

March 31, 2014

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Office of Science and Technology Policy  
Attn: Big Data Study  
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1650 Pennsylvania Ave. NW  
Washington, DC 20502

Sent via email to [bigdata@ostp.gov](mailto:bigdata@ostp.gov)

**Re: Notice of Request for Information, “Big Data RFI,” FR Doc. 2014-04660**

Dear Ms. Wong,

The Interactive Advertising Bureau (“IAB”) provides these comments in response to the White House Office of Science and Technology request for information regarding “big data.”

Founded in 1996 and headquartered in New York City, the IAB ([www.iab.net](http://www.iab.net)) represents over 600 leading companies that actively engage in and support the sale of interactive advertising, including leading search engines and online publishers. Collectively, our members are responsible for selling over 86% of online advertising in the United States. The IAB educates policymakers, consumers, marketers, agencies, media companies and the wider business community about the value of interactive advertising. Working with its member companies, the IAB evaluates and recommends standards and practices and fields critical research on interactive advertising. The IAB is committed to promoting best practices in interactive advertising, and is one of the leading trade associations that released cross-industry self-regulatory privacy principles for the collection of web viewing data.<sup>1</sup> These Self-Regulatory Principles are administered by the Digital Advertising Alliance (“DAA”), and have been widely implemented across the online advertising industry, and are enforceable through longstanding and effective industry self-regulatory enforcement programs.

IAB supports access to and use of data, which fuels innovation, provides tremendous benefits to consumers and our economy, and helps ensure our nation’s current competitive position globally. IAB believes current U.S. regulatory approach appropriately addresses concrete harms while promoting the free flow of data. Moreover, IAB has long supported, and continues to support, robust self-regulatory enforcement efforts as a means of promoting accountability within the advertising ecosystem while ensuring the flexibility and adaptability of the industry and its enforcement efforts. To continue to build on the successes of the data-driven economy, IAB urges the U.S. Government to identify ways to provide access to more government data. IAB also asks that the Administration promote the success of the U.S. model in discussions with international partners to avoid the creation of unnecessary barriers to the free flow of data that would harm U.S. competitiveness.

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<sup>1</sup> Press Release: *Key Trade Groups Release Comprehensive Privacy Principles for Use and Collection of Behavioral Data in Online Advertising*, July 2, 2009, available at [http://www.iab.net/about\\_the\\_iab/recent\\_press\\_releases/press\\_release\\_archive/press\\_release/pr-070209](http://www.iab.net/about_the_iab/recent_press_releases/press_release_archive/press_release/pr-070209).

## **Response to RFI Questions**

**(1) What are the public policy implications of the collection, storage, analysis, and use of big data? For example, do the current U.S. policy framework and privacy proposals for protecting consumer privacy and government use of data adequately address issues raised by big data analytics?**

### **A. Value of Data**

As the Office of Science and Technology Policy (“OSTP”) stated in the introduction to this Request for Information, we are undergoing a “revolution” with data, which has already demonstrated its transformative power in virtually every industry. The collection, storage, analysis and use of data has fueled economic growth and provided benefits for consumers and businesses alike. Consumers have only begun to benefit from the development of new products and services and job creation in the healthcare, financial services, information technology, transportation, retail, and marketing industries, to name only a few areas of growth driven by the use of data. These industries use data to provide products and services that improve our daily lives, such as through new medical devices, rapid processing times for transactions, mobile shopping applications and countless other ways. In the online advertising context, companies collect data for numerous operational purposes including ad delivery, ad reporting, site rendering, accounting, and network efficiencies and optimization, and site or application customization. These operations are necessary for a seamless cross-channel experience and a functioning digital economy, as well as to support and monetize the applications and services expected by customers in the marketplace today.

Moreover, the data revolution has had a profound impact on the democratization of knowledge across the citizenry through the public release of information previously held by the government or otherwise made inaccessible to the public. This data has reshaped the concept of an informed citizenry, leading to a more efficient marketplace, a more vibrant democracy, and a safer and more secure country. A particularly striking example of this dynamic is the Federation for Internet Alerts, which partners with the U.S. National Center for Missing and Exploited Children and the U.S. National Oceanographic and Atmospheric Agency to deliver life-saving alerts when a child is abducted, or a natural disaster is imminent.<sup>2</sup> This is only one of many applications fueled by data, and businesses have only scratched the surface of innovation and solutions driven by access to large and diverse data sets and the ability to process and apply the data for the benefit of consumers. For the benefit of this effort to better understand the role that data is playing in reshaping our society, we provide a discussion of our industry, the online advertising industry.

### **B. Online Advertising**

Advertising fuels the Internet economic engine. For two decades online advertising has fueled the growth of the Internet by delivering innovative tools and services used by consumers and business to connect and communicate. Revenues from online advertising support and facilitate e-commerce and subsidize the cost of content and services that consumers value, such

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<sup>2</sup> <http://www.internetalerts.org/>

as online newspapers, blogs, social networking sites, mobile applications, email, and phone services. Because of advertising support, consumers can access a wealth of online resources at low or no cost. These advertising-supported resources have transformed our daily lives. The support provided by online advertising is substantial and growing despite the difficult economic times.

Online advertising revenue supports market entry for businesses, new communication channels (e.g., micro-blogging sites and social networks), free or low-cost services and products (e.g., email, photo sharing sites, weather, news, and entertainment media), and enables consumers to compare prices, learn about products, and find out about new local opportunities. The ad-supported model also provides a supplemental revenue source for subscription and other business models online. Digital advertising also drives competition. It particularly empowers small businesses, lowering barriers to entry and enabling them to flourish and compete where costs would otherwise hinder their ability to enter and compete in the market. This leads to a greater diversity of online companies, products, and services, from which consumers gain value.

As a result of this advertising-based model, the Internet has been able to grow and deliver widespread consumer benefit. According to a September 2012 study entitled *Economic Value of the Advertising-Supported Internet Ecosystem* conducted for IAB by Harvard Business School Professor John Deighton, between 2007 and 2011, a period when U.S. civilian employment remained flat, the number of jobs that rely on the U.S. ad-supported internet doubled to 5.1 million. The study found that the ad-supported digital industry directly employs 2 million Americans, and indirectly employs a further 3.1 million in other sectors. Calculating against those figures, the interactive marketing industry contributed \$530 billion to the U.S. economy last year, also close to double figures from 2007 that placed it at \$300 billion. The study, designed to provide a comprehensive review of the entire Internet economy and answer questions about its size, what comprises it, and the economic and social benefits Americans derive from it, revealed key findings that analyze the economic importance, as well as the social benefits, of the Internet.

The backbone of this thriving Internet economy is data. Data fuels not only the research and development responsible for business to business (B2B) advertising innovations like programmatic buying, ad exchanges, and technological developments for marketplace efficiency; but, enables marketers and publishers to reach the right consumer, with the right advertisement, at the right moment. Business to consumer (B2C) interaction would be unwieldy, if not impossible, without data to help narrow the audience and tailor custom-made content for the consumer.

Consumers have embraced the ad-supported model of the Internet and use it to create value in all areas of life, whether through e-commerce or through free access to valuable content. They are increasingly aware that the data collected about their interactions and behavior on the web and in-application is then used to create an enhanced and tailored experience. Importantly, research demonstrates that consumers are generally not reluctant to participate online due to advertising and marketing practices.

For these reasons, digital advertising is thriving, creating jobs, and expanding access to information and communication channels. Without data, the Internet economy does not exist.

### **C. Public Policy Implications**

As an engine for transforming our economy and producing abundant opportunities for growth and innovation, the public policy implications of data are profound at the national and individual levels of society. The paramount goal must be to nurture the data revolution to achieve its maximum transformative potential for the benefit of consumers, businesses, and the economy writ large. The question is not whether to support or oppose the data-driven economy, but how to lock in and expand its benefits while guarding against potential costs.

Many issues surrounding the collection and use of data are not new. For example, businesses have long collected and analyzed information in order to improve products and services for existing customers and to identify new customers. Consumers have examined the costs and benefits associated with these activities and businesses have reacted accordingly, demonstrating a vibrant and effective marketplace. The same dynamic holds true in the big data environment as the practices evolve to incorporate analytics driven outcomes and research and development in secure data “sandboxes.” With regard to online advertising, as with many other areas of the data-driven Internet ecosystem, the oversight process has been calibrated to promote innovation and growth while protecting consumers, as demonstrated by consumers’ widespread embrace of the model.

The current model addresses concerns through the application of current law and through robust enforcement of self-regulatory programs. As we go forward in the new data economy, the same principles and governance structure that has led to this achievement should drive the future of the Internet. In short, the approach should not be monolithic, but rather be determined based on the proposed uses of data and weighed alongside the social benefits produced by such uses.

As policymakers confront the technological breakthroughs that are driving the collection, storage, analysis, and use of large data sets they should take care not to impose unnecessary and burdensome regulation. IAB believes the appropriate path forward is clear: industry self-regulation is the preferred approach to addressing policy concerns associated with data collection and use. As demonstrated, and described in more detail below, industry has designed and implemented a program backed by credible enforcement that governs the collection and use of web viewing and mobile data.

#### **(2) (a) What types of uses of big data could measurably improve outcomes or productivity with further government action, funding, or research?**

The focus of the government should be to avoid restricting or restraining current data practices in order to continue to promote the economic growth and innovation that data is driving. The government is well-positioned to drive consumer education, and help raise awareness about the data privacy tools available to the consumer in the marketplace today. Several government agencies play an important role in consumer protection and education is fundamental to the success of this mission.

Furthermore, the government can improve outcomes and productivity through the release of government data and the government’s support for private sector research using this data. The federal government is one of the nation’s largest collectors of data, and the data in its possession

has the potential to lead to fundamental scientific, economic, and technological breakthroughs if made available to the public. The government can and should provide access to data it maintains in an appropriate form and fashion so as to enable the public to conduct research and innovate accordingly.

For example, the government holds a vast trove of health information that, if made available to the public, could be analyzed with private sector analytics tools to identify trends and correlations that may unlock the secrets to new and life-saving medical breakthroughs and treatments. The government's data on transportation, labor, domestic and international trade financial services, housing, and other sectors can lead to similar developments and innovations, provided the public has access to the data to perform the research. This research will generate new valued services and drive technological innovation, propelling the U.S. ahead of our global competitors.

**(b) What types of uses of big data raise the most public policy concerns?**

The vast collection of data by the federal government creates a unique opportunity for private sector research and development; however, the government's control over this data leaves the broader citizenry vulnerable to the attendant abuses the Constitution was designed to remedy. Diverse government uses of big data have the potential to run afoul of not just long standing Due Process principles, but First Amendment rights, Equal Protection, and even fundamentals of commerce. Strict legislative and judicial oversight should not be limited to revelations about the NSA and metadata collection; rather, cut across all government bodies that collect, house, and use data.

The public policy considerations regarding government big data collection are very distinct from private sector collection and use. Government collection and use is layered with inherent and potential harm to core fundamental rights.

Within the context of the private sector and big data use, significant public policy concerns were identified before the advent of the term Big Data; but are nonetheless equally addressed by law, regulation, and self-regulation. For example, market segmentation is a long established and legitimate business practice that, like many other industry practices, is regulated to prevent behavior that could lead to harmful discrimination. The use of data—big or small—for eligibility determination for credit, health, insurance, and employment is regulated by the Fair Credit Reporting Act and the use of web viewing data for such eligibility decisions is strictly prohibited by the Digital Advertising Alliance Self-regulatory program and backed up by both enforcement by the Council of Better Business Bureaus, and Section 5 of the Federal Trade Commission Act.

**(c) Are there specific sectors or types of uses that should receive more government and/or public attention?**

Policymakers have wrestled with these complex questions for a long time and have established legal frameworks that reflect the need to protect consumers from concrete harms while promoting innovation and job creation. For example, certain data, if misappropriated, could cause harm to consumers, such as certain health information and financial data. For this

reason, Congress passed the Health Insurance Portability and Accountability Act and the Gramm-Leach-Bliley Act, as well as other laws that address concrete, identifiable harms.

It is important to stress that the collection, storage, analysis, or use of data does not per se present any new considerations or issues that cannot be addressed through the existing frameworks. This is particularly true with respect to digital advertising. The practice of obtaining information about consumers' interests and tailoring the advertising of products and services to appeal to those interests dates back more than a century or longer. The migration of this smart and efficient business practice to the online environment and the advances made by the industry to deliver to consumers' relevant digital advertising across the entire internet ecosystem does not change the fundamental nature of the service—the delivery of relevant advertising—. In fact, as is explained below, to the extent that individual consumers have preferences or wish to exercise choice, the online environment offers such consumers greater control than ever before.

### **(3) (a) What technological trends or key technologies will affect the collection, storage, analysis and use of big data?**

While certain broad trends in the use of data are important to examine, such as the shift to mobile, a study of how access to and use of data is evolving to improve the economy and society should be technology neutral. The Internet provides consumers with the opportunity to access information and content on an unprecedented scale. Increasingly, mobile technology facilitates this access and delivers to consumers what they need and when they need it. Businesses are able to take advantage of new mobile technologies to deliver more relevant content and services to their customers and prospective customers. As the use of mobile technology continues unabated, consumers will seek out, and businesses will create, new products, services, and solutions driven by advanced collection, storage, analysis, and uses of data.

The online advertising ecosystem is constantly evolving to meet consumers' needs and developing new ways to provide relevant offerings to interested consumers. In so doing, the industry supports the Internet's "long tail" of publishers that subsist on the revenue generated by interest-based advertising - which may be as much as 200 percent higher than revenue from non-interest-based advertising. While online publishers of all sizes rely on external advertising exchanges and other third-party advertising technologies, smaller Web sites depend on them for a significantly greater portion of their advertising revenue. According to a recent study, ads for which cookie-related information was available sold for three-to-seven times higher than ads without cookies.<sup>3</sup>

In studying these and other trends, the government should maintain a technology neutral approach to maximize the benefits gained from free market competition.

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<sup>3</sup> An Empirical Analysis of the Value of Information Sharing in the Market for Online Content, Beales, J. Howard and Eisenach, Jeffrey A., January 2014; available at: <http://www.aboutads.info/resource/fullvalueinfostudy.pdf>

**(b) Are there particularly promising technologies or new practices for safeguarding privacy while enabling effective uses of big data?**

In many ways, businesses are only as successful as the trust that consumers place in them. Indeed, companies are increasingly offering consumers new privacy features and tools such as sophisticated preference managers, persistent opt-outs, universal choice mechanisms, and shortened data retention policies. Progress is underway to expand choice mechanisms to the browser, to limit precise URL data, and to safeguard data leakage. Companies are working to keep best practices on pace with technology advancement. These developments demonstrate that companies are responsive to consumers and that companies are focusing on privacy as a means to distinguish themselves in the marketplace. IAB believes that this impressive competition and innovation should be encouraged.

In particular, IAB supports empowering consumers with control over interest-based advertising. As the technology of online advertising has developed and matured, IAB has worked to promote enhanced transparency and implement a uniform choice mechanism with respect to interest-based advertising, based on a set of technology-neutral principles developed by the nation's leading media, marketing and technology companies, known as the Digital Advertising Alliance ("DAA"). The DAA self-regulatory principles and the implementing and enforcement programs were recognized by the White House in 2012 as a strong privacy protection model.

Since late 2010, IAB has participated in the deployment of the DAA's Advertising Option Icon and the related website that allows consumers to control their participation in online interest-based advertising. IAB has been integrally involved in the development of this easy-to-use choice option that gives consumers the ability to conveniently opt-out of some or all online behavioral ads delivered by companies participating in the self-regulatory program.<sup>4</sup> In 2011, the program expanded beyond the collection of data for interest based advertising purposes to cover all uses of web viewing data collected from a particular computer or device.

Consumers can exercise choice through this tool and are directed to this choice page by clicking through the Advertising Option Icon and notices provided in or near ads or on web pages where data is collected or used for online behavioral advertising purposes. Once arriving at this choice page, consumers can:

- easily learn which participating companies have currently enabled customized ads for their browser;
- see all the participating companies on this site and learn more about their advertising and privacy practices, including whether the data will be transferred to a non-affiliate for interest-based advertising purposes;
- check whether they have already opted out from participating companies;
- opt out of browser-enabled interest-based advertising by some or all participating companies; or
- use the "Choose All Companies" feature to opt out from all currently participating companies in one easy step.

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<sup>4</sup> See The Program's Consumer Choice Page, available at [www.aboutads.info/choices](http://www.aboutads.info/choices).

This tool empowers consumers to better understand online advertising, express their preferences, and make granular decision about how ads are targeted to their preferences.

Looking at the present and the future of practices that promote consumer choice, we note that in June of 2013, the broad industry coalition that released the *Self-Regulatory Principles for Online Behavioral Advertising and Multi-Site Data* (“*Principles*”) issued guidance on applying the principles to the mobile environment including precise location data and personal directory data. The expansion of the principles to the mobile environment has been developed in spite of challenging technical issues requiring close coordination from a large set of industry stakeholders. As discussed below, these efforts are part of a broader self-regulatory framework that the advertising and marketing industry has established to ensure that consumers continue to have control and transparency as technology evolves.

**(4) How should the policy frameworks or regulations for handling big data differ between the government and the private sector? Please be specific as to the type of entity and type of use (e.g., law enforcement, government services, commercial, academic research, etc.).**

Access and the use of data by the government and the private sector require two separate approaches. The government’s access to and use of data raises unique constitutional concerns that require significant oversight, including legislative and judicial regardless of whether in the law enforcement or services context, to ensure compliance with obligations and limitations intended to protect against governmental abuses of power. IAB supports efforts to clarify how and when government may access private citizen data and communications.

The private sector does not require such a heavy-handed approach. Private sector use of data is primarily driven to research, develop, market, and monetize varying consumer products and services. Businesses compete with each other to gain customers, and this fundamental difference with government means that all market participants have an incentive to engage in practices that promote trust. Unlike government access and use, consumers have a choice regarding business practices. Coupled with the strong privacy regulations that exist today, self-regulatory programs can adequately meet evolving consumer privacy expectations in the digital marketplace. For this reason, in the online advertising industry, development of voluntary codes of conduct for commercial data practices continues to be the appropriate approach for addressing the interplay of online privacy and online advertising practices. This approach has been successful in addressing consumers’ concerns while ensuring that the marketplace is not stifled or restrained by overreaching and rigid regulation. Unlike formal regulations, which can become quickly outdated in the face of evolving technologies, voluntary codes developed through self-regulation provides industry with a nimble way of responding to new challenges presented by the evolving Internet ecosystem.

To this end, as noted above, IAB was centrally involved with the development of the *Principles*, a framework and a platform that addresses a wide range of issues involving the collection and use of web viewing data, including matters of transparency and choice.

A prominent feature of this self-regulatory program requires companies to provide enhanced notice outside of the privacy policy so that consumers could be made aware of the companies they interact with while using the Internet. Companies engaged in interest-based



advertising indicate their adherence to the *Principles* by providing the Advertising Option Icon, described above, to link consumers to disclosures about data collection and use practices associated with interest-based advertising. Backed by technical specifications governing the deployment of the icon, industry has established uniform standards for communicating online data practices creating a consistent user experience. This approach helps ensure more standardized notice and greater transparency for consumers, which fosters consumers' trust and confidence in how information is gathered from them online and how it is used to deliver advertisements based on their interests. It also strikes an appropriate balance by ensuring meaningful information is conveyed to consumers in easy-to-find locations while providing companies flexibility in how they provide this information.

This cross-industry self-regulatory initiative represents an unprecedented, collaborative effort by the entire marketing-media ecosystem. The release of additional principles and guidance shows the ability of the approach to adapt to new technologies and challenges.

While the IAB supports efforts to improve transparency and consumer control, we oppose establishing prescriptive requirements for the form or substance of consumers' notice and control. Given the complexity of today's online environment, companies need flexibility in how they communicate with their customers and must be able to tailor notices for the underlying technology involved and needs of their customers. Companies also require the flexibility to adapt their communications as practices and technologies evolve. Imposing rigid or one-size fits all legal standards that impact all participants across media channels could have unintended consequences for new and emerging channels. Self-regulation strikes a measured balance by ensuring meaningful communication with consumers and providing companies flexibility in how they provide this information.

IAB is concerned that regulation could overly burden the access to and use of data, in particular if the approach is inflexible or one-size-fits-all. The government should not impose additional restrictions on its collection, storage, analysis, or use. The free flow of data provides enormous benefits to consumers and is driving our economy forward in ways we have only started to realize. Choking off access to data in response to theoretical harms or to achieve other unrelated policy interests would deal a severe blow to the economy and deprive consumers of the rapid pace of innovation and improvement to which they have grown accustomed recently through the use of data. IAB encourages OSTP to foster the use of data across industries so that the benefits from data can be enjoyed by all sectors of the economy and society.

Furthermore, following the release of the Consumer Data Privacy Framework in 2012, the National Telecommunications and Information Administration ("NTIA") began conducting multi-stakeholder meetings with the goal of developing voluntary codes of conduct that protect privacy and promote innovation in the digital economy. As with the online advertising industry's self-regulatory initiatives, the Department of Commerce' multi-stakeholder processes are based on the well-founded idea that creating effective policies requires the collection of input from a wide range of stakeholders. IAB applauds the flexible policy development mechanism intended by the NTIA processes; and, we encourage cooperation between industry and government in developing meaningful solutions to policy concerns.

**(5) What issues are raised by the use of big data across jurisdictions, such as the adequacy of current international laws, regulations, or norms?**

The approach to data governance in the United States has fostered tremendous positive and transformative effects across all sectors of the economy. The hallmark of the U.S. approach to data governance is its limited regulation and its recognition of the power and success of industry self-regulatory programs. This approach has permitted the free flow of data that not only has improved virtually every existing industry across, but also has birthed entirely new industries that collect, store, analyze, and use data on behalf of other businesses. These changes have immeasurably improved the American economy, not least of which through the creation of millions of jobs. Indeed, the history of U.S. data governance is in many respects the history of the rise Silicon Valley and the ascendance of America's global dominance in the areas of data management and analytics.

The U.S. approach to data works because of the seriousness and efficiency with which industry tackles privacy and data security issues on behalf of consumers. Self-regulatory programs, best practices, and codes of conduct are able to adapt and update quickly to address new threats and vulnerabilities in ways that legislators and regulators are unable to do. Moreover, self-regulatory solutions are effective precisely because they are industry-driven. The companies themselves know the scope and nature of the issues best and know the capabilities of their businesses, and it is this knowledge that results in effective policies that promote consumer choice and data security as well as effective self-regulatory enforcement. The U.S. framework has enabled industry to develop all of these benefits for consumers through simple market-based choices and transparency.

Other legal and regulatory data governance regimes have worked to the significant economic detriment of the host country. In Europe, heavy regulation of data has resulted in the continent falling far behind the U.S. in terms of data-driven economic growth. Recent research highlights the importance of interest-based advertising. At a hearing before U.S. House of Representatives Committee on Energy and Commerce, Subcommittee on Commerce, Manufacturing, and Trade, titled "Internet Privacy: The Impact and Burden of EU Regulation," the Subcommittee heard testimony from Professor Catherine Tucker about the effect on advertising performance of the European Union's e-Privacy Directive, which limits the ability of companies to collect and use behavioral data to deliver relevant advertising. Professor Tucker's research study on this question found that the e-Privacy Directive was associated with a 65% drop in advertising performance, measured as the percent of people expressing interest in purchasing an advertised product. The study also found that the adverse effect of such regulation was greatest for websites with content that did not relate obviously to any commercial product, such as general news websites.

The U.S. model has not only produced vastly superior economic results, but also has proven a more effective enforcement mechanism. While European data privacy regulations have been inconsistently enforced, U.S. self-regulatory programs have a proven track record of successful enforcement of data privacy standards against companies that have violated codes of conduct and voluntary standards.

IAB believes that strong independent enforcement is the key to any self-regulatory program. With our member companies, IAB has developed extensive standards for our membership. IAB has also developed overarching privacy principles for interactive advertising, which apply to all IAB members,<sup>5</sup> as well as focused guidance for businesses in areas such as email data management<sup>6</sup> and online lead generation.<sup>7</sup> We have established a Member Code of Conduct, which builds on the DAA's Self-Regulatory Program.<sup>8</sup> All IAB members are required to adhere to this code and compliance is monitored and enforced by the Council of Better Business Bureaus ("CBBB").

The CBBB is a leader in building enforcement programs around difficult advertising policy issues and has successfully partnered with the FTC in the past on issues such as food and beverage advertising and online marketing to children. CBBB has brought dozens of enforcement actions and has a one hundred percent compliance rate. The CBBB utilizes a monitoring technology platform and staff research to review the practices of companies in the advertising ecosystem that are collecting and using information across websites and over time to tailor ads to consumers' interests and for other purposes covered by the *Self-Regulatory Principles*. When the CBBB identifies a compliance issue, it has discretion to initiate an inquiry of the company to demonstrate its compliance with the *Principles*. The CBBB may begin a formal review process in which it provides the company with guidance and recommendations, followed by the release of a public report detailing the nature of the review and its outcome, including information about the company's involvement in the inquiry and its implementation of the recommendations. The CBBB may, in its discretion, refer the matter to the appropriate government agency for further action. In special circumstances, the CBBB may choose to dispose of the inquiry or to administratively close the case.

Industry has diligently worked to build a comprehensive, robust self-regulatory and enforcement framework for online behavioral advertising. This effort has yielded an unprecedented comprehensive self-regulatory framework for interest-based advertising, as well as significant consumer educational resources, and has made tremendous progress toward the goal of delivering consumer-friendly standards and tools for online behavioral advertising across the Internet. In fact, success is being achieved both at home and abroad. IAB is promoting the U.S. Framework for the collection and use of web viewing data in more than 30 countries. The DAA standard and the self-regulatory program is already being accepted and implemented in Canada and Europe, and fruitful dialogue is taking place with the Chinese. Establishing a uniform, global standard that is based on the U.S. principles helps ensure a consistent experience for consumers worldwide, but also helps reduce a company's compliance costs associated with operationalizing privacy standards in multiple jurisdictions.

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<sup>5</sup> IAB, "Privacy Principles" (adopted 2008), available at <http://www.iab.net/guidelines/508676/1464>.

<sup>6</sup> IAB, "Email Data Management Best Practices" (2008), available at [http://www.iab.net/media/file/email\\_data\\_mgt\\_best\\_practices0908.pdf](http://www.iab.net/media/file/email_data_mgt_best_practices0908.pdf).

<sup>7</sup> IAB, "Online Lead Generation: B2C and B2B Best Practices for U.S.-based Advertisers and Publishers" (2008), available at <http://www.iab.net/media/file/B2CandB2BBestPracticesFINALv3.pdf>.

<sup>8</sup> IAB Website, "IAB Member Code of Conduct," available at [http://www.iab.net/public\\_policy/codeofconduct](http://www.iab.net/public_policy/codeofconduct).

It is critically important that U.S. officials are aware and embrace the success and superiority of the U.S. model, in terms of its economic effects and its ability to enforce data privacy principles that protect consumers from concrete harms while preserving and promoting innovation and job creation. The U.S. Administration should embrace this approach not only for continuing to foster domestic growth, but also for protecting this model in negotiations with international partners. For example, in discussions with the European Union, U.S. officials should reject the creation of arbitrary barriers to data flow across international boundaries to protect America's competitiveness. Moreover, the Administration should exercise caution in issuing statements or reports that call for new legislation or regulation of data practices in the U.S. Doing so undermines our position abroad for commercial data practices. The U.S. should not take steps that would harm one of the key engines of our economy. Instead, the U.S. should work with our international partners to create safeguards that ensure the protection of legitimate international data transfers and prevent the use of local data storage requirements as a precondition to serving customers internationally.

## **Conclusion**

The Internet is a tremendous engine of economic growth. It has become the focus and a symbol of the United States' famed innovation, ingenuity, inventiveness, and entrepreneurial spirit, as well as the venture funding that follows. Simply put: the Internet economy and the interactive advertising industry creates jobs. In recent years, the fuel that has driven this growth has been free and open access to and use of data. IAB and its member companies have seen and felt the powerful effects of data in transforming the online advertising and the marketing ecosystem for the benefit of the economy and for consumers. OSTP's examination of data must start from the proposition that the policies and frameworks that have birthed America's data-driven economic revolution should be embraced, continued, and defended to the maximum extent possible so that consumers in the U.S. and overseas can reap the benefits of our innovation.