

US regulators call for tighter online privacy rules

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Photo illustration. The US Federal Trade Commission (FTC) called for Internet users to be given an easy-to-use "Do Not Track" feature in a report released on Monday backing tighter online privacy laws.

The US Federal Trade Commission (FTC) called for Internet users to be given an easy-to-use "Do Not Track" feature in a report released on Monday backing tighter online privacy laws.

The FTC voted three-to-one to put its seal on recommendations for businesses and US legislators to better protect people's [privacy](#) in "an era of rapid change."

"If companies adopt our final recommendations for best practices - and many of them already have - they will be able to innovate and deliver creative new services that [consumers](#) can enjoy without sacrificing their

privacy," said FTC chairman Jon Leibowitz.

"We are confident that consumers will have an easy to use and effective Do-Not-Track option by the end of the year because companies are moving forward expeditiously to make it happen and because [lawmakers](#) will want to enact legislation if they don't."

The proposed privacy framework for businesses and US policy makers built on a staff report at the FTC in late 2010.

Firms crafting online services should factor privacy into every phase of projects, with special care given to ensure people's data is kept safe and to limit how much is collected, according to the report.

"Companies should give consumers the option to decide what information is shared about them, and with whom," the report said.

"This should include a Do-Not-Track mechanism that would provide a simple, easy way for consumers to control the tracking of their online activities."

Progress is being made on a do-not-track tool that would prevent online services or advertisers from recording people's Internet activities without their permission, according to the FTC.

"The Commission will work with these groups to complete implementation of an easy-to-use, persistent, and effective Do Not Track system," the report says.

The FTC plans a public workshop in the second half of this year to explore concerns about Internet service providers, [operating systems](#), online social networks, and browser software tracking people's online behaviors.

Companies behind services, and those that act as data brokers, should make it clear to users what information is collected, the FTC recommended.

The FTC called for Congress to pass online [privacy laws](#) and for the Internet industry to "accelerate the pace of self-regulation."

Reaction by Internet privacy advocates ranged from praise to criticism, with Information Technology & Innovation Foundation senior analyst Daniel Castro calling it "misguided."

"The new report shows the FTC still does not understand the fundamental economics of the Internet," Castro said in a release.

"The FTC's recommendations would create economic burdens that could stifle the efficiency and innovation that consumers also want from the Internet."

The dissenting commissioner, J. Thomas Rosch, wrote in the report that he was worried about the legality of stopping Internet companies being able to tell users "take-it-or-leave-it" regarding data collection practices.

"Unfairness is an elastic and elusive concept," Rosch said while explaining his reasons for not endorsing the final version of the report.

"What is 'unfair' is in the eye of the beholder."

Stopping companies from making money by targeting [advertising](#) in practices openly outlined in policies could stifle innovation, according to Rosch.

Nonprofit advocacy group Consumer Watchdog lauded the FTC for supporting a do-not-track tool, which the group has sought for two years.

"The FTC's support of Do Not Track means that consumers should have a meaningful way to control the tracking of their online activities by the end of the year," said organization director John Simpson.

The Center for Democracy & Technology called the FTC report an "important reminder" of the need for control of online behavior tracking and said the commission joined "a growing chorus of support" for privacy legislation.

"This report encourages Congress to pass legislation to promote consumer online privacy protection," said US Senator John Rockefeller, chairman of the senate committee on commerce, science and transportation.

"Online companies need to do a better job of honoring consumer requests when they make a 'do-not-track' request on their Internet browsers."

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