



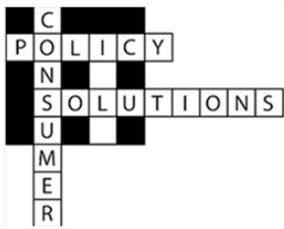
# Competition & Consumer Protection in the 21st Century Hearings

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FEDERAL TRADE COMMISSION PROJECT NUMBER P181201

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## Before the Federal Trade Commission

Competition &  
Consumer Protection  
in the 21st Century  
Hearings

Project No. P181201  
Docket No. FTC-  
2018-0049

### Topic #2: Competition and consumer protection issues in communication, information, and media technology networks

Consumer Policy Solutions\* appreciates the opportunity to offer comments on “Competition and Consumer Protection Issues in the 21<sup>st</sup> Century.”

The landscape has changed considerably for consumers in the communications marketplace during the last decade. Today, consumers have an unprecedented array of options for wireless providers and services, and a choice of broadband providers in many areas. Mobile broadband adoption has been growing at a rapid pace, with approximately 82% of households now owning smartphones.<sup>1</sup> The Federal Communications Commission’s (FCC) 2017 annual wireless competition report found that 97% of Americans can choose from between three or more 4G providers.

“For the first time since 2009, the FCC makes an affirmative finding that the metrics assessed in the Report indicate that there is effective competition in the marketplace for mobile wireless services.”<sup>2</sup>

While the issues related to competition of consumers’ communications services are important to consider, one particularly interesting insight was recently captured in a White Paper from the Internet Innovation Alliance (IIA). The paper revealed that consumers view their fixed and mobile broadband services as virtually the same<sup>3</sup>. Activities like video streaming and watching the news were done as much on mobile broadband services as they were on fixed broadband services. The paper also found that consumers are doing activities such as job hunting and homework on mobile broadband services.

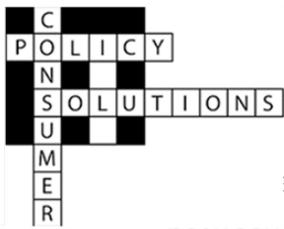
This trend is no longer within just one demographic group: the paper found the preferences for using mobile broadband for certain activities among rural and urban consumers, young and older consumers, and diversity communities. In recent years, this trend has been developing, and based on the paper, a conclusion can be made that fixed and mobile broadband are “functional substitutes for each other.”

The IIA paper also describes consumers’ move towards a wireless-only lifestyle.

<sup>1</sup> [US Telecom Industry Metrics and Trends 2018](#), March 1, 2018

<sup>2</sup> [FCC RELEASES 20TH ANNUAL MOBILE WIRELESS COMPETITION REPORT](#), September 26, 2017

<sup>3</sup> [Evolving Preferences: Consumer Preferences Tilting Towards Mobile Broadband](#), Internet Innovation Alliance, July 2018



December 2017, over 53% of all U.S. adults were wireless-only, but over 75% of adults between the ages of 25-29 and over 73% of adults between the ages of 30-34 have chosen a wireless-only lifestyle.”

The number of mobile broadband connections now greatly outnumber fixed broadband connections. We are now a mobile nation and this growing trend should be kept top of mind when considering the consumer implications of any regulatory proceedings.

While the market has evolved, and continues to grow and change, there are concerns that arise for consumers that require regulatory attention in the area of consumer protections. One of the most important concerns for consumers is their online privacy, and the Federal Trade Commission (FTC) has an ongoing, critical role. Privacy has always been an issue for consumers when it comes to the broad set of communications services and platforms they use, particularly when new services and devices are introduced.

In considering how to address this concern, it is essential to take into account how different demographic groups view privacy. One important community to consider is adults age 65 and older. A few years ago, Consumer Policy Solutions’ Project to Get Older Adults online (Project GOAL) commissioned a study conducted by Hart Research to better understand older adults’ concerns about safety, security and privacy and their online usage. The major finding of the study was that these concerns do impact online use and adoption.

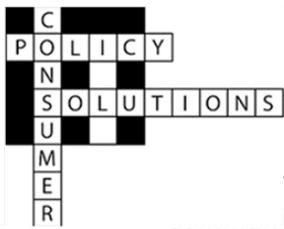
Data from the National Telecommunications and Information Administration (NTIA) confirms that conclusion. According to an NTIA survey<sup>4</sup> conducted by the U.S. Census Bureau, privacy and security online continue to be major issues for Americans. Nearly three-quarters of Internet-using households had significant concerns about online privacy and security risks in 2017, while a third said these worries caused them to hold back from some online activities.

The 2015 Project GOAL Hart Research survey had similar findings:

- While safety, security, and privacy may not be the single primary inhibitor to older Americans’ use of the Internet, it is a significant obstacle—both for those who are active online currently and those who are not.
- Older Americans’ feelings of vulnerability are reinforced by the high level of concern they express about the potential harm online activity could inflict on the safety, security, or privacy of one’s personal information, private data, or finances.
- Fears about online safety, security, or privacy have substantial repercussions for online behavior. More than seven in 10 older Americans who are active online avoid at least one of 10 common activities.
- Relatively few older Americans are confident in the safety, security, and privacy of most types of websites, including those that are branded and established.

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<sup>4</sup> [November 2017 CPS Computer and Internet Use Supplement](#), National Telecommunications and Information Administration, August 2018



id benefits all consumers, and the internet of things promises to benefit the ageing ty in particular. We don't want consumer concerns about privacy to slow down adoption or usage, or impede innovations that bring new technologies to consumers.

There are additional steps to take for privacy protections to gain and maintain consumer trust, and these include:

1. consumer education and awareness with clear information about their privacy choices and controls;
2. continued efforts to perfect consumer privacy tools - there are great tools for consumers to utilize.

Consumers want simplicity and consistency with privacy protections: rules that apply across all platforms rather than just one segment of the online ecosystem. The FTC has the experience and tools to provide equitable privacy protections for all consumers in the 21<sup>st</sup> century.

Thank you for the opportunity to comment on these issues before the Commission.

Sincerely,

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President, Consumer Policy Solutions