

Privacy Vaults Online, Inc. d/b/a/ PRIVO, an authorized Safe Harbor provider under the Children's Online Privacy Protection Act ("COPPA") hereby responds to the Commission's "Questions on the Proposed Modified Program Requirements" it has published in connection with the COPPA self-regulatory program of TRUSTe.

In its submission, TRUSTe notes that a number of the modifications it proposes are structural in nature and are made for the purposes of bringing the Children's Privacy Certification Standards into alignment with TRUSTe's Enterprise Certification Standards. Such modifications would appear to be reasonable and likely provide for greater efficiency for those of TRUSTe's customers that have both properties that are covered by the Children's Privacy Certification Standards and properties that are not. That efficiency in turn could lead directly to enhanced compliance with the Children's Privacy Certification Standards. For this reason, PRIVO supports those proposed modifications.

The majority of the remaining substantive revisions require the TRUSTe customer to conduct an annual review of the third party entities collecting personal information through the TRUSTe customer's property, understand what personal information is being collected by each third party, report to TRUSTe how the review was done, and certify the results of the review to TRUSTe. The revisions also require the TRUSTe customer to cooperate with TRUSTe in conducting its own review of the customer's compliance. PRIVO supports making the proposed revisions.

The proposed modifications address a significant area of weakness that the Commission identified in adopting the revised COPPA rule that became effective July 1, 2013. Specifically, the Commission found that many third parties offer operators, at no or low cost, features and

services that provide operational efficiency for the operators or enhance the user experience for the users. In the absence of a requirement to do so, operators taking advantage of these services and features may not inform themselves and their users fully of the data collection and use/disclosure practices of these third parties, which are often the very reason the services and features can be provided for free. It is vital that operators undertake appropriate due diligence when initially integrating third party services with their properties so that they can be aware, and make their users aware, of what the data collection practices are and whether they are appropriate for a child-directed site or service. Thereafter, it is perhaps even more critical that operators remain apprised of the third party services operating on their properties and of any changes to those parties' privacy practices. New third party services join the online ecosystem at an astonishing rate. It would be easy for an employee of an operator to integrate a new third party service into the property without appreciating the privacy and COPPA compliance impact that action may have. And, just as new services join the ecosystem daily, existing ones constantly upgrade, modify or expand their offerings. As a result, even operators who have undertaken considerable due diligence at the point of first integrating a third party service, must continue to monitor those services. An annual review would serve as a backstop against the integration of any un-vetted third party service into the property. Even more importantly, though, the annual review would also provide the opportunity for the operator to remain abreast of any changes in the third party service's operations or its data collection and use practices and the potential that such changes could have on the operator's COPPA compliance and the adequacy of its privacy disclosures to its users.

The Commission in its notice has asked whether the incentives are properly aligned with regard to compliance. In this case, PRIVO believes that they are. Third party integrations have

