ON
THE SECOND PART OF MY QUESTION,
IF WE'RE USING KIND OF GUT FEEL
OVER AN OVERALL SENSE OF WHAT
CONSUMERS EXPECT AS PART OF THE
DETERMINATION ABOUT BUSINESS
PRACTICES, WHERE DOES THAT LEAVE
US FOR OTHER BUSINESSES THAT
DON'T.
>> THANKS.
THANKS FOR HAVING ME HERE.
YOU KNOW I THINK WHEN I THINK
ABOUT THE BEST WAY TO EVALUATE
WHAT CONSUMERS WANT AND CONSUMER
EXPECTATIONS, I IMMEDIATELY
START WITH FREE MARKET.
PEOPLE SPENDING DOLLARS EVERY
DAY FOR PRODUCTS AND SERVICES
THEY WANTED.
WHEN I LOOKED AT THE VARIOUS

STUDIES I FIND THEM INTERESTING,
IT'S INTERESTING TO HEAR WHEN
YOU COREDDEN OFF ONE SEGMENT AND
ASK A QUESTION, IT'S INTERESTING
TO SEE HOW IT INFLUENCES THINGS.
BUT THE COMPANIES WE REPRESENT,
THE MEMBERS OF THE DIGITAL
ADVERTISING ALLIANCE, THE DNA,
THEY ACTUALLY MANY OF THEM THE
INNOVATORS WANT TO ACTUALLY SET
CONSUMER EXPECTATIONS.
THEY WANT TO CHANGE THINGS,
CHANGE THE WORLD.
I WAS JUST THINKING ABOUT ON
CYBER MONDAY, CYBER MONDAY
SHOPPING ECLIPSED RETAIL STORE
SHOPPING ON BLACK FRIDAY I THINK
FOR THE FIRST TIME THIS YEAR
WHICH WAS A REMARKABLE NUMBER.
IF YOU ASKED ALL THE CONSUMERS
15 YEARS AGO WHERE YOU COULD BUY
SOMETHING ON THE INTERNET, WHERE
THEY EXPECTED TO BUY WHAT THE
CONSUMER EXPECTATION WAS, WHERE
THEY WERE GOING TO BUY THEIR
HOLIDAY PRESENT.
THE ANSWER WAS GOING TO BE THEY
WERE GOING TO GO INTO THE RETAIL
STORE TOMORROW, THEY WERE GOING
TO LOOK AT THE CATALOG AND BUY
THEIR PRESENTS.
THE COMPANIES WE REPRESENT
DIDN'T SAY OKAY WELL WE BETTER
NOT DESIGN GREAT PRODUCTS AND
SERVICES AND OFFERINGS THAT
WOULD ENTICE PEOPLE TO SHOP
ON-LINE AND GET COMFORT ON-LINE
BECAUSE OF THAT OR EVEN BECAUSE
STUDIES AT THE TIME WITH SIMILAR
PANELS HAD COME OUT AND SAID
GEEZ, 78% OF THE PUBLIC IS
CONCERNED ABOUT SHOPPING
ON-LINE.
THEY DIDN'T SAY WELL WE BETTER
NOT DESIGN THESE PRODUCTS, THIS
HE DESIGNED THEM AND THEY'RE THE

ONES WE ALL LIVE, LOVE EVERY
DAY.
>> STU, IF I COULD ASK A FOLLOW
UP THEN.
WE HAVE TWO PROPOSITIONS ON THE
TABLE.
MIKE SAYS THAT HIS COMPANY DOES
ASK CONSUMERS ABOUT PRIVACY.
IN ADDITION TO THE KIND OF PRICE
SIGNALS THEY'RE GETTING BACK.
AND THEN I DON'T THINK YOU WERE
SAYING THAT IT'S A MISTAKE FOR
COMPANIES LIKE MICROSOFT.
>> NO.
>> TO ASK THOSE QUESTIONS.
SO THEN I THINK YOU WERE SAYING
YOU VALUE MORE.
I'M PUTTING WORDS IN YOUR MOUTH.
>> THE PRICE SIGNALS.
>> I THINK YOU WANT TO EVALUATE
A BUNCH OF VARIABLES BUT I THINK
AT THED OF THE DAY WE SEE THIS,
IF YOU TALK ABOUT NEWSPAPER
ARTICLES OR PARTICULAR BUSINESS
PRACTICES, THE MARKET REACTS
WHEN THEY SEE A BUSINESS
PRACTICE THEY DON'T LIKE, THEY
STOP BUYING IT, THEY STOP
DEALING WITH THE COMPANIES.
SO IF YOU LOOK AT SOME OF THE
ADVENT OF SOME OF THE BEST DATA
INNOVATORS, A LOT OF OUR NUMBERS
IN THE LASTAL OF YEARS IN THE
COMPANY WE SPEND ALL OF OUR TIME
WITH ALL OF US, HOTLINE,
WHEREVER WE ARE, THOSE COMPANIES
ARE INNOVATING.
THEY ARE DOING GREAT THING WITH
DATA, GREAT AND RESPONSIVE.
>> CAN I JUST, I, NOT TO JUST
SORT OF PICK OUT ANY PARTICULAR
COMPANY BUT IT DOESN'T SEEM TO
ME THAT THERE'S A PARTICULAR
MARKETPLACE HERE TO COMPETE ON
THIS, IN THIS PARTICULAR VECTOR.
I AGREE WITH YOU THAT

COMPETITION HAS DRIVEN A LOT OF WONDERFUL THINGS IN THIS COUNTRY.
COMPANIES ARE ABLE TO COMPETE BECAUSE I DON'T SEE AN UNDERLYING LEGAL FRAMEWORK THAT A, PRESENTS THESE ISSUES IN A WAY THAT CONSUMERS CAN MAKER A MEANINGFUL CHOICE AND HAVE A CERTAINTY THAT THOSE CHOICES WILL BE HONORED.
AND I ALSO DON'T THINK CONSUMERS ARE IN FACT AWARE OF HOW MUCH OF THESE PRACTICES.
I THINK LORRIE'S RESEARCH SHOWS THAT.
SO WHILE I APPRECIATE THAT MARKET DOES A LOT OF THINGS WONDERFULLY WELL, WE ALSO KNOW IT ONLY FUNCTIONS IF IT'S GOT, IF THE CONSUMER HAS INFORMATION AND IF THERE'S AN ACTUAL ABILITY TO COMPETE ON THESE PARTICULAR THINGS.
AND I DON'T THINK DATA COLLECTION PRACTICES ARE AN AREA WHERE CONSUMERS REALLY CAN GET FAIR COMPETITION OR ANY KIND OF REAL COMPETITION.
>> JUST TO RESPOND AND THEN I'LL WANT TO MOVE ON.
BUT YOU KNOW I THINK THERE'S SOME VALIDITY TO THE FACT THAT WE'VE GOT TO HAVE TRANS PARENCY IN THE DIALOGUE WITH CONSUMERS BUT I DON'T THINK WE START WITH THAT AS BEING THE DEFINING PREMISE OF HOW THE MARKETPLACE AND CONSUMERS SHOULD EVOLVE.
SO TO THE EXTENT OAF TRANSPARENCY AND CHOICE SINCE YOU BOTH REFERENCED LORRIE'S STUDY, I CAN JUST THINK OF TWO DATA POINTS HAVING SAT AND LIST UPPED TO LORRIE'S STUDIES BEFORE.

THE LAST TIME I WAS IN A ROOM
AND HEARD A STUDY OF LORRIE'S,
IT WAS WITH RESPECT TO THE
FIZZING OPTION ICON.
IT WAS THAT UNANIMOUSLY THEY HAD
LOOKED ALL OVER THE WORLD, ALL
OVER THE WILD I THINK IT WAS A
MONTH AFTER, THEY FOUND THREE
ICONS OUT OF 10 MINUTE SITES.
BUT I DON'T HEAR THE STUDIES,
THE STUDIES AREN'T REPEATED NOW
TO SHOW THERE ARE ICONS
EVERYWHERE.
THAT ICON IS BEING SEEN NOW MORE
ON THE INTERNET CROSS WEB THAN
ANY OTHER SYMBOL PERIOD
GLOBALLY.
THAT'S UNBELIEVABLE.
TALK ABOUT PENETRATION OF iPAD
IN TWO YEARS.
THIS IS LESS THAN THAT.
AND THE OTHER NUMBER I SAID
LORRIE I THINK YOU GAVE A NUMBER
THAT SAID YOU TALKED TO A
THOUSAND 80 CONSUMERS AND NONE
OF THEM KNEW THE iCONS.
I LISTENED TO A PRESENTATION AND
THE NUMBER WAS 30% OF PEOPLE
ACTUALLY RECOGNIZE ICONS.
THE WE THOUGHT THAT WAS
FANTASTIC.
30% IN A YEAR AND-A-HALF.
EVERY BRAND IN AMERICA, EVERY
NEW INNOVATIVE START UP COMPANY
WOULD LOVE THAT KIND OF
PENETRATION.
>> I KNOW YOU WANT TO RESPOND
BUT I WANTED LORRIE BECAUSE
THERE WAS A DIRECT QUESTION.
I THINK HE'S OFFERING TO FUND
YOUR NEXT RESEARCH.
I'M NOT SURE THAT'S WHAT HE'S
DOING.
>> SINCE WE'RE DOING STUDIES ON
THE ADAPTATION EYE YAWN JUST A
PHONE CALL HOW IT WORKS WOULD BE

A START.
>> WE HAVE SOME PHONE CALLS WITH YOUR COLLEAGUES AND I WOULD BE HAPPY TO HAVE THEM WITH YOU AS WELL.
WE DID NOT FIND 30%, IT WAS A MUCH LOWER PORRIDGE.
I DON'T KNOW WHERE THEY FOUND THOSE 30% OF PEOPLE.
>> YOU'RE AGREEING SOMEBODY FOUND 30%.
>> I HAD A LOT OF SKEPTICISM ABOUT THEIR STUDY BASED ON OURS.
WE ALSO DID A FOLLOW UP ON THE ICON STUDY AS WELL AND WE DID REPORT THERE WAS IMPROVEMENT.
IT WAS ABOUT 18 MONTHS LATER THAT WAS CONSIDERABLE IMPROVEMENT BUT STILL NO WHERE NEAR 100%.
FACEBOOK STILL DOESN'T USE THE ICON, THEY REFUSE TO USE IT AND THEY'RE A PRETTY MAJOR COMPANY.
>> FACEBOOK.
SO AS I UNDERSTAND FACEBOOK [INDISCERNIBLE] BUT OUR PROGRAM ACTUALLY DOESN'T REQUIRE AN ICON, IT REQUIRES ENHANCED TRANSPARENCY.
I BELIEVE FACEBOOK ACTUALLY DOES DO THAT QUITE WELL IN THEIR UNIQUE BUSINESS MODEL BUT EVEN THEY ARE TRYING TO FIGURE OUT HOW TO GIVE TRANSPARENCY, ALL THE COMPANIES TRYING TO DO BETTER.
TO SAY IT'S KIND OF NOT OUT THERE, IT'S EVERYWHERE.
>> IF WE'RE HAVING A FREE FLOWING DEBATE, I'LL THROW SOMETHING IN HERE.
I DO FEEL THOUGH THAT PUTTING THE INDUSTRY WHO WANTS TO TRACK YOU IN CHARGE OF OPTING OUT OF TRACKING SEEMS LIKE PUTTING THE FOX IN THE HEN HOUSE.

HOW CAN I AS A CONSUMER TRUST
YOU TO OPT ME OUT WHEN YOUR
ENTIRE BUSINESS MODEL IS BASED
ON TRACKING?
I JUST --
>> I DON'T LOOK AT IT THAT WAY.
I LOOK AT IT ABOUT IT'S THE
UNIVERSE OF BUSINESSES THAT WANT
TO DELIVER TO YOU EVERY DAY THE
FREE E-MAIL SERVICES, THE FREE
CONTENT, THE FREE OFFERING, THE
UNPRECEDENTED ABILITY TO USE
CONTENT, COMMUNICATIONS TOOLS
YOU COULD NEVER DREAM OF BEFORE
EVERYWHERE, EVERY SINGLE DAY OF
THE WORLD.
THE PUBLIC LOVERS IT.
BY ANONYMOUSLY RESPONSIBLY
COLLECTING ANNAN MUST COOKIE
DATA FOR THE FACT YOU'RE
INTERESTED IN CAR ADVERTISEMENT
YOU MIGHT BE AN ENTHUSIAST.
YOU MAKE IT SOUND LIKE TRACKING
STALKING AND MURDER.
THIS IS NINE COOKIES ON YOUR
COMPUTER TO SAY GEE THIS GUY
SEEMS TO BE SHOPPING FOR CARS
AND THERE'S A NEW HONDA IN THE
MARKET.
>> HANG ON.
LET'S MAKE THIS A LITTLE LESS
FREE FLOWING.
[LAUGHTER]
COME ON.
IT WILL BE FREE FLOWING ENOUGH,
TRUST ME.
I KNOW WE HAVE A TENUOUS GRASP
ON THIS SO LET'S PRETEND FOR A
LITTLE WHILE.
YOU WANTED TO SPEAK FOR A WHILE.
WHAT I PROPOSE IS WE KIND OF
ALSO SET UP THE PRESENTATION OF
YOUR RESEARCH WHICH WE WANT TO
DO.
IS THAT OKAY IF I ASK YOU A
QUESTION OR DO YOU WANT A QUICK

RESPONSE.
>> I WANT A QUICK RESPONSE ALTHOUGH THIS WAS SO MUCH FUN I DON'T KNOW IF I WANT TO BRING IT BACK TO BORING ACADEMIA.
THERE IS A QUICK ACADEMIC RESPONSE.
SO IN ECONOMICS WE WE TEND TO -- WE DON'T PAY TOO MUCH ATTENTION TO WHAT PEOPLE SAY WE WANT TO SEE HOW THEY ACT.
THIS IS A MECHANISM OF WHAT PEOPLE REALLY WANT.
THIS WORKS FOR MOST GOODS.
HOWEVER, IT JUST HAPPENS THAT PRIOR SEE AS AN ECONOMIC GOOD IS A VERY PECULIAR ANIMAL.
IT SHARES THE CHARACTERISTICS OF WHAT THE ECONOMIES CALL AN INTERMEDIATE YEAH GOOD, A GOOD THAT YOU VALUE ONLY AS A STEP TO SOMETHING ELSE SUCH AS YOU ENROLL IN A COURSE AND YOU PAY FOR THE COURSE AND CERTIFICATE TO GET A JOB.
AND A FINAL GOOD, A GOOD THAT YOU VALUE YOURSELF SUCH AS GOING OUT FOR DINNER IN A NICE RESTAURANT.
AND DEPENDING ON WHICH ELEMENT OR SIDE WE FOCUS ON, CONSUMERS MAY ACT VERY DIFFERENTLY.
AS A FINAL GOOD, DEPENDING ON YOUR SUBJECTIVE PREFERENCES YOU MAY NOT CARE FOR PRIVACY AND LIVE YOUR LIFE AS AN OPEN BOOK OR CARE A LOT.
THE PROBLEM IS THAT EVEN IF YOU SAY THAT YOU DON'T CARE, YOU OFTEN OR YOU SAY YOU CARE, YOU OFTEN ARE IN A POSITION OF INFORMATION SYMMETRY IN TERMS OF WHAT IS REALLY HAPPENING TO YOUR DATA MUCH AS AN INTERMEDIA GOOD, SO PRIVILY AS A MEANS TO SOMETHING ELSE.

PRIVACY'S A PROTECTION FROM
POTENTIAL COSTS DOWN THE ROAD
WHICH MAY HAPPEN IF YOUR DATA IS
ABUSED.
IDENTITY THEFT, DISCRIMINATION,
HEALTHCARE DISCRIMINATION,
PRICES DISCRIMINATION, SERVICES
DISCRIMINATION.
THESE COSTS ARE NOT BORNE
IMMEDIATELY.
WHEN YOU SHARE INFORMATION YOU
GET IMMEDIATE BENEFIT OF THE
LIKE, THE DISCOUNT, THE GIFT.
THE COST IS DOWN THE ROAD.
SOMETIMES IT'S NOT THERE BUT IT
ARRIVES SOMETIMES IT'S WEEKS,
MONTHS OR YEARS.
AND THIS MAKES IT VERY
PROBLEMATIC TO RELY COMPLETELY
ON SO-CALLED DBL PREFERENCES TO
ASSESS WHAT SOMEONE WANTS.
>> DOES SOMEONE WANT QUICK
RESPONSE BEFORE I GIVE IT BACK
TO ALESSANDRO.
I REALLY ENJOYED THE FIRST PANEL
I THOUGHT THEY DID A WONDERFUL
JOB.
THERE ARE ONLY CRITIQUES I WOULD
LODGE WHICH I LIKE SELF
REFLECTION.
ONE I BELIEVE THERE ARE WOMEN
WHO CAN SPEAK ABOUT THESE TOPICS
AND I THINK WE SHOULD HAVE DONE
A BETTER JOB PUTTING MORE ON THE
PANEL.
[APPLAUSE]
TWO THESE THAT AWKWARD MOMENT
WHERE WHAT THEIR ATTITUDES ARE
AND HOW WE MEASURE THAT.
ALESSANDRO YOUR WORK IS MORE
ABOUT NOTICE CONTROL
TRANSPARENCY AND SO WE WERE
HOPING YOU COULD PRESENT SOME OF
THE FINDINGS WE FOUND.
IF YOU HAVE A POWER POINT,
PLEASE GO AHEAD.

MAYBE.
>> FOR THE PANELISTS WE PRINTED OUT COPIES, THEY'RE IN FRONT OF YOU IF YOU WANT TO FOLLOW ALONG.
>> THANKS SO MUCH FOR ALLOWING ME TO PRODUCE THE SLIDES.
I'M NOT VERY GOOD EXPRESSING MYSELF SO I NEED THESE VISUAL AIDS.
ALSO BECAUSE MOST OF THE WORK WE DO IS EMPIRICAL, EXPERIMENTAL.
WE TRY TO DO EXPERIMENTS TRYING TO UNDERSTAND WHAT CONSUMERS DO, WHAT THEY WANT.
AS A CAVEAT I WILL ADD THE PARTICULAR EXPERIMENTS WE'RE ABOUT TO SHOW ARE AGNOSTIC IN TERMS OF WHAT IS THE VALUE OF PRIVACY OR WHETHER PRIVACY SHOULD BE PROTECTED OR NOT.
OR WHETHER CONSUMERS SHOULD PROTECT THEIR PRIVACY OR NOT.
WE COMPLETELY STAY AWAY FROM THE QUESTION.
IT'S CRUCIAL, VERY IMPORTANT QUESTION.
WE STAY AWAY FROM IT.
WE SIMPLY FOCUS ON WHETHER CONSUMERS CAN, IF THEY WANT TO PROTECT THEIR PRIVACY CAN PROTECT IT UNDER CAUTIOUS APPROACHES.
IN PARTICULAR WE¦ FOCUS IN THESE TWO EXAMPLES I'M GOING TO SHOW YOU ON THE PROBLEM OF CONTROL AND TRANSPARENCY.
BECAUSE WE ARE FOCUSING ON TRANSPARENCY NOT AS A CONSENT, CONTROL IS MEANS OF ALLOWING, EMPOWERING USERS TO NAVIGATE AND WE WANTED TO SEE WHETHER THEY ARE MOST SYSTEMIC UNIVERSAL CHALLENGES AT THE CORE OF CONTROL AND TRANSPARENCY REGIMES.
WE OFTEN DO EXPERIMENTS WITH

MULTIPLE DIVERSE USERS.
OF COURSE ONLY SHOW ONE EXAMPLE
WHICH SET TO EXPERIMENT.
THERE ARE MANY MORE WHERE IT
COMES FROM.
THE FIRST ONE IS THE PAIR
DAWTION OF CONTROL.
YOU MAY HAVE HEARD STORIES ABOUT
WHEN THERE'S [INDISCERNIBLE]
PEOPLE WEARING SEATBELTS, PEOPLE
START DRIVING FASTER.
SO YOU START TAKING A RISK.
OR YOU FEEL MANY POWERED BY
SOMETHING YOU START BECOMING
OVERCONFIDENT.
WE WANTED TO SEE WHETHER THIS
APPLIES TO PRIVACY.
IN OTHER WORDS RATHER THAN WHAT
WE, WHAT THE CONVENTIONAL WISDOM
IS MORE CONTROL MEAN MORE
PRIVACY WHETHER IN FACT MORE
CONTROL LEADS TO MORE EXPOSURE
OF SENSITIVE INFORMATION TO MORE
STRANGERS.
SO WE DID SOME EXPERIMENTS.
THE ONE I'M SHOIG WHICH IS A
REDUCED VERSION OF WHAT WE DID.
WE ASKED SUBJECTS TO ANSWER
SENSITIVE QUESTIONS ABOUT
THEMSELVES.
AN EXAMPLE OF A SENSITIVE
QUESTION WAS ARE YOU MARRIED.
YES OR NO.
HAVE YOU EVER USED DRUGS,
COCAINE OR CRACK, YES OR NO.
ONE GROUP OF SUFNLINGS THESE ARE
RANDOMIZED EXPERIMENTS.
WE RANDOMIZED SUBJECTS WITH
DIFFERENT CONDITIONS.
THEY BELIEVE THIS SURVEY THEY DO
NOT KNOW IN REALITY IT'S AN
EXPERIMENT.
ONE GROUP OF SUBJECTS WERE TOLD
HEY YOUR ANSWERS ARE VOLUNTARY.
YOU'RE NOT COMPELLED TO ANSWER
ANY OF THESE QUESTIONS HOWEVER

IF YOU DO ANSWER YOU'RE GIVING
US PERMISSION TO PUBLISH YOUR
ANSWER IN THE RESEARCH BULLETIN
THAT WE WILL DO FOR THE RESULTS
OF THE RESEARCH.
THE OTHER GROUP OF SUBJECTS SAW
EXACTLY THE SAME QUESTIONS.
ONLY THAT THEY ALSO SAW A BITS
CHECK BOX THAT THEY HAD TO CHECK
TO GIVER US EXPLICITLY
PERMISSION TO PUBLISH THEIR
ANSWER.
SO IN OTHER WORDS, WE MADE THEM
FEEL EMPOWERED.
THEY HAD THE SAME LEVEL OF
CONTROL AS THE SUBJECT IN THE
FIRST GROUP ONLY THAT NOW THE
CONTROL WAS MADE EXPLICIT.
NOW WE SUGGEST THAT BECAUSE
THERE IS A SMALL [INDISCERNIBLE]
CHECK THE BOX, THE SUBJECTS WILL
NOT CHECK THE BOX WILL SIMPLY
ANSWER THE QUESTION OR NOT,
DEPENDING ON THEIR SUBJECT
PREFERENCES.
BUT IN FACT OUR PARADOX OF
CONTROL HYPOTHESES SUGGESTED THE
OPPOSITE THAT PRECISELY BECAUSE
WE PUT THE CHECK BOX THE
SUBJECTS WILL CHECK IT AND WILL
COME MORE LIKELY THAN TO ANSWER
THE QUESTIONS.
AND THIS IS EXACTLY WHAT
HAPPENED.
SO IN BLUE, WE HAVE THE FIRST
PAGE OF ANSWERS OF QUESTIONS
ANSWERED BY THE SUBJECTS IN THE
SO-CALLED IMPLICIT COME DITION
THE FIRST ONE I SHOWED YOU.
IN RED THE QUESTION ANSWERED BY
THE GUYS IN THE SECOND EXCLUSIVE
CONTROL CONDITION.
SPLITTING THE GROUPS, THE
CONDITIONS INTO TWO GROUPS, LESS
SENSITIVE OR LESS INTRUSIVE
QUESTIONS ON THE RIGHT OF THE

SLIDES AND MORE SENSITIVE QUESTIONS.
SO YOU CAN SEE A STRONG [INDISCERNIBLE] IN THAT GIVING MORE EXPLICIT CONTROL WORKS PARTICULARLY STRONGLY FOR THE MORE SENSITIVE QUESTION, CAN EVEN DOUBLE THE PROPENSITY TO ANSWER THE QUESTIONS AND ALLOW THE PUBLICATION OF ANSWERS.
IN REALITY THERE WAS NO DIFFERENCE BETWEEN THE TWO GROUPS, ONLY THE SECOND THE POWER WAS MADE EXPLICIT.
SO THE STORY IS MORE CONTROL CAN LEAD TO ACTUAL MORE DISCLOSURE OF SENSITIVE INFORMATION TO STRANGERS.
HOW ABOUT TRANSPARENCY.
WE HAVE BEEN KNOWING FOR A WHILE THERE'S A LOT OF RESEARCH IN THIS AIR RAW THAT A CURRENT APPROACH FOR PRIVACY POLICY DOESN'T WORK AS WELL.
THEY ARE NOT READ, THEY ARE LONG AND COMPLEX.
WE ARE TRYING TO BYPASS OR RESOLVE THIS ISSUE WITH A SIMPLER NOTICES SUCH AS [INDISCERNIBLE] BUT WHAT IF THERE IS A FUNDAMENTAL MORE SUSTAINING PROBLEM THAT WE ACTUALLY CANNOT EVEN AVOID [INDISCERNIBLE] WHAT IS THERE'S SOMETHING ABOUT TRANSPARENCY AND THE DECISION MAKING WHICH HAPPENS AFTER WE'RE BEING PROVIDED A NOTICE.
WHAT IF FACT WHAT WE ARE OBSERVING IS A SLATE OF PRIVACY LIKE A MAGICIAN WHICH ASK YOU TO FOCUS ON THE LEFT HAND SO THAT YOU DON'T SEE WHAT'S HAPPENING ON THE RIGHT HAND.
SPECIFICALLY WE DID THE FOLLOWING.

WE DID A NUMBER EXPERIENCE WHICH
WE PROVIDED SIMPLIFYING NOTICES
TO OUR SUBJECTS.
THIS PARTICULAR ONE WAS WITH
STUDENTS, AND WE PROVIDE
INFORMATION ABOUT HOW THE
ANSWERS TO A SURVEY ABOUT THEM
AT SCHOOL AND WE ASKED THEM IN
SOME CASES SOME VERY SENSITIVE
QUESTIONS.
NOW ONE GROUP WAS TOLD YOUR
ANSWERS WILL BE EXAMINED BY A
PANEL OF STUDENTS.
ANOTHER GROUP OVER SUBJECTS
WE'RE TOLD YOUR ANSWERS WILL BE
EXAMINED BY A PANEL OF STUDENTS
AND FACULTY.
WE EXPECTED THAT THE SUBJECTS
TOLD THAT THEIR ANSWERS WOULD BE
ALSO SEEN BY FACULTY WILL BE
LESS LIKELY TO ANSWER THE MORE
SENSITIVE QUESTION
[INDISCERNIBLE] WHICH WILL MAKE
SENSE, RIGHT.
BECAUSE IT INHIBITORS
DISCLOSURE.
AFTER PROVIDING NOTICES WE
STARTED ASKING THE QUESTION.
SO WHEN WE DO THIS, WE DID IN
FACT FIND WHAT WE EXPECTED,
WHICH IS THE SUBJECTS IN BLUE
WHO WERE TOLD THAT THE ANSWERS
WOULD BE AN SO SEEN BY FACULTY
ARE LESS LIKELY TO ANSWER THE
QUESTIONS.
THE SUBJECTS IN YELLOW WERE TOLD
THAT ONLY STUDENTS WOULD SEE THE
ANSWER.
WHAT I HAVE ON THE Y AXIS IS THE
RESPONSE TO THE DIFFERENT
QUESTIONS.
BUT HERE'S THE KEY.
LET'S SAY THAT NOW WE INSERT A
DELAY BETWEEN THE TIME WE GIVE
THE SIMPLE NOTICE.
THE ICON THAT TELLS YOU FACULTY

WILL READ OR ICON WHICH SAYS
ONLY STUDENTS WILL READ.
RATHER THAN IMMEDIATELY ASK THEM
THE QUESTIONS, WE WAIT.
WHY?
BECAUSE ON-LINE BETWEEN THE TIME
YOU READ THE NOTICE OR YOU SEE
AN ICON AND YOU THE ACTUALLY
HAVE TO DECIDE TO ENGAGE IN A
PRIVATE OR SENSITIVE ACTION
THERE IS SOME ELAPSE OF TIME.
SO HOW LONG DO YOU THINK WE HAD
TO WAIT TO NULLIFY THE
INHIBITORY EFFECT OF GIVING A
NOTICE, WHICH TELLS THE SUBJECT
THE FACULTY WILL READ THE
ANSWERS.
TEN MINUTES?
FIVE MINUTES?
ONE MINUTE?
HOW ABOUT 15 SECONDS?
SO 15 SECONDS IS ENOUGH TO
NULLIFY THE FACT OF THE NOTICE.
OR IF WE ASK ALSO A PRIVACY
RELEVANT QUESTION SUCH AS WOULD
YOU LIKE TO JOIN A MAILING LIST.
SO IN OTHER WORDS WE REDIRECT
ATTENTION AND THESE ALREADY
REDUCES THE EFFECT OF THE
NOTICE.
I'M NOT MAKING ARGUMENT ABOUT
TRANSPARENCY AND CONTROL.
ESPECIALLY CONTROL IS IMPORTANT
I'M MAKING AN ARGUMENT AGAINST
CONTROL USE ALONE, DISJOINTED
FROM THE OCD, FIP.
THE PRIVACY PRINCIPLES TOLD US
IMPORTANT THINGS SUCH AS
SPECIFICATION, LIMITATION,
OPENNESS, ACCOUNTABILITY.
WE FOUND THOSE ADDITIONAL
PRINCIPLES.
THE NOTICE OF CONTROL BECOME SO
ALMOST MEANINGLESS.
THEY BECOME WEAK BECAUSE WE KNOW
FROM OTHER RESEARCH THAT THE

FULL SETTINGS, FRAMES ARE SO
MUCH MORE POWERFUL IN E
FEBRUARYING HOW PEOPLE BEHAVE.
IN THE WORST CASE THEY BECOME
EXAMPLE WHAT IN SOCIAL SCIENCE
IN POLITICAL SCIENCE NOW IS
STARTED TO BE CALLED A PROCESS
OF RESPONSIBILITYIZATION WHICH
IS A TERRIBLE TERM FOR A PROCESS
OF PUSHING RESPONSIBILITY ON
OTHER PEOPLE FOR A PROBLEM THAT
YOU HAVE HERE.
THANKS.
[APPLAUSE]
>> SO AS A FOLLOW UP AND I WANT
EACH OF THE OTHER FOUR PANELISTS
TO RESPOND, LET'S BRING THE
FOCUS BACK THEN TO COMPREHENSIVE
DATA COLLECTION.
I THINK NEITHER ALESSANDRO NOR
LORRIE PERPOURED TO DO RESEARCH
ON THAT TOPIC.
AND SO I DON'T WANT TO PUT THE
CART BEFORE THE HORSE WHEN IT
COMES TO NOTICE.
IS NOTICE EVEN THE PROPER
QUESTION WE SHOULD BE ASKING.
THE FTC OBVIOUSLY IN IT'S REPORT
FOR A DECADE HAS PUT A LOT OF
FOCUS ON NOTICE AND MEANINGFUL
CHOICE.
TO GIVE TEETH TO THIS, I MEAN
LET'S TALK ABOUT SPECIFIC
EXAMPLES.
SO PICK YOUR FAVORITE TOPIC
WE'VE TALKED ABOUT.
IT COULD BE DPI, IT COULD BE THE
BROAD SPREAD OF VA, IT COULD BE
SPECULATIVE THAT DOESN'T HAPPEN
LIKE OPERATING SYSTEM OR THE
BROWSER.
NOTICE THE ANSWER.
SHOULD WE TURN TO MORE AND
MEANINGFUL NOTICE AS THE WAY TO
KIND OF REMEDY THE PRIVACY RISKS
VERSUS THE [INDISCERNIBLE]

LORRIE, YOU FIRST.
>> WELL I THINK NOTICE BY ITSELF IS CLEARLY NOT THE ANSWER.
BUT I THINK NOTICE CAN BE PART OF AN ANSWER.
BUT I THINK AT THE VERY MINIMAL THE NOTICE HAS TO GO HAND IN HAS NOT WITH A REALLY MEANINGFUL CHOICE, AND I THINK THERE ALSO NEEDS TO BE A BACK STOP SO THAT YOU CAN'T DO THINGS THAT ARE JUST REALLY UNCONSCIONABLE AND SAY OH I GAVE YOU NOTICE, DID YOU READ IT.
SO I THINK THAT THAT IS IMPORTANT.
AND I THINK IN ADDITION TO THE RESEARCH, WE'VE ALSO DONE HAD THAT THE TIMING OF THE NOTICE IS REASONABLE.
YOU SHOW NOTICE AND PEOPLE ACT ON IT AND OTHER POINTS WHERE NOBODY'S PAYING ATTENTION.
CLEARLY ALSO THE FORMAT AND HOW WELL YOU COMMUNICATE WITH THE NOTICE.
AND THEN ALSO I THINK A BIG PROBLEM IN COMPREHENSIVE DATA COLLECTION IS THAT THE DATA COLLECTION IS HAPPENING ALL OVER THE PLACE AND ALL THE TIME.
I DON'T THINK WE WANT NOTICES ALL OVER THE PLACE AND ALL THE TIME.
AND SO IF NOTICE IS GOING TO BE PART OF THE SOLUTION, WE NEED TO FIND A WAY OF GIVING NOTICE THAT'S TIMELY AND RELEVANT BUT NOT ALL THE TIME OR WE'RE ALL GOING TO IGNORE IT.
>> STU YOU STOLE THE VIRTUES OF ICON PROBLEM.
YOU DECIDED NOTICE ISN'T IMPORTANT.
>> SEVERAL YEARS AGO WE WERE TOLD WE NEEDED TRAPS PARENCY ALL

THE TIME AND WE'VE DELIVERED
THAT IN A UBIQUITOUS WAYS.
WE'RE SEEING GOOD RESULTS,
TRILLIONS OF ICONS SERVED AND WE
GOT INTO I THINK IT'S ALMOST TWO
MILLION OPT OUTS, 20 MILLION
PEOPLE.
I'M NOT SURE OF THESE NUMBERS
BUT UNIQUE USERS HAVE GONE TO
THE CHOICE PAGE AND MOST OF THEM
ACTUALLY SPEND TIME THERE,
DECIDE NOT TO EXERCISE THE
CHOICE.
MAYBE IT'S ACTUALLY ALONG YOUR
THEORY WHICH IS THEY SEE A
REPUTABLE PROGRAM AND THIS IS
GOOD, THESE ARE REPUTABLE BRANDS
OF CLEARLY A LOT OF
RESPONSIBILITY GOES INTO THE
PROGRAM.
AS FAR AS YOU KNOW TO ANSWER THE
QUESTION IS TRANSPERIENCE SEE
ENOUGH.
WHEN WE DID THE DAA STANDARD AND
OF COURSE IT'S ALWAYS EVOLVING
WITH THAT RECOGNITION I THINK WE
ACTUALLY DID DRAW A LINE FOR
COMPREHENSIVE DATA COLLECTION
WHICH WAS DIFFERENT STANDARD
THAN WHAT WE HAD HAD FOR
TRADITIONAL KIND OF AD NETWORKS.
BUT WE WERE TECHNOLOGICALLY
NEUTRAL, RIGHT.
SO WHETHER YOU WERE A
TRADITIONAL ISP OR YOU WERE A
BROWSER OR YOU WERE A PLUG-IN,
IN YOU WERE GETTING THAT LEVEL
OF COMPREHENSIVE DATA, WE HELD
THINGS TO A HIGHER STANDARD.
BUT I THINK WHAT YOU REALLY WANT
IS A NOTICE THAT PEOPLE SEE SO
THEY CAN GET TO WHATEVER CHOICE
IT IS THAT YOU CAN, THAT IT'S
OFFERED.
IN OUR STANDARDS, WE HAD AGREED
THAT GEEZ WE NEED TO PULL

PRIVACY OUTSIDE OF A NOTICE.
WE NEED TO PULL THAT TRANSPARENCY OUTSIDE OF A NOTICE.
WE DID THAT FOR AD NETWORK AND THOSE DISPLAYS AND WHERE YOU SEE IT EVERYWHERE.
WITH TRADITIONAL ISP'S OR EVEN PLUG-MS. AND OTHERWISE THERE WASN'T THE SAME ABILITY TECHNOLOGICALLY TO DO THAT.
SO WE HAD A SCENARIO WHERE INSTEAD OF GOING TO GET THAT UNIFORM CHOICE THAT'S NOW AVAILABLE, THERE WAS NO TRANSPARENCY TO SHOW HOW YOU COULD EVEN GET THERE.
THE STANDARD WE COALESCED AROUND WAS A LITTLE BIT OF HEIGHTENED STANDARD FROM ENHANCED NOTICE WHICH IS A CONSENT BUT IT WASN'T EXPRESSED INFORMATIVE OR OPT-IN CONSENT.
IT WAS A DEFINED TELLER WHICH WAS A FLAVOR HIGHER.
WHETHER THAT'S ULTIMATELY WHERE THE WORLD SHOULD GO OVER TIME WE DON'T KNOW.
WE'RE SEEING ALL KINDS OF GREAT CONCEPTS DISCUSSED WHERE PEOPLE THAT TRADITIONALLY PROVIDE DIFFERENT SERVICES REALLY CAN ADD LOTS OF VALUE TO ENRICH ALL OF OUR LIVES.
>> SO CHRIS, I THINK A LOT OF STU'S ANSWERS CIRCULATED AROUND THE FOLLOW UP I WAS GOING TO ASK YOU WHICH IS DOES IT REALLY DEPEND ON THE TYPE OF ISP OR SORRY PROVIDER THAT WE'RE TALKING ABOUT IN TIME ALL DAY LONG I THINK EVERY SPEAKER THAT'S SPOKEN HAS SAID WE SHOULD BE TECH NEUTRAL AND IT SHOULD NOT BE IN THE TECHNOLOGY AT ALL.
WHAT'S YOUR TAKE ON DIFFERENT

FORMS OF COMPREHENSIVE DATA COLLECTION AND THE NEED FOR TRANSPARENCY AND NOTICE, THE POSSIBILITY FOR TRANSMARION SEE AND NOTICE DE-- TRANSPARENCY AND NOTICE DEPENDING ON THE TIME.
>> TECHNOLOGY CHANGE SO FAST.
I HAVE TO SAY THAT I THINK TRANSPARENCY OR THE LACK THEIR, AND I WILL SAY I THINK IT'S FAILED UP TO THIS POINT AND NOT THROUGH LACK OF TRYING BY A LOT OF PEOPLE OVER A LONG PERIOD OF TIME.
BUT I DON'T THINK TRANSPARENT E OF ITSELF HAS WORKED VERY WELL.
I THINK OFFER A THEORY AS TO WHY THAT IS THAT WILL PROBABLY BE DISPUTED BY OTHERS ON THIS PANEL.
AND THAT IS PEOPLE DO NOT, WILL NOT LEARN ABOUT THINGS, WILL NOT ACTUALLY ENGAGE IN A PROCESS OF YOU KNOW TRYING TO LEARN ABOUT HINGES AND GET MORE TRANSPARENCY UNLESS THERE ARE OTHER RIGHTS THAT THEY CAN EXERCISE AS A RESULT.
AND UNLESS IT'S MEANINGFUL.
AND SO WHAT I MEAN BY THAT IS I AM NOT GOING TO BOTHER TO LEARN ABOUT A SYSTEM IF IT'S A TAKE IT OR LEAVE IT CHOICE.
I AM NOT GOING TO BOTHER TO LEARN ABOUT A SYSTEM IF I REALIZE THIS IS A SYSTEM RUN BY THE PEOPLE WHO ARE ACTUALLY DOING THE TRACKING, SO I DON'T TRUST THIS SYSTEM, AND SO I'M NOT GOING TO BOTHER TO DO THIS BECAUSE IT'S VERY CUMBERSOME.
IT'S A POSITION NOT SHARED BY EVERYBODY BUT I BELIEVE UNTIL WE PROVIDE AN ADDITIONAL MEANINGFUL PARCEL OF RIGHTS AND I BELIEVE THAT HAS TO COME LEGISLATIVELY.

I DON'T BELIEVE SELF REGULATION
CAN DO THAT.
THOSE RIGHTS NEED TO BE IMPOSED
BY LEGISLATION.
ONCE THAT HAPPENS, CONSUMERS CAN
ACTUALLY LEARN ABOUT THEIR
CHOICES AND MAKE PHENOINGFUL
CHOICES AND THEN I THINK
TRANSPARENCY WILL HAVE A VERY
IMPORTANT ROLE TO PLAY IN HOW
THOUGH RIGHTS ARE EXERCISED ON
EVERYTHING YOU SAID ON
TRANSPARENCY AND NOTICE I WANT
TO ADD ONE THING WHICH IS
CHANGE.
A COMPANY LIKE MICROSOFT WILL
HAVE PRACTICES ON DAY ONE,
DIFFERENT PRAFERS A YEAR LATER.
WHAT DO YOU FEEL ABOUT WITH
PARTICULARLY COMPREHENSIVE DATA
COLLECTION, HOW DOES THAT AFFECT
YOUR CHOICES AT THE TIME OF
CHANGE WHEN YOU DECIDE YOU WANT
TO EMBRACE MORE COLLECTION THAN
YOU HAVE IN THE PAST.
THAT IS OUR HEIGHTENED NOTICE OR
HEIGHTENED OBLIGATIONS, OR DUE
DILIGENCE ON YOUR PART.
WHAT HAPPENS.
>> I THINK THERE ARE BUT I WOULD
PREFACE THAT BY SAYING WHAT I
THINK OTHER PEOPLE HAVE SAID IS
THAT TRANSPARENCY CHOICE IS ONE
VERY DIFFICULT TO DO
EFFECTIVELY.
PEOPLE CRITICIZE THE ICONS
BECAUSE THEY'RE UBIQUITOUS AND
THEREFORE EVERYBODY SEES THEM
AND YOU IGNORE THEM.
PEOPLE CRITICIZE PRIVACY
STATEMENTS BECAUSE THEY'RE TOO
LONG AND MICHELLE OBAMA CAN
SPEND THAT AMOUNT ONLY TIME TO
READ ALL THE PRIVACY STATEMENTS
THEY ENCOUNTER.
YOU KNOW, THERE'S LOTS OF WAYS

TO PROVIDE TRANSPARENCY.
TRANSPARENCY IS CRITICAL.
I ACTUALLY WILL DEFEND BOTH OF THOSE APPROACHES AND OTHERS.
I THINK YOU NEED TO APPROACH TRANSPARENCY IN MULTIPLE WAYS.
I THINK THE LONG PRIVACY STATEMENTS ARE IMPORTANT.
WHEN I ASK PEOPLE TO SAY THEY SHOULD BE SHORT AND SIMPLIFIED I ASKED WHICH FACTS AM I CURRENTLY TELLING CONSUMERS WOULD YOU LIKE ME TO NOT TELL THEM.
AND PEOPLE CAN'T POINT TO ANYTHING.
EVEN THOUGH CONSUMERS DON'T READ THEM, FOCUS LIKE THE ACLU DO, JOURNALISTS DO, ACADEMICS DO AND IT PRIZE SOME LEVEL OF ACCOUNTABILITY FOR THE WATCH DOGS TO HAVE THAT FULL COMPLETE INFORMATION OUT THERE.
THE FTC DOES, I WILL ATTEST TO THAT.
[LAUGHTER]
>> RIGHT.
YOU ASKED ABOUT CHANGE.
SO WHEN PRACTICES CHANGE.
FIRST OF ALL NOT ALL CHANGES ARE BAD ARE RIGHT.
WE TALK ABOUT IN THIS ERA OF BIG DATA THAT SO OF THE REALLY BENEFICIAL USES OF DATA, YOU DIDN'T ANTICIPATE WHEN THAT DATA WAS COLLECTED.
YOU CAN DO SOME REALLY INTERESTING THINGS THAT ARE OF PUBLIC BENEFIT THAT ARE BENEFITS ECONOMICALLY THAT ARE BENEFITS TO END USERS.
AND SO CHANGE IS INEVITABLE.
IT'S PART AND PARCEL INNOVATION
[INDISCERNIBLE]
IF YOU HAVE COLLECTED DATA UNDER A PROMISE THAT WE WILL NOT DO X WITH DATA AND SUDDENLY YOU

DECIDE TO DO X, IN MY VIEW YOU
NEED TO GET CONSENT FOR THAT.
IF YOU WANT TO CHANGE THE
PROGRAM GOING FORWARD AND SAY
FROM THIS DAY FORWARD, THIS
PRODUCT IS GOING TO WORK THIS
KAY AND X IS NOW PART OF IT.
YOU NEED TO GIVE A VERY PROM
NUMBER NOTICE TO CURRENT USERS
THAT THEY ARE AWARE OF THAT.
YOU CAN'T TRICK PEOPLE.
THAT'S CLASSIC SECTION 5
DECEPTION IF YOU GO ABOUT IT THE
OTHER WAY.
>> YOU'RE BUILDING OFF MIKE'S
COMMENTS AND SOME OF THE OTHER
PANELISTS COMMENTS ABOUT HOW
NOTICE IS TOUGH IN THIS AREA.
ARE THERE OTHER PRINCIPLES THAT
CAN HELP FACILITATE TRANSPARENCY
SUCH AS CONSUMER ACCESS TO DATA?
IS THERE A MEANS BY WHICH
CONSUMERS SHOULD BE ABLE TO SEE
THE INFORMATION THAT IS BEING
COLLECTED ABOUT THEM?
>> AND WE'RE OF COURSE TALKING
ABOUT OTHER FAIR INFORMATION
PRACTICES.
I MEAN ARE THERE OTHER THINGS ON
THAT PARTICULAR MENU THAT MIGHT
WILL IN SOME OF THE VOID.
>> I THINK THERE IS.
I CALL THEM ACTUALLY
PROHIBITIONS.
I THINK THEY'RE THE TYPE OF
THINGS ALESSANDRO WAS REFERRING
TO AS THE HARM DOWN THE ROAD.
AND I THINK IT ACTUALLY BACK TO
YOUR STUDY, I THINK THAT ICONS
AND OTHER SYMBOLS THAT GIVE
PEOPLE CONFIDENCE THAT ARE
DESIGNED TO GIVE PEOPLE
CONFIDENCE FOR RESPONSIBLE
PRACTICES ARE REINFORCED BE IT
THROUGH LAW OR OTHERWISE.
IF YOU REALLY IDENTIFY THE HARM

DOWN THE ROAD WE'RE TALKING ABOUT.
IN THE DAA CONTEXT WE SAID JUST A FLAT OUT PROHIBITION NOT EVEN WITH THE CONTENT.
CAN'T USE DATA FOR HEALTHCARE TREATMENT, FOR INSURANCE, FOR FINANCIAL DECISION-MAKING FOR EMPLOYMENT.
AND THERE PROBABLY ARE OTHERS THAT SHOULD BE ADDED AND WE PROBABLY OVER TIME WILL ADD TO THAT LIST.
BUT I THINK THAT, IF YOU REALLY TAKE OFF SOME OF THOSE HARMS DOWN THE ROAD, WE'RE ALL IN A BETTER PLACE.
>> IF I CANNING OWE THAT BECAUSE OF COURSE THAT'S A HUNDRED PERCENT TRUE.
I THINK ANY TIME WE CAN TAKE, WE CAN CAN FIFTH CONSUMERS ANOTHER MECHANISM TO DEAL WITH HARMS THEY SUFFERED, WE'RE IN A BETTER PLACE AS A SOCIETY.
THESE ARE VERY HARD HARMS HOWEVER TO PUT YOUR FINGER ON SOMETIMES.
I DIFFICULT TO KNOW WHETHER YOU GOT DIFFERENT INSURANCE RATE THAN SOMEONE ELSE FOR EXAMPLE.
AND SO TO SAY THAT WE CAN DEAL WITH THE HARMS PERFECTLY I THINK IGNORES THE FACT THAT THE FTC CERTAINLY, MAYBE YOU DO HAVE THE STAFF TO DEAL WITH ALL THOSE POSSIBLE HARMS BUT I SUSPECT NOT.
SO THERE HAS TO BE OTHER INTERMEDIATE RIGHTS THAT ACCRUE.
I MEAN ONE THAT I LIKE IS THE DUPE TRACK MECHANISM.
SOMETHING THAT'S ROBUST ENOUGH THAT IF I'M AS A CIVIL LIBERTARIAN AND SOMEBODY WHO CARES ABOUT THE FIRST AMENDMENT,

I CAN HIT A BUTTON AND KNOW THAT
I CAN RESEARCH A SENSITIVE TOPIC
OR I CAN RESEARCH RADICAL ISLAM
WITHOUT WORRYING THAT THAT'S
GOING TO PUT ME ON A TERRORIST
WATCH LIST.
>> BUT OF COURSE LEGISLATIVING
THAT MAY BE HARD.
>> STUART OR LORRIE.
>> ONE OF THE OCD PRINCIPLE WAS
ACCOUNTABILITY.
AND WE HAVE HAD THESE PROBLEMS
DEPENDING DEPENDING ON THE SIDE
YOU'RE IN BUT COMPANIES HAVE
VIOLATED THEIR OWN PRIVACY
POLICIES OR REGULATION.
IN ABSENCE OF ACTUAL PROVEABLE
ARM ACTUALLY NOT BEING
CONSIDERED LIABLE.
SO WE ARE RELYING ON A MODEL
WHERE YOU HAVE TO PROVE ACTUAL
COSTS THAT TO ME WE'RE, THE
PROBLEM OF PRIVACY'S GOING IS
THAT IT'S LESS ABOUT A COST AND
MORE ABOUT SURPLUS FROM THE DATA
SUBJECT TO THE DATA OLDER.
IT'S NOT IDENTITY THEFT OR MAY
BE IDENTITY THEFT BECAUSE WE
WILL GET BETTER AND BETTER MAYBE
FROM PROTECTING OURSELVES.
IT'S MORE ABOUT THE PRICE
DISCRIMINATION SO THAT YOU ARE
PAYING FOR A GOOD $.05 MORE THAN
THE NEXT PERSON.
AND AS CHRIS WAS MENTIONING, YOU
DO NOT GIVE ENOUGH.
IN A FIELD THAT CURRENTLY WE ARE
INCAPABLE TO CONSIDER, WHAT WE
CONSIDER PRIVACY HARM BECAUSE
UNLESS THERE IS SOME PROVEABLE
CAUSE, SOME PROVEABLE DAMAGE,
THERE IS A CAUSE FOR ACTION.
>> IF I COULD JUST PUSH BACK ON
THAT A LITTLE BIT BECAUSE I'M
SURE THIS ISN'T MY USUAL MODE
BUT I'M SURE THERE ARE

ECONOMISTS IN THE AUDIENCE
SAYING WAIT, ARE YOU SAYING THAT
ALL PRICE DISCRIMINATION EQUALS
HARM?
OR EQUALS PRIVACY HARM?
BECAUSE YOU KNOW ON THE EARLIER
PANEL THERE WAS A CONVERSATION
ABOUT PRICE DISCRIMINATION BUT
IT'S THE GOOD KIND OF
DISCRIMINATION NOT THE BAD KIND
OF CONVERSATION.
>> WHAT ABOUT --
>> I WANT TO HEAR ALESSANDRO
ELABORATE A LITTLE BIT MORE.
>> SO THERE ARE THREE DEGREES OF
PRICE DISCRIMINATION.
FIRST, SECOND AND THIRD.
AND THE FUNNY THINGS THAT WHEN
WE START HAVING THESE DEBATES OF
PRICE DISCRIMINATION, ONE-SIDED
ARGUMENT IS TALKING ABOUT THE
SECOND OR THIRD DEGREE.
AND THE OTHER PART OF THE
ARGUMENT IS TALKING ABOUT THE
FIRST DEGREE.
THE FIRST DEGREE IS WHEN EACH
CONSUMER HAS A CERTAIN TYPE
PREFERENCE HAS TO PAY FOR A GOOD
AND IN THE EXTREME CASE OF
[INDISCERNIBLE] IS CHARGED A
PRICE EXACTLY AT THE LEVEL OF
THE RESERVATION PRICE.
THAT IS PRICE EFFICIENT ONLY
THAT ALL THE [INDISCERNIBLE]
GOES FROM THE SUBJECT TO OLDER
[INDISCERNIBLE] THE ARGUMENT
INSTEAD AN ECONOMIST COULD MAKE
IN DEFENSE OF PROIS
DISCRIMINATION IS OFTEN FOR
SECOND OR THIRD DEGREE.
WHEN YOU SAY WELL WE ALLOW
PEOPLE TO SAY VERY LITTLE FOR AN
ECONOMY SEAT ON A FLIGHT BECAUSE
WE ARE MAKING THE PROFESSIONALS
WHO GO BUSINESS PAY VERY MUCH.
AND THEREFORE IN A WAY THE

PROFESSIONAL ARE SUBSIDIZING THE LOW PRICE FOR THE COACH SEAT.
BUT THEY ARE TWO DIFFERENT KINDS OF PRICE DISCRIMINATION.
WHAT IS HAPPENING WITH TRACKING IS WE SEE MORE AND MORE FIRST DEGREE PRICE DISCRIMINATION BECAUSE SECOND DEGREE AND THIRD DEGREE CAN BE DONE FOR SELF SELECTION, SELF DEGREE OR FOR SHOWING MEMBERSHIP IN A CERTAIN GROUP, ELDERLY, YOUNG, MILITARY.
WE FOUND IDENTIFICATION CASE ON THIS TRACKING BUT PRICING IS ABOUT FIRST DEGREE DISCRIMINATION.
>> I WILL FOLLOW UP ON A FEW POINTS.
SO I ACTUALLY AGREE WITH STUART ABOUT SOMETHING AMAZING, RIGHT.
ON THE NEED TO HAVE LIMITATIONS OF CERTAIN TYPES OF USES AND I THINK IT'S GREAT THAT THE INDUSTRY GUIDELINES THAT SAY HEY THERE ARE CERTAIN THINGS YOU'RE NOT ALLOWED TO DO WITH THE DATA.
I THINK THAT'S REALLY GOOD.
I'M STILL CONCERNED THAT IT'S STILL, IT'S STILL JUST A GUIDELINE AND THERE MAY BE SOME COMPANIES THAT ARE NOT DOING WHAT THE INDUSTRY TELLS THEM THAT THEY SHOULD BE DOING.
AND A LOT OF THESE GUIDELINES HAVE NOT BEEN VERY WELL ENFORCED AND IN MANY CASES NOT ENFORCED AT ALL LEGALLY AND IT'S NICE TO HAVE LEGAL WEIGHT BEHIND THESE THINGS AND NOT RELY ON SELF REGULATORY GUIDELINES.
I ALSO WANTED TO PICK UP CHRIS MENTIONED ANOTHER SORT OF ALTERNATIVE TO A NOTICE.
INSTEAD OF MAKING CONSUMERS LOOK AT NOTICES ALL THE TIME SET UP YOUR BROWSER WITH PREFERENCES

AND LET IT ACT AUTOMATICALLY.
THAT'S A NICE IDEA.
THERE'S A WHOLE CONVERSATION ABOUT THE TRACK I DON'T WANT TO GET INTO RIGHT NOW.
I THINK ONE PARTICULAR ASPECT OF IT WAS THAT WAS VERY SIMPLE.
I THINK IN THE FUTURE THIS COMPREHENSIVE DATA COLLECTION IS NOT GOING TO TAKE PLACE JUST WITH USERS SITTING IN FRONT OF A COMPUTER.
IT WILL BE TAKING PLACE AS WE WALK AROUND THE WORLD EVERYWHERE.
IT'S NOT NECESSARY ME YOU'RE GOING TO OWN LIKE ONE COMPUTER AND ONE BROWSER AND YOU CAN PRESS THE BUTTON AND IT MAY BEE THAT BILLBOARDS THAT YOU PASS AND YOUR SHOPPING CHART AND ALL THESE DEVICES YOU INTERACT WITH WILL BE TRACKING YOU IN ALL SORTS OF PLACES AND ALL SORTS OF DIFFERENT DATA.
AND I THINK --
>> SOUNDS AWESOME.
[LAUGHTER]
>> I THINK WE NEED TO THINK IN TERMS OF HOW USERS CAN BASICALLY HAVE AGENTS THAT PERHAPS REPRESENTS THEM IN THE WORLD AND CAN DEAL WITH ALL OF THESE NOTICES THAT THEY'RE GOING TO BE BOMBARDED WITH ALL THE TIME.
>> I WANTED TO RESPOND TO THE INITIAL QUESTION WHETHER OR NOT WE NEED A BROADER RANGE OF FAIR INFORMATION PRACTICES.
AND I THINK MANY PEOPLE HAD ALREADY SAID YES AND I JUST WANTED TO ADD MY VOICE TO THAT.
I THINK THAT IN THE SCENARIOS THAT LORRIE HAS MENTIONED WHERE THERE'S MORE AND MORE UBIQUITOUS TRACKING OR DATA COLLECTION

THROUGH MORE AND MORE VEHICLES,
WHETHER IT'S SENSORS OR VARIOUS
TYPES OF DATA COLLECTION IN
SHOPPING MALLS AND ON-LINE AND
OFF LINE AND ALL OF THAT.
I THINK WE'RE GOING TO GET TO
THE POINT WHERE, I THINK WE'RE
PROBABLY AT THE POINT WHERE YOU
CAN'T HAVE A NOTICE FOR
EVERYONE.
I'M NOT GOING TO STOP MY CAR ON
THE BRIDGE [INDISCERNIBLE]
AND SO WE NEED TO THINK ABOUT A
BROADER RANGE OF PREFERENCES,
INCLUDING THE TRADITIONAL ONES
THAT GO BACK YEARS AND YEARS.
COLLECTION LIMITATION.
YOU SHOULDN'T COLLECT MORE DATA
THAN YOU REASONABLY NEED TO
ACCOMPLISH THE PURPOSE FOR WHICH
YOU'RE COLLECTING IT.
DATA RETENTION LIMITATIONS.
THINKING ABOUT WAYS TO MINIMIZE
THE PRIVATE SEE IMPACT FROM THE
BEGINNING THROUGH AWE
NUMBIZATION.
MALL AND OTHERS HAVE WRITTEN
ABOUT THAT'S NOT A PERFECT
SOLUTION EITHER BUT YOU NEED TO
THINK ABOUT ALL OF THESE THINGS
AS PART OF THE TOOLKIT, RIGHT.
AND YOU NEED TO THINK ABOUT USE.
WE'RE NOT GOING TO STOP DATA
COLLECTION.
IT'S GOING TO HAPPEN AND THERE'S
GOING TO BE MORE AND MORE GOING
FORWARD BUT WHEN YOU THINK ABOUT
LIMITATIONS ON USE AND I THINK
CONTEXT IS PART OF THAT AS MANY
PEOPLE HAVE SAID.
SOME USES ARE JUST SO OBNOXIOUS
WE SHOULD [INDISCERNIBLE]
>> THANK.
I WANT TO MOVE INTO A MORE
FOCUSED DISCUSSION ON CHOICE AND
CONTEXT AS YOU MENTIONED, MIKE.

IN OUR PRIVACY REPORT AS HAS BEEN DISCUSSED NUMEROUS TIMES TODAY, WE THE FTC INCLUDED A DISCUSSION THAT COMPANIES DON'T NEED TO PROVIDE CHOICE BEFORE COLLECTING AND USING CONSUMER DATA FOR PRACTICES THAT ARE CONSISTENT WITH THE CONTEXT, THE TRANSACTION OR THE COMPANY'S RELATIONSHIP WITH THE CONSUMER.
THIS BECOMES PARTICULARLY COMPLICATED IN THE AREA OF COMPREHENSIVE DATA COLLECTION BECAUSE AS COMMISSIONER [INDISCERNIBLE] TALKED ABOUT EARLIER TODAY IN HER OPENING REMARKS THAT A LOT OF THIS COLLECTION IS HAPPENING IN THE BACKGROUND RUNNING BEHIND THE SCENES.
SO THERE MIGHT NOT BE A ONE A ONE RELATIONSHIP WITH THE CONSUMER.
SO I'D LIKE THE PANEL TO TALK A LITTLE BIT ABOUT HOW THE PRINCIPLE OUTLINED IN OUR REPORT APPLIES TO THE COMPREHENSIVE COLLECTION DATA MODEL OR DOES IT.
>> I'LL TAKE THE FIRST SHOT AT IT.
MY SENSE IS I THINK THAT [INDISCERNIBLE] PEOPLE MAY HAVE A DIFFERENT VIEW BUT I THINK THAT'S REALLY A USE PRINCIPLE, PERMITTING USE PRINCIPLE FROM THE OTHER [INDISCERNIBLE]
I THINK WE'RE LAYING OUT CHOICE AND I DON'T WANT TO DIGRESS AND DO NOT TRACK EITHER BUT I THINK THERE'S A SIMPLICITY OF CHOICE WHERE YOU CAN HAVE ONE BUTTON THAT CAPTURES A WHOLE PRODUCT OF SERVICES.
HE THINK THE COMPONENTS OF THAT TYPE OF SOLUTION AND DO NOT

TRACK FAVOR THAT.
THERE'S ALSO MUCH MORE GRANULAR CHOICES YOU CAN LOOK AT SOME OF THE SETTINGS BY [INDISCERNIBLE] WHERE YOU CAN CHOOSE HOW, WHAT THE INFERENCE IS ABOUT YOUR [INDISCERNIBLE] AND KIND OF HAVE SOME OF THE FLEXIBILITY.
IN THE DAA PROGRAM WE FOR MANY YEARS IN THE FTC STAFF AS WE WORKED ON IT ALWAYS SAID DO IT ONE AT A TIME.
ULTIMATELY THERE WAS A REGULAR ANYTHING.
IT WAS THE SAME EXACT PRACTICE NOT DRIVING THROUGH A TOLL BOOTH IN THE SAME PRACTICE BY A COMPANY MANY PEOPLE HEARD IT.
YOU SHOULD ALLOW BOTH.
YOU PICK THE COMPANY AT THE TIME.
IF YOU SAW A BRAND NAME ON THERE YOU LIKE YOU CAN CHECK IT.
THERE'S ONE BUTTON WHERE THE CONSUMER CAN GO NOW CHRIS AND DO YOUR FIRST AMED RESEARCH WITH ONE BUTTON AND IT WORKS TODAY FOR ANYONE WHO HAS THAT CONCERN AND IT'S WORKING INTO THE MILLIONS OF PEOPLE.
SO TO ME YOU CAN HAVE, YOU HAVE PERMITTED USES, YOU HAVE PROHIBITED.
AND THEN IN BETWEEN YOU HAVE TO HAVE FLAVORS.
>> I WANT, I WOULD LOVE TO ASK A FOLLOW UP BECAUSE YOU STARTED MAKING IT SOUND LIKE YOU WERE SAYING THE ONE STOP SHOP NATURE OF DO NOT TRACK IS NOT SUFFICIENT AND THEN YOU ENDED IT TOUTING THE BENEFITS OF THE ONE STOP SHOPPING IN THE OPT OUT.
THE DIFFERENCE IN DEGREE.
>> RIGHT THE LET ME CLARIFY A LITTLE BIT.

I THINK IT IS SUFFICIENT ONE
STOP SHOP.
I THINK YOU HAVE TO HAVE FLAVORS
BUT IT'S ONE STOP SHOP IN WHAT
SECTOR, RIGHT.
SO I DON'T THINK ONE STOP SHOP
FOR CLICK STREAM DATA SHOULD
ALSO APPLY TO WHETHER YOU DID A
CATALOG AT HOME OR WHETHER YOUR
TOLL BOOTH IS CHECKING YOUR
METER.
THOSE ARE DIFFERENT THINGS,
RIGHT.
AND SO I DON'T THINK WE'RE
BENEFITING TODAY BY JUST SAYING
LET'S HAVE A PARANOIA BUTTON,
THE ONE BUTTON, THAT'S NOT
MOVING THINGS FORWARD.
IT'S LIKE WE HAVE TO FIGURE OUT
WHERE THE AREAS, WHERE ARE
THINGS SO SIMILAR THAT IT MAKES
SENSE.
WHERE ARE AREAS THAT ARE
DIFFERENT THAT YOU NEED
DIFFERENT FLAVORS.
>> LET ME JUST GET OTHER PEOPLE
INVOLVED CONSISTENT WITH THE
CONTEXT CONVERSATION.
THAT'S WHY FTC -- HERE'S MY
OTHER HAT.
THE PRIVACY REPORT WHICH I THINK
ACTUALLY IS A MASTERFUL JOB PUTS
A LOT OF WEIGHT ON THIS QUESTION
OF CONSISTENT WITH THE CONTEXT.
AND FRANKLY, MY INITIAL
INCLINATION IS EVERYONE THINKS
IT'S A GREAT IDEA.
WHEN EVERYONE THINKS IT'S A
GREAT IDEA I AGAIN TO SUSPECT
THEY ALL THINK IT MEANS
DIFFERENT THINGS.
WHAT'S CONSISTENT WITH THE
CONTEXT WHEN IT COMES TO
COMPREHENSIVE COLLECTION MEANS
TO YOU.
IF I CAN BE MORE PROVOCATIVE

BIT, IS CONSISTENT WITH THE
CONTEXT ADVERTISING SUPPORTED,
INTERNET SERVICE SUPERVISION IN
IS THAT CONSISTENT WITH THE
CONTEXT?
WELL OF COURSE WE'RE GOING TO
TURN DPI ON BECAUSE THAT'S HOW
WE'RE GOING TO GIVE YOU A BREAK
ON YOUR MONTHLY CABLE BILL.
IS THAT CONSISTENT WITH THE
CONTEXT OF CABLE PROVISION?
OR HOW DO WE DECIDE?
GIVE US ADVICE NOW THAT WE'VE
SAID THERE'S AN IMPORTANT PHRASE
GIVE US ADVICE ON HOW WE
INTERPRET THAT IMPORTANT PHRASE.
I'M A LAW PROFESSOR SO I'M
ALLOWED TO CALL ON YOU.
>> QUICKIE, I DON'T ACTUALLY
AGREE CONSISTENT WITH WITH A THE
CONTEXT.
I THINK YOUR FIRST QUESTION WAS
THERE WERE CERTAIN PERMITTED
USES SO I AGREE WITH THAT.
IT DEPENDS.
THERE'S SOMETIMES WHEN WE DERIVE
IMMINENCE SOCIETAL VALUE ON
FIGURING DATA PATTERNS OUT THAT
HAD NOTHING TO DO WITH WHY THE
DATA WAS COLLECTED THAT'S
USEFUL.
IF WE'RE GOING TO RESTRICT THAT
I THINK WE'RE GOING TO RESTRICT
SOME OF THE MAGIC IN THE WORLD
THAT WE'RE FIGURING OUT.
>> WE SHOULD JUST IGNORE THE
CONTEXT.
>> SOMETIMES IT WORKS BUT
SOMETIMES IT DOESN'T.
I DON'T THINK IT'S JUST AS CLEAN
AS A BRIGHT LINE.
>> I THINK CONSISTENT WITH THE
CONTEXT IS VERY BROAD, AND
PROBABLY TOO BROAD.
I THINK THAT THE ORIGINAL LIST
OF FIVE POINTS WAS MUCH MUCH

MORE NARROW.
AND I THINK THERE'S A NOTION OF KIND OF ABSOLUTELY REQUIRED FOR THE TRANSACTION THAT I'M DOING.
WHICH STILL CAN BE MISINTERPRETED OR INTERPRETED IN MULTIPLE WAYS.
BUT I THINK THE NOTION THAT WHEN I BUY A PRODUCT ON-LINE, CLEARLY YOU NEED MY INFORMATION SO YOU CAN BILL ME AND SO YOU CAN DELIVER IT TO MY HOUSE.
AND I THINK THERE'S PROBABLY PRETTY GOOD COME SENSES THAT THOSE ARE ESSENTIAL TO THE TRANSACTION.
AND THEN YOU SAY OKAY WHAT ABOUT SENDING ME A CATALOG SO I WOULD WANT TO BUY MORE THINGS.
I COULD SEE A MARKETER SAYING WELL YOU'RE OUR CUSTOMER AND YOU LIKE OUR PRODUCT SO PART OF THE TRANSACTION IS SENDING A NEW CATALOG.
I CAN SEE CONSUMERS SAYING NO THIS IS A ONE TIME THING.
THE CATALOG WASN'T PART OF THE DEAL SO THAT'S NOT PART OF THE TRANSACTION.
>> WHAT IF IT'S EVERYBODY WE'VE NOTICED A LOT OF PEOPLE BUYING DIME TAP OR SOME FLU MEDICATION AND WE'VE DISCERNED THAT WHEN THAT'S HAPPENING PEOPLE ACTUALLY BUY A LOT MORE ORANGE JUICE SO WE'RE RUNNING OUT ON THE ORANGE JUICE FROM GROCERY STORES.
SHOULD WE HAVE THAT DATA TO DELIVER ORANGE JUICE.
>> THAT'S A GOOD QUESTION.
I DON'T THINK THE FTC'S DEFINITION ALLOWS US TO ANSWER THAT.
SO I THINK WHAT THE GUIDANCE THAT THE FTC HAS GIVEN IS WAY TOO VAGUE FOR ANYBODY TO DO

ANYTHING WITH.
>> I DON'T THINK IT'S WAY TOO VAGUE TO DO ANYTHING WITH IT.
I THINK IT'S TOO VAGUE TO BE THE SOLE ANSWER TO DIFFERENT PRIVACY QUESTIONS.
>> THERE ARE LOTS OF OTHER ANNALS -- ANSWERS IN THE REPORT.
>> WHEN I GO BACK TO THE OFFICE AND GET MULTIPLE QUESTIONS A DAY ABOUT SHOULD WE DO THIS OR SHOULD WE DO THAT.
THAT CONTEXT AND CONSUMER EXPECTATIONS IS CERTAINLY A VERY BIG FACTOR THAT GOES INTO THOSE DECISIONS.
IT'S NOT THE ONLY FACTORS, THOUGH.
AND I THINK THAT WHEN I THINK ABOUT THAT CONCEPT, I THINK ABOUT IT QUITE BROADLY.
I THINK ABOUT IT IN TERMS OF DIFFERENT DEGREES.
WE CERTAINLY DON'T WANT TO DO ANYTHING THAT WHEN PEOPLE LEARN ABOUT IT, THEY'RE GOING TO BE FREAKED OUT OR SURPRISED IN A NEGATIVE WAY.
I DON'T THINK THE ORANGE JUICE EXAMPLE WOULD FREAK PEOPLE OUT OR SURPRISE THEM IN A NEGATIVE WAY.
I THINK THAT'S PROBABLY A GOOD USE AND THAT KIND OF USE CAN BE DONE BY THE WAY WITH IDENTIFIED DATA.
YOU DON'T NEED TO KNOW I BOUGHT DIME TAP AND THEREFORE I'M GOING TO BY ORANGE JUICE YOU JUST NEED TO KNOW A LOT OF PEOPLE BOUGHT DIME TAP.
WHEN YOU'RE MAKING PRODUCT DESIGN DECISIONS AND YOU'RE MAKING DECISIONS ABOUT ANY ACTIVITY THAT'S GOING TO IMPACT PRIVACY.

YOU NEED TO TAKE ACCOUNT THE CONTEXT, YOU NEED TO TAKE INTO ACCOUNTANT WHAT CONSUMER REACTION'S GOING TO BE TO IT AND THERE ARE MANY MANY THINGS YOU CAN DO TO IMPACT THAT.
WHETHER IT'S DONE IN AN IDENTIFIABLE OR IDENTIFIED WAY.
WHETHER IT'S DONE USING, YOU KNOW, WHETHER YOU HAVE GIVEN PEOPLE A CHOICE IN SOME CASES.
WHAT KIND OF NOTICE DO YOU GIVE THEM.
THERE ARE SO MANY THINGS TO GO INTO IT'S HARD TO BOIL IT DOWN.
>> IF I COULD, SOMETIMES I FEEL LIKE THE DEBATE IN THIS AREA OF BIG DATA GENERALLY TURNS INTO A MORE OF A BOY THIS DATA IS REALLY COOL AND WE CAN DO A LOT WITH IT.
AND THE WE IS NOT GENERALLY THE CONSUMER, IT'S GENERALLY SOMEONE WHO IS APRILING AND WANTED TO DO SOMETHING TO THE CONSUMER.
THE EXAMPLE THAT I THINK OF HERE I THINK THIS COMES FROM A "NEW YORK TIMES" STORY BECAUSE THEY LEARN A LOT ABOUT YOU AND THEY CAN TARGET YOU DIRECTLY.
AND THEY KNOW YOUR INCOME LEVEL FOR EXAMPLE.
THEY CAN LEARN WHETHER I CHRIS CALABRESE CAN BE ENTICED INTO A TARGET WITH A $10 OR $20 COUPON BECAUSE THEY KNOW HOW MUCH MONEY I'M MAKING.
IF I'M GETTING THE $1 COUPON I WILL NEVER HAVE THE CHANCE FOR $10 COUPON RIGHT BECAUSE THEY KNOW THEY DON'T NEED TO GIVE THAT TO ME.
NOW THAT TO ME IS PRICE DISCRIMINATION.
I BELIEVE IT'S ENORMOUSLY PROBLEMATIC BECAUSE I DO THINK

IT REALLY HARM THE CONSUMERS ESPECIALLY IF YOU MAKE LESS MONEY.
>> WHAT IF THE PERSON MAKE IS LEE MONEY GOT THE $10 COUPON.
>> BUT THEY DON'T.
>> THEY DO.
ACTUALLY THEY DO.
>> YOU'RE TELLING ME THAT TARGET'S GOING TO GIVE --
>> I'M NOT TALKING ABOUT TARGET, JUST GENERALLY.
>> WHY?
I MEAN IF I KNOW YOU MAKE $20,000 AND YOU'LL COME SHOP WITH IT --
>> BECAUSE IN MANY CASES THEY WANT TO MOVE VOLUME AND THEY KNOW THAT PEOPLE YOU MAY NOT REACH A PRICE POINT THAT SOMEONE WILL BUY.
IT'S THE SAME REASON YOU HAVE SALES.
IT'S THE SAME PRICES GET LOWERED GENERALLY.
OUR ECONOMIST TO SPEAK TO THIS.
RIGHT?
I MEAN WHY IS IT THAT CERTAIN CELL PHONES ARE SOLD AT LOWER PRICES.
IT'S BECAUSE AFTER THEY'RE STARTED AT HIGH PRICES IT'S BECAUSE MORE PEOPLE CAN COME IN AND BUY THEM.
>> I WILL BE HAPPY -- JUST IF I CAN FINISH ONE THOUGHT.
I DO BELIEVE WHEN YOU COLLECT INFORMATION, YOU DON'T OWN IT.
THE CONSUMER STILL OWNS THE INFORMATION WITHOUT ATTACHING PROPERTY LEGALISTIC CONCERNS TO IT AND YOU ARE A SHEPHERD OF THAT INFORMATION.
YOU SHOULD USE IT IN THE MINIMUM AMOUNT POSSIBLE.
YOU SHOULD ANONYMIZE IT AS MUCH

AS POSSIBLE.
YOU SHOULD KEEP IT AS LITTLE AS POSSIBLE.
AND YOU SHOULD ESSENTIALLY BE SERVING THE CONSUMER WHEN YOU ARE OWNING YOUR DATA.
SO TO THE HE CAN TENT DE--
EXTENT DECISIONS ARE MADE THAT DON'T DO THAT I BELIEVE YOU'RE WRONG.
I BELIEVE INFORMATION ASYMMETRY DOES NOT SERVE THE CONSUMER I THINK IT SERVE THE SELLER.
>> ON THE NOTION OF YOU SHOULD SERVE THE CONSUMER, I AGREE.
AND I AWE SO THINK YOUR BROADER POINT IS YES DATA COULD BE MISUSED.
I DON'T KNOW WHETHER YOUR EXAMPLE I THINK PEOPLE PROBABLY COME OUT IN DIFFERENT PLACES ON IT AND I THINK PART OF THE CHALLENGE IS JUST FIGURING OUT WHAT'S A MISUSE, WHAT'S A BENEFIT.
IT'S COMPLEX.
>> PROBABLY SHOULD LET THE CONSUMER FIGURE IT OUT.
>> I THINK ALESSANDRO'S BEEN WAITING TO COMMENT.
THEN I HAVE A QUESTION FROM THE AUDIENCE.
>> TWO COMMENTS.
ONE ABOUT THE PRICE DISCRIMINATION AGAIN.
TO ME IT SEEMS LIKE IT'S CLEAR AND PERHAPS INEVITABLE.
WE ARE TRACKING WILL BE USED MORE AND MORE JUST FOR ADVERTISING BUT THEY NEED IT FOR PRICE DISCRIMINATION.
THE TYPE OF PRICE DISCRIMINATION THAT WE WILL SEE INCREASINGLY IN THE MARKET PRICE ARE FIRST DEGREE PLIES DISCRIMINATION.
WHICH MEAN EACH CONSUMER HAS A

CERTAIN RESERVATION PRICE FOR A SPECIFIC GOOD AND WILL BECOME BETTER AND BETTER AT PINPOINTING THE BEST RESERVATION PRICE.
THE SECOND POINT IS A MORE ABOUT PAUL WHAT YOU'RE MENTIONING IN TERMS OF WHEN YOU HEAR EVERYONE AGREE ON THE TERM OF BEING CONCERNED.
YOU MADE ME THINK ABOUT THE KIPLING POEM, THERE'S THIS BEAUTIFUL LINE, IF YOU CAN KEEP YOUR HEAD WHEN ALL ABOUT YOU ARE LOSING THEIRS, YOU'RE A MAN MY SON.
I DON'T KNOW IF YOU EVER SEEN THE MURPHY'S LAW VERSION, WHICH IS IF YOU CAN KEEP YOUR HEAD WHEN ALL ABOUT YOU ARE LOSING THEIRS, IT MEANS YOU DIDN'T GET THE PROBLEM.
AND SO IT'S THE PRIVACY.
IF YOU BELIEVE THAT ONE TERM, ONE CONCEPT CAN ALL ALL THE CONFLICT PRIVACY PROBLEMS, MAYBE WE DIDN'T GET THE PROBLEM.
>> RIGHT, THANKS.
I'M GOING TO MOVE ON TO A QUESTION FROM THE AUDIENCE.
TALKING ABOUT THE FIRST VERSUS THIRD PARTY DISTINCTION.
IT'S BEEN TALKED QUITE A BIT IN THE LITERATURE.
DOES THAT HOLD UP WHEN APPLIED TO LARGE DIVERSIFIED SUCH AS GOOGLE WITH ITS AD NETWORK SEARCH TV ETCETERA.
DO CONSUMERS REALLY UNDERSTAND THIS?
AND HOW DOES THAT AFFECT THEIR UNDERSTANDING OF THEIR RELATIONSHIP WITH THE ENTITY?
>> YES.
I THINK CONSUMERS ARE FAIRLY CONFUSED ABOUT THIS POINT.
ONE OF THE THINGS THAT WE FOUND

IN OUR INTERVIEWS WITH CONSUMERS
IS WHEN WE TALKED TO THEM ABOUT
WHO WAS TRACKING THEM AND HOW,
THEY SAID WELL WHEN I GO TO
GOOGLE AND I'M ON THEIR SEARCH
ENGINE SITE AND I SEARCH FOR
SOMETHING, I UNDERSTAND THAT THE
ADS I'M GOING TO SEE ARE
DIRECTLY RELATED TO MY SEARCH.
I UNDERSTAND WHEN I GO TO
FACEBOOK AND TELL THEM MY AGE
AND JERNLD AND WHERE I LIVE THAT
THE ADS I SEE ARE GOING TO BE
RELATED TO THAT.
WHEN WE SAY WELL WHAT ABOUT ON
OTHER SITES.
HOW DO YOU THINK YOU GET GOOGLE
ADS OR GOOGLE ADS OR WHATEVER ON
OTHER SITES.
THEY HAD NO IDEA AND THEY HAD NO
CONCEPT TO THE ACTIVITIES THEY
DID ON ONE SITE WAS GOING TO
FOLLOW THEM AROUND TO OTHER
SITES.
AND THEY WEREN'T ASSOCIATING
GOOGLE ACTING AS A THIRD PARTY
ON THESE OTHER SITES.
>> I THINK MANY CONSUMERS DO
UNDERSTAND IT.
BUT TO THE EXTENT SOME DON'T, I
DON'T THINK IT'S NECESSARILY THE
RIGHT QUESTION.
I MEAN IT'S PART OF THE
QUESTION.
THE QUESTION IS DO CONSUMERS
BENEFIT FROM THAT SHARING OF
DATA.
IN MY LIFE AND WHAT I DO AS A
CONSUMER, CATEGORICALLY YES,
TREMENDOUS BENEFIT.
THAT'S WHY THERE'S THIS
CONTINUED OFFERING OF SERVICES.
AND THEN EVEN WITHIN ONE COMPANY
LIKE IF YOU LOOK AT THE DAA
STANDARD FOR EXAMPLE, THE EXTENT
DIFFERENT COMPANIES ARE ACTING

IN DIFFERENT CAPACITIES EITHER
AS A SERVICE PRIORITY, IF THEY
COMBINED THEM THEY WIND UP BEING
TREATED TO BE MORE RESTRICTIVE
STRARD.
IT'S NOT ALL THIS GEEZ IT'S JUST
BENEFITING THE COMPANIES IF YOU
FIND DATAS IN DIFFERENT CONTEXT.
THERE ARE FURTHER RESTRICTIONS.
>> LET ME ADD UP TO THAT.
I'M NOT GOING TO ARGUE THAT WHAT
YOU SAID IS INCORRECT.
I'M GOING TO ARGUE THAT WE
CANNOT REALLY KNOW WHETHER THE
STATEMENT IS CORRECT OR
INCORRECT.
WHAT I MEAN IS THE FOLLOWING.
YOU HAVE AN ADVERTISEMENT.
IS IN ECONOMIC TERMS ESSENTIALLY
REDUCTION OF A TRANSACTION COST.
YOU ARE ALREADY SPENDING 30
MINUTE LOOKING FOR A PRODUCT.
YOU HAVE THIS PRODUCT APPEARING
TO YOU WHICH MAGICALLY HAPPENS
TO MEET EXACTLY THE CRITERIA OF
SOMETHING YOU ARE LOOKING FOR AT
LEAST THIS IS WHAT WE BELIEVE.
THE COUNTERPART IS THAT WE DON'T
KNOW WHETHER THE CUSTOMER, HOW
LONG SHE WILL HAVE SPENT TO
FINDING A SIMILAR PRODUCT OR
PERHAPS AN EVEN BETTER PRODUCT
OR PERHAPS A BETTER AND CHEAPER
PRODUCT.
WE DON'T HAVE THE
[INDISCERNIBLE] AND THEREFORE WE
CANNOT REALLY CONCLUDE RIGHT NOW
HOW GOOD FOR CONSUMERS
BEHAVIORAL TARGETING IS.
>> WE DO KNOW FOO A FACT AND
ECONOMIC STUDIES SHOW IF
CONSUMER AREN'T AWARE OF A
PRODUCT WHEN THEY'RE MAKING
THEIR CHOICES THAT THEY ARE NOT
WELL SERVED.
AND SO OFTEN WHEN THERE'S

BEHAVIORAL ADVERTISING DONE,
YOU'RE TELLING PEOPLE ABOUT A
PRODUCT OR SERVICE THEY WANT AT
THE TIME THEY'RE INTERESTED IN
THAT THEY MAY NEVER HAVE HEARD
ABOUT BEFORE.
AND THE ADVENT OF THIS
TECHNOLOGY HAS SOLVED THAT
PROBLEM ECONOMICALLY IN MORE
WAYS.
>> MAYBE MY MOMENT WASN'T CLEAR.
WHAT WE HAVE IS A REDUCTION OF
TRANSACTION COSTS.
I APOLOGIZE.
SEARCH COSTS.
YOU SPEND LAST TIME SEARCHING.
ON THE OTHER SIDE THEY SHOW UP
FOR THE CONSUMER.
MAYBE THE CONSUMER SPENT FIVE
MINUTES MORE MAYBE ONE HOUR MORE
WHICH IS A COST BUT FOUND
SOMETHING WHICH EVEN BETTER FIT
THE CONSUMER NEED.
MAYBE EVEN A LOWER PRICE.
THIS IS THE VERY DIFFICULT
QUESTION TO TREAT ECONOMICALLY.
IT'S INCREDIBLY DIFFICULT.
THE ECONOMISTS ARE THERE TRYING
TO QUANTIFY THAT BECAUSE IT'S
COMPLICATED.
BUT I THINK IT'S A CRUCIAL
QUESTION.
>> COULD YOU LIST THE UNSERIOUS
ECONOMISTS.
>> BUT I MEAN I THINK THE OTHER
PART OF THE QUESTION IS THE
SUGGESTION SEEMS TO BE ON THE
TABLE THAT WERE IT NOT FOR
BEHAVIORAL ADVERTISING THE
ENTIRE INTERNET WOULD BECOME
LIKE A WASTELAND.
WE WOULD BE RUNNING AROUND WITH
OUR MICE.
SO THE QUESTION IS --
>> I THINK ALESSANDROMENTS ALESSANDROMENTS --
ALESSANDRO'S POINT.

STUDY THIS MORE.
LIKE THE COMPANIES THAT HAVE
OTHER DATA SHARE IT WITH US OR
STUDY IT YOURSELF AND RELEASE
THE STUDY RESULTS AND ALESSANDRO
I'M SURE AGAIN WILL TAKE
FUNDING.
I DON'T KNOW WHY I'M PLAYING
MATCH MAKER WITH THE GRANTS.
ANYONE ELSE ON THIS POINT?
>> I WANTED TO JUST TAKE ANOTHER
QUESTION FROM THE AUDIENCE THAT
WE WERE TALKING ABOUT CHOICE AND
WHETHER OR NOT THERE'S CONSUMER
HARM WHEN IT COMES TO LACK OF
CHOICE.
THIS QUESTION IS ABOUT THE DAA'S
PRINCIPLE.
IT SAYS IF AS UNDER THE DAA'S
PRINCIPLES AN ENTITY COLLECTING
ALL OR ALMOST ALL CONSUMER DATA
MUST GET MEANINGFUL CONCEPT TO
THIS COLLECTION, WHAT IS THE
HARM OR OBJECTION?
>> WHAT'S THE HARM OR OBJECTION.
>> YOU DON'T MEAN THE HARM TO
THE COLLECTION YOU MEAN THE
HOLLER TO THE CONSENT?
AYE.
ANSWER EITHER ONE.
>> I'M NOT SURE THERE'S A HARM
ACTUALLY AT ALL.
IN FACT I'M NOT AWARE OF ANY
PRACTICES THAT WOULD CAUSE A
HARM.
THE WAY WE APPROACHED IT AND
KIND OF COMING UP WITH THAT IS
WE WERE TRYING TO PROVIDE A WAY
TO ENSURE TRANSPARENCY.
AND PEOPLE IN THAT FUNCTIONALITY
DIDN'T HAVE A DIRECT
RELATIONSHIP IN THAT CONTEXT
WITH EITHER THE CONSUMER IN THAT
CONTEXT THEY DO IN OTHER CONTEXT
AND PROVIDE THEM WITH THE
UNDERLYING SERVICE, FOR EXAMPLE.

OR THEY DIDN'T HAVE A DIRECT
RELATIONSHIP OR WERE NOT IN
PRIVY IN ANY WAY, INDIRECTLY BUT
IN PRIVITY WITH THE PUBLISHER.
WE'RE TRYING TO FIND THE MEANS
OF HIGH LIGHTING THE
TRANSPARENCY.
I DON'T BELIEVE THERE WOULD BE A
HARM AND I COULD HIGHLIGHT A LOT
OF POTENTIAL BENEFITS.
>> I'M NOT SURE I UNDERSTAND
[INDISCERNIBLE] I'M NOT SURE I
CAN PROVIDE THE BEST ANSWER, BUT
IF THE QUESTION IS IF YOU
PROVIDE MEANINGFUL CONSENT
BEFORE DOING ALL COLLECTION,
THERE IS NO HARM?
OR I MEAN IS THAT ESSENTIALLY
THE QUESTION WE'RE ASKING THAT
YOU CAN'T DO HOLLER IN YOU GOT
MEANINGFUL CONSENT.
>> I THINK THAT'S THE QUESTION,
YES.
IF THE USER GIVES CONSENT, THEN
...
>> OKAY.
I THINK THE ANSWER TO THAT IS OF
COURSE THEY CAN.
SOMEONE CAN ALWAYS HARM YOU WITH
THAT INFORMATION AND PERHAPS WE
BELIEVE THOUGH THAT THOSE
PRACTICES SHOULD BE ILLEGAL.
I MEAN SOMEONE COULD STILL
DISCRIMINATE UPON YOU BASED ON
INFORMATION THAT YOU PROVIDED IN
A WAY THAT YOU THINK IS
INAPPROPRIATE.
SO I THINK THE ANSWER IN THAT
CONTEXT IS OBVIOUSLY YES.
I THINK THERE ARE SORT OF
CONSUMER HARM QUESTIONS.
THERE'S A WHOLE OBVIOUSLY GRAY
AREA WE SPEND A LOT OF TIME
COVERING WHERE IT'S NOT CLEAR
THAT THERE'S THAT KIND OF DIRECT
HARM.

AND OF COURSE I BELIEVE IN THAT CONTEXT THAT A CONSUMER HAVING GIVEN MEANINGFUL CONSENT OBVIOUSLY DESERVES THE BENEFIT OF THE DOUBT, DESERVE TO HAVE THEIR INFORMATION USED ROBUSTLY AND TRY TO BENEFIT FROM THESE SERVICES THAT ARE BEING PROVIDED AND POTENTIALLY NEW THINGS THAT COME FROM THESE DATA.
SO YOU KNOW, I WOULD SAY WE WANT TO TRUST THE CONSUMER HERE.
I THINK MEANINGFUL CONCEPT OBVIOUSLY CAN BE A CONCEPT THAT CAN BE SOMEWHAT DIFFICULT TO QUANTIFY.
BUT I THINK THAT'S --
>> WE DID TALK ABOUT THE BACK STOP OF -- POSSIBLE REGULATIONS AND THINGS LIKE THAT AS KIND OF A MEANS FOR CONTROLLING EXACTLY WHAT YOU'RE TALKING ABOUT.
>> JUST TO GO BACK TO THE DECISION MADE EARLIER BETWEEN PRIVACY IS A FINAL GOOD AND PRIVACY AS AN INTERMEDIATE YEAH GOOD.
SOMIVELY ONE PERSON MAY NOT CARE AND ANOTHER PERSON MAY CARE.
AND THAT'S TOTALLY FINE.
THAT'S THE PREFERENCES.
PRIVACY IS AN INTERMEDIATE YEAH GOOD LEADING TO SPECIFIC BENEFITS SUCH AS REDUCTION IN THE COST NEEDED TO FIND A PRODUCT.
OR SPECIFIC COSTS SUCH AS CRISES INTERNATIONAL WHERE [INDISCERNIBLE] THESE BENEFITS AND COSTS ARE COMPLETELY INDEPENDENT OF YOUR SUBJECTIVE PREFERENCES.
WHAT I'M TRYING TO SAY WHEN YOU CONSENT YOU PROBABLY CONSENT BASED ON YOUR SUBJECTIVE PREFERENCES FOR I DON'T CARE

BEING TRACKED OR I VERY MUCH
RESENT SOMEONE KNOWING
EVERYTHING I GO ON-LINE.
REGARDLESS OF THE PREFERENCES
WHETHER THEN YOU WERE IN DEED
SUBJECT TO CERTAIN COSTS AND
BENEFITS.
THESE TRADEOFFS ARE INDEPENDENT
OF YOUR SUBJECTIVE PREFERENCES.
UP TO A POINT.
>> SO WE HAVE ABOUT A MINUTE,
WHICH MEANS LET'S TAKE THREE
MINUTES TO FINISH UP.
SO I'M GOING TO ASK A QUESTION
BUT I'M GOING TO ALSO GIVE YOU
ONE LAST OPPORTUNITY TO OPINE ON
ANYTHING THAT'S BEEN SAID AS
WELL.
WE'RE NOT GOING TO GIVE YOU A
SECOND ROUND AFTER THIS.
BUT THE QUESTION IS THIS.
THE QUESTION IS, SHOULD THE
AGENCY AS IT THINKS ABOUT
COMPREHENSIVE DATA COLLECTION
THINK ABOUT THE COMPETITIVE
LANDSCAPE?
RIGHT.
SO SHOULD OUR ASSESSMENT OF ANY
PARTICULAR PRACTICE TURN ON
COMPETITIVE ALTERNATIVES,
LOCK-IN, NETWORK EFFECTS.
I'M GUESSING MOST OF YOU WILL
SAY YES BUT ELABORATE ON THAT.
TO WHAT DEGREE SHOULD THAT
MATTER.
COMMISSIONER [INDISCERNIBLE]
TALKED ABOUT WE SHOULD HAVE A
LEVEL PLAYING FIELD, WE
SHOULDN'T BE PICKING WINNERS AND
LOSER.
SO WHAT'S THE ANSWER.
DOES COMPETITION OR THE LACK
THEIR MATTER AS WE THINK ABOUT
THIS AND THEN ALSO ANYTHING ELSE
YOU WANT TO ADD, THIS IS YOUR
LAST CHANCE.

I'LL START WITH YOU AGAIN.
>> WELL, I THINK WE FOUND THAT COMPETITION IN THE PRIVACY SPACE HASN'T REALLY WORKED VERY WELL BECAUSE IT'S SO DIFFICULT FOR USERS TO UNDERSTAND THE PRIVACY TRADEOFFS.
SO I DON'T THINK WE SHOULD RELY ON COMPETITION AS THE ANSWER IN THIS SPACE OR PROBABLY ANY SPACE WHEN WE DEAL WITH PRIVACY.
>> I THINK WE SHOULD MAKE SURE THAT THE MARKETPLACE KIND OF PICKS WINNERS OR LOSERS ON PRODUCTS, EVEN TIED TO DATA FLOWS AND THAT WE SHOULD BE CAREFUL NOT TO PICK A TECHNOLOGY OR SOME MEANS OF DATA COLLECTION OR WHOEVER COLLECTING THE DATA TO SAY GEEZ YOU SHOULDN'T DO IT BECAUSE YOU'RE IN THAT PARTICULAR ROLE, MORE OF THE NEUTRALITY SINCE WE DO GET A CHANCE TO SAY SOMETHING ELSE.
THE ONE THING I HAVEN'T MENTIONED YOU HEARD A TIDBIT OF BENEFIT HERE BUT ONE OF THE THINGS I THINK WE NEED AS A BUSINESS COMMUNITY AND INTENDING TO DO IS DO A BETTER JOB.
WE HEARD A LOT ABOUT HARMS BUT DO A BETTER JOB EXPLAINING ALL THE BENEFITS.
ONE OF THE INITIATIVES AND HOPEFULLY IN FUTURE PANELS THEY HAVE AN INITIATIVE CALLED THE DATA DRIVING MARKETING INSTITUTE TO CATEGORIZE SOME OF THE BENEFITS.
SOME OF WHAT'S MISSING IN THE DEBATE IS WE'VE IDENTIFIED SOME HARMS.
WE'VE GOT SOME ANECDOTAL BENEFITS BUT WE NEED MORE DETAILS IF THERE'S GOING TO BE POLICY DECISIONS BEING MADE.

>> WELL, COMPETITION AND FREE MARKET DO NOT IMPLY THE ABSENCE OF LEGISLATION.
LEGISLATION IS WHAT SETS THE RULES, FRAMEWORK LIKE THE REFEREE WHICH KEEPS THE PLAYERS HONEST.
WE NEED BOTH COMPETITION AND RULES.
>> CHRIS.
>> HE STOLE MINE.
WE HAVEN'T MENTIONED APPS.
I THINK THEY'RE AN INTERESTING MARKETPLACE WHERE YOU MAY HAVE A POTENTIAL AREA TO COMPETE BECAUSE PEOPLE ARE LITERALLY CHOPPING FOR A TYPE OF SOFTWARE AND DOWN LOADING IT ONE TIME AND MAY BE ABLE TO CHOOSE BETWEEN THINGS.
IF YOU CAN PROVIDE THEM MEANINGFUL CLARITY YOU MAY ALLLY BE ABLE TO COMPETE ON SOMETHING LIKE PRIVACY.
I WILL SAY ALL OF THIS NEEDS TO BE UNDER PINNED BY LEGAL PROTECTIONS.
YOU SEE THE AREAS WHERE WE AGREE EXAMINE PASS SOME GENERAL LEGAL PROBASICS I THINK THAT ESTABLISHES TRUST IN THE MARKETPLACE AND I THINK THAT BENEFITS CONSUMERS.
>> AND FOR THE LAST.
>> I THINK COMPETITION CLEARLY HAS A ROLE.
IN MANY CASES WE TRIED TO COMPETE WITH PRIVACY, RUN ADS ON PRIVACY TO MAKE THAT A COMPETITIVE ISSUE.
AT THE SAME TIME, THERE ARE AREAS OR SITUATIONS WHERE THERE'S A LACK OF COMPETITION.
I THINK THAT DOES GO INTO THE WHOLE CONTEXT QUESTION AND WHAT CONSUMERS EXPECT.

I THINK CONSUMERS WITH PROBABLY
FEEL MORE UNCOMFORTABLE WITH A
COMPANY BEING AGGRESSIVE ON DATA
COLLECTION [INDISCERNIBLE] SO I
THINK IT'S IMPORTANT ISSUE LIKE
EVERYTHING HERE [INDISCERNIBLE]
>> SO WITH THAT, I THINK WE HAVE
ANOTHER BREAK UNTIL 3:15.
BUT BEFORE WE LET YOU GO TO
THAT, PLEASE JOIN KATIE AND ME
IN THANKING THE PANELISTS.
[APPLAUSE]
[RECESS]