

November 12, 2007

Chairman Deborah Platt Majoras
Federal Trade Commission
600 Pennsylvania Ave., NW
Washington, D.C. 20580

Dear Chairman Majoras:

The attached "Supplemental Statement in Support of Complaint and Request for Inquiry and Injunctive Relief Concerning Unfair and Deceptive Online Marketing Practices," submitted in the "eHavioral Targeting" Town Hall docket on behalf of the Center for Digital Democracy (CDD) and the US Public Interest Research Group (USPIRG), reflects our concern that many of the issues that we raised in November 2006 ("Complaint and Request for Inquiry and Injunctive Relief Concerning Unfair and Deceptive Online Marketing Practices") remain unaddressed. The past year, moreover, has seen the continued growth of marketing technologies that have sharpened the precision with which Internet users are tracked and targeted, and these techniques are now being deployed in entirely new settings, including social networking sites.

Nor, unfortunately, did the discussions at the Town Hall itself suggest that the advertising industry is prepared to offer any more meaningful response to this issue than the vague promises of self-regulation that have proved insufficient in the past. On the contrary, in the few days since the Town Hall ended, a number of announcements have been made, including ambitious new targeted advertising schemes on the part of both Facebook and MySpace, that make clear the advertising industry's intentions to move full-speed ahead without regard to ensuring consumers are protected.

In reviewing the supplementary material that we are submitting (and also filed formally with the Secretary last week), we trust that the commission will pay particular attention to the impact of these new advertising practices on youth. Since both Facebook and MySpace are working with fast-food clients, for example (Coca-Cola on Facebook and Taco Bell on MySpace), the connection between targeted advertising and the commission's ongoing and statutorily required study of youth and unhealthy products needs to be explored. So, too, does the possibility that behavioral targeting firms are violating the terms of the Children's Online Privacy Protection Act, by including users under the age of 13 in their tracking/segmenting/targeting sweeps, warrant investigation.

As our supplemental filing makes clear, there are a number of other issues that warrant the immediate attention of the FTC--including the role behavioral targeting played in the current national tragedy involving sub-prime mortgage loans.

We await with interest the commission's response to this matter, and will be happy to furnish any additional information that the commission may need.

Respectfully submitted,

Jeffrey Chester
Center for Digital Democracy

Ed Mierswinski
USPIRG

cc: Commissioner Pamela Jones Harbour
Commissioner Jon Leibowitz
Commissioner William E. Kovacic
Commissioner J. Thomas Rosch