FTC to Host Workshop on Informational Injury; Seeking Public Comments

Workshop to be held December 12, 2017

Information flows drive the economy. And information about consumers has become a key input to innovative products and services, as well as to marketing about those product and services. However, consumers may suffer injury when information about them is misused by a party with whom they have interacted, by a third party who has accessed that information through a business arrangement, because of a data breach, or through other means. The Federal Trade Commission will host a workshop to examine consumer injury in the context of privacy and data security on December 12, 2017.

As the primary U.S. federal privacy and data security enforcement agency, it is the FTC's job to police the behavior that causes these injuries. And the FTC has been active in the privacy and data security space, bringing more than 500 related cases. Our cases have focused on deceptive and unfair business practices that cause or are likely to cause consumer injury. The workshop will address questions such as how to best characterize these injuries, how we can accurately measure such injuries and their prevalence, and what factors businesses and consumers consider when evaluating the tradeoffs between providing information and potentially increasing their exposure to injuries. The workshop will focus on these questions, recognizing the importance of protecting consumers while preserving the vital use of information flows in the economy.

The workshop, which is free and open to the public, will be at the FTC's Constitution Center, 400 7th St., SW, Washington, DC. It will be webcast live on the FTC's website. Registration information, an agenda, directions to the FTC's Constitution Center building, and a list of speakers will be available in the near future on the event webpage.

To aid our analysis of these issues, the FTC seeks input. Topics of interest include the following:

- What are the qualitatively different types of injuries from privacy and data security incidents? What are some real life examples of these types of informational injury to consumers and to businesses?
- What frameworks might we use to assess these different injuries? How do we quantify injuries? How might frameworks treat past, current, and potential future outcomes in quantifying injury? How might frameworks differ for different types of injury?
- How do businesses evaluate the benefits, costs, and risks of collecting and using information in light of potential injuries? How do they make tradeoffs? How do they assess the risks of different kinds of data breach? What market and legal incentives do they face, and how do these incentives affect their decisions?
- How do consumers perceive and evaluate the benefits, costs, and risks of sharing information in light of potential injuries? What obstacles do they face in conducting such an evaluation? How do they evaluate tradeoffs?

The Commission has also <u>announced</u> that it will host PrivacyCon on February 28, 2018. PrivacyCon 2018 seeks original research on the economics of privacy, including original research on consumer injury. Please see the <u>call for presentations</u> for more information. The Federal Trade Commission invites comments from the public on the issues covered by this workshop, including on the questions listed above. The FTC will accept submissions through October 27, 2017. Interested parties may file a comment online or on paper. Write "Informational Injury Workshop P175413" on your comment and file your comment online at <u>https://ftcpublic.commentworks.com/ftc/informationalinjuryworkshop</u> by following the instructions on the web-based form. If you prefer to file your comment on paper, write "Informational Injury Workshop and P175413" on your comment and on the envelope, and mail your comment to the following address: Federal Trade Commission, Office of the Secretary, Constitution Center, 400 7th Street, SW, 5th Floor, Suite 5610 (Annex A), Washington, DC 20024. The FTC requests that any paper submissions be sent by courier or overnight service, if possible, because postal mail in the Washington area and at the Commission is subject to delay due to heightened security precautions.

Your comment – including your name and your state – will be placed on the public record of this proceeding, including, to the extent practicable, on the Commission Website, at https://www.ftc.gov/policy/public-comments. As a matter of discretion, the Commission tries to remove individuals' home contact information from comments before placing them on the Commission Website. Because your comment will be made public, you are solely responsible for making sure that your comment does not include any sensitive personal information, like anyone's Social Security number, date of birth, driver's license number or other state identification number or foreign country equivalent, passport number, financial account number, or credit or debit card number. You are also solely responsible for making sure that your comment does not include any sensitive health information, like medical records or other individually identifiable health information. In addition, do not include any "[t]rade secret or any commercial or financial information which . . . is privileged or confidential," as discussed in Section 6(f) of the FTC Act, 15 U.S.C. § 46(f), and FTC Rule 4.10(a)(2), 16 CFR § 4.10(a)(2). In particular, do not include competively sensitive information such as costs, sales, statistics, inventories, formulas, patterns, devices, manufacturing processes, or customer names. If you want the Commission to give your comment confidential treatment, you must file it in paper form, with a request for confidential treatment, and you have to follow the procedure explained in FTC Rule 4.9(c), 16 CFR § 4.9(c). Your comment will be kept confidential only if the FTC General Counsel, in his or her sole discretion, grants your request in accordance with the law and the public interest.

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