



Online Execs Object To Privacy Statement Report

by Wendy Davis, Thursday, Oct 9, 2008 3:21 PM ET

Privacy Statement

Step 1 of 9

The Board, as a quasi-judicial tribunal, is authorized to collect information in the context of an NEB Proceeding as set o Board will collect, use and disclose that information for th Proceeding.

Please note that, under the federal [Personal Information Documents Act \(PIPEDA\)](#), the [Regulations Specifying Pu Information](#) state that personal information, as defined in

Online ad industry executives are taking issue with a new Carnegie Mellon University report concluding that regulation might be necessary to "provide basic privacy protections."

The report, by Aleecia McDonald and Lorrie Faith Cranor, found that online privacy policies take users an average of 10 minutes

to read. If every U.S. Web user read the privacy policy at every site visited, the time spent reading privacy policies would total an estimated 44.3 billion hours per year, according to the report.

Many companies that deploy behavioral targeting platforms, which track people across a network of sites and then serve targeted ads, notify people of the practice in privacy policies. Those policies also often let people opt out of the tracking.

Cranor, a board member of the Electronic Frontier Foundation, and McDonald argue in their paper that it isn't reasonable to expect people to learn about behavioral targeting practices by plodding through lengthy privacy policies. They additionally conclude that Federal Trade Commission regulation might be necessary, if companies don't improve the readability of their policies.

But some ad industry representatives disputed the study's premises and findings. Trevor Hughes, executive director of the self-regulatory group Network Advertising Initiative, said Thursday that privacy policies aren't designed to be read by every visitor to the site. Instead, he said, the expectation is that consumers who are especially concerned about particular sites' practices will read them.

He added that privacy policies confer legal obligations on sites even if consumers don't read the documents.

"To suggest that notice fails simply because it would take a long time for consumers to read every privacy policy fails to recognize the value that privacy policies provide," Hughes said. "They become a binding statement by that organization, and if that organization does something different from what they

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say in their privacy policy, the FTC will come down on them."

Additionally, Hughes said, people who don't want to be tracked online for ad-serving purposes have alternatives other than opting out via privacy policies. For instance, users can set their browsers to block third-party cookies, which effectively prevents many behavioral targeting companies from tracking people across a variety of sites. Consumers can download software that removes or blocks certain cookies. (Those techniques, however, wouldn't stop Internet service providers from providing ad companies with data about users' Web histories.)

Jeff Hirsch, CEO of behavioral targeting company Revenue Science, adds that consumers don't always need to read privacy policies through to the end to get the critical details. Hirsch said that as long as policies provide a short summary of the most important points, consumers can glean the crucial information quickly. People who want more details could then spend more time reading the entire policy.

But some consumer and privacy advocates say the study confirms what they've long held--that current privacy policies aren't a good way to inform people about behavioral targeting.

"It's not only that they're long, but they're also complicated," says Alissa Cooper, chief computer scientist at the Center for Democracy & Technology. "They're not really written for your average Internet user to understand them."

She added that the Center for Democracy & Technology has been considering ways to make privacy policies smaller and more manageable. One possibility is by including links in ads that explain ad targeting and include an opt-out mechanism.

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