

Congress concerned about privacy over cable TV ads (Update)

April 23 2009

(AP) -- Congress put cable TV operators on notice that it will scrutinize their plans to roll out targeted advertising to viewers, questioning whether they will use set-top boxes sitting in millions of homes to monitor and store what people watch.

As part of a broader discussion Thursday over Internet privacy issues, <u>lawmakers</u> at the House subcommittee on Communications, Technology and the Internet brought up cable's newest advertising endeavor called Canoe Ventures.

They asked whether, and to what degree, set-top box data will be used to send targeted ads to viewers. That would mean, for instance, that pet food commercials are routed to households likely to have pets, based on a tendency to watch TV shows about animals.

The questions come even before Canoe, which was formed by the nation's six largest cable TV operators last year, has launched its first targeted advertisement.

But Canoe has no current plans to use data collected by set-top boxes, said Kyle McSlarrow, <u>chief executive</u> of the National Cable and Telecommunications Association who spoke at the hearing.

If <u>cable companies</u> use set-top box data in the future for targeted advertising, McSlarrow said, they will have to comply with existing cable laws protecting private consumer information.



"They're very conscious of the privacy implications of what they do," he said.

Canoe currently has two advertising products in the works. One uses demographic data, such as age and income, to send relevant ads to customers, starting this summer. The other, slated for later this year, would involve interactive ads, such as a button that pops up during a car commercial for viewers to click on with their remote control to get more information.

McSlarrow said the latter has a "built-in, opt in" system. Viewers choose to click on the button before information is sent to them using the address on file with the cable company.

The hearing focused on how deeply Internet service providers, which includes major cable TV operators, monitor customer traffic for the purpose of sending relevant ads based on consumer behavior, but without their express and informed consent.

On this matter, McSlarrow advocated for industry self-regulation.

The subcommittee's chairman, Democratic Rep. Rick Boucher of Virginia, said Thursday he and other committee members are crafting an Internet privacy bill this year.

He said privacy protection doesn't stop at letting consumers opt in or out of data collection - the approach typically favored by industry.

Rather, he said, his bill also would address a broader framework for privacy protection. He and Republican Rep. Cliff Stearns of Florida last had a similar bill in 2005 that didn't get traction.

Last month, Google Inc. unveiled plans to target ads based on consumer



online behavior, and Yahoo Inc. and Time Warner Inc.'s AOL already offer such behavioral targeting services.

"Any service that collects information about a customer must disclose how it's collected and how it's used," Boucher said.

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Citation: Congress concerned about privacy over cable TV ads (Update) (2009, April 23) retrieved 10 May 2024 from <u>https://phys.org/news/2009-04-congress-privacy-cable-tv-ads.html</u>

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