



The Honorable John Thune  
Chairman, Committee on Commerce,  
Science, and Transportation  
United States Senate  
512 Dirksen Senate Office Building  
Washington, DC 20510

The Honorable Bill Nelson  
Ranking Member, Committee on  
Commerce, Science, and Transportation  
United States Senate  
512 Dirksen Senate Office Building  
Washington, DC 20510

Dear Chairman Thune and Ranking Member Nelson:

The Interactive Advertising Bureau (“IAB”) commends the Committee on Commerce, Science, and Transportation (“Committee”) for convening its hearing on *Examining Safeguards for Consumer Data Privacy*, and for its continued leadership on this important issue. We are eager to partner with Congress as it looks at the online privacy landscape and considers enhancements to benefit consumers and ensure the U.S. maintains its position as the global data leader.

IAB is comprised of more than 650 member companies, which account for the vast majority of online advertising sold in the United States. Our members’ innovative services and technological leadership are the drivers behind the \$1.12 trillion advertising-supported U.S. internet economy, and are responsible for more than 10 million jobs across every state.<sup>1</sup> According to recent research, Americans value their free internet experience at over \$1,200 per year, and 85% of consumers indicate that they prefer the existing ad-supported internet model over more expensive alternatives.<sup>2</sup>

The ad-supported internet generates tremendous value for consumers, the economy, and the democratization of information. The bedrock for this ecosystem is the responsible collection and use of data, enabling Americans, and the world, to access the content and services they love for little or no cost. Disruption to the advertising-supported internet could result in a costly, frustrating, and less valuable consumer experience. Any changes to this construct need to be considered with great care.

As the Committee examines data privacy, IAB offers the following points:

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<sup>1</sup> John Deighton, PhD., *Economic Value of the Advertising-Supported Internet Ecosystem* (March 15, 2017) <https://www.iab.com/wp-content/uploads/2017/03/Economic-Value-Study-2017-FINAL2.pdf>

<sup>2</sup> Digital Advertising Alliance, *Zogby Poll: Americans Say Free, Ad-Supported Online Services Worth \$1200/Year, 85 Percent Prefer Ad-Supported Internet to Paid* (May 11, 2016) <https://digitaladvertisingalliance.org/press-release/zogby-poll>

- **Collection and use of data comes with great responsibility, which IAB member companies realize and safeguard.**
  - IAB member companies have moved swiftly to create safeguards to foster privacy and innovation alongside evolving consumer preferences and technology. Our programs have proven and effective results, and could serve as a model for a federal legislative standard.
  - For example, in 2008, the Digital Advertising Alliance (“DAA”) was established to provide consumers with control and enhanced transparency into digital ads. It resulted in the development of the ubiquitous AdChoices Icon that appears more than one trillion times per month.<sup>3</sup> With this tool, consumers have immediate access to relevant information and control over how information is used for advertising.
  - Since its inception, the DAA icon has evolved to keep pace with consumer demand. The program now offers consumers control within apps, across devices, and in Spanish.
  - Recently, the icon was adapted for political ads, providing a new form of transparency and accountability into the funding and identity behind “express advocacy” ads.<sup>4</sup>
  - Similar industry efforts have been successfully developed to prevent fraud and malware from infecting the internet economy, and ad formats from slowing or hindering consumers’ internet experiences.<sup>5</sup>
  
- **The exponential growth and innovation in the digital advertising industry over the last decade has been revolutionary for consumers. Any approach to privacy must be flexible and nimble so that “rules of the road” can evolve with innovation and consumer expectations.**
  - As beneficiaries of the economic boom that has been born from online advertising, we acknowledge our role as stewards of consumer data, and the importance of trust to the value exchange with consumers.
  - Consumer awareness about online data collection and usage has steadily grown, due in large part to industry accountability and education programs.

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<sup>3</sup> Digital Advertising Alliance, <https://digitaladvertisingalliance.org/press-release/digital-advertising-alliance-launches-new-industry-focused-website>

<sup>4</sup> Digital Advertising Alliance, *Application of the Self-Regulatory Principles of Transparency & Accountability to Political Advertising (May 2018)*. <https://aboutpoliticalads.org/principles>.

<sup>5</sup> Trustworthy Accountability Group (TAG) was created to focus on eliminating fraudulent digital advertising traffic, combating malware, fighting ad-supported internet piracy to promote brand integrity, and promoting brand safety through greater transparency. <https://www.tagtoday.net/aboutus/>; The Coalition for Better Ads was created to improve consumers’ experience with online advertising through developing and implementing new global standards. <https://www.betterads.org/about/>.

- However, additional work must be done to promote consumer trust and safety. We believe the time is now to consider sensible legislation to address these pressing challenges.
- **Legislative and regulatory models should provide meaningful consumer controls that are technologically neutral, proportionate to consumer risk, and encourage industry best practices.**
  - IAB is concerned that laws such as the European Union’s General Data Protection Regulation (“GDPR”) and the California Consumer Privacy Act (“CCPA”) will result in a patchwork of varying state laws and consumer confusion, and would negatively impact the online user experience.
  - Despite the best intentions of those efforts, unintended consequences have resulted in leading American websites going dark in Europe due to the uncertainty around the GDPR’s provisions, and the CCPA could lead to an internet experience in California that contrasts with that of every other state.<sup>6</sup>

While industry efforts have provided effective consumer tools that have been lauded by the Federal Trade Commission, the Department of Commerce, and the White House, there is much more work to be done, and IAB is eager to partner with all stakeholders towards providing greater transparency and control for consumers.<sup>7</sup>

A uniform Federal privacy standard could provide clarity, market certainty, and add fuel to future innovation, while preserving the value and benefit that online advertising brings to the internet ecosystem.

We would welcome a dialogue around a federal standard that could strengthen and enhance these programs even further. We are ready to work with the Committee on ideas to enhance consumer privacy while preserving the tremendous value and benefits of the advertising-supported internet.

Sincerely,

David F. Grimaldi  
Executive Vice President, Public Policy  
Interactive Advertising Bureau

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<sup>6</sup> Jeff South, Nieman Lab, *More than 1,000 U.S. news sites are still unavailable in Europe, two months after the GDPR took effect (August 7, 2018)* <http://www.niemanlab.org/2018/08/more-than-1000-u-s-news-sites-are-stillunavailable-in-europe-two-months-after-gdpr-took-effect>

<sup>7</sup> Digital Advertising Alliance, *White House, DOC, and FTC Commend DAA’s Self-Regulatory Program to Protect Consumer Online Privacy (February 23, 2012)* <https://digitaladvertisingalliance.org/press-release/white-house-doc-and-ftp-commend-daa%E2%80%99s-self-regulatory-program-protect-consumer-online>