AT&T, Verizon to Refrain From Tracking Users Online
Firms Pledge to Get Consent Before Targeting Ads to Consumers

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AT&T and Verizon, two of the nation's leading Internet service providers, pledged yesterday to refrain from tracking customer Web behavior unless they receive explicit permission to do so.

The announcement, made at a Senate committee hearing, represents a challenge to the rest of the Web world, where advertising is commonly delivered by companies that record a consumer's visits across multiple Web sites. The practice, known as "behavioral targeting," is largely invisible to customers and generally done without their consent.

"Verizon believes that before a company captures certain Internet-usage data . . . it should obtain meaningful, affirmative consent from consumers," said Thomas J. Tauke, Verizon executive vice president.

AT&T's chief privacy officer Dorothy Attwood made a similar pledge to legislators, and then, taking aim at Google she noted that AT&T's promise to get consumer consent is an advance over others in the industry.

"Google's practices exemplify the already-extensive use of online behavioral targeting," she said, citing for example its use of tracking cookies through DoubleClick, its display advertising arm. "We encourage all companies that engage in online behavioral advertising . . . likewise to adopt this affirmative advance consent paradigm."

Google issued a brief statement citing its membership in an industry group, the Network Advertising Initiative, that has guidelines for protecting consumer privacy. Those guidelines do not include such a broad requirement for consumer consent, however. Google also sought to distinguish between the tracking techniques that it and other Web companies employ from the arguably more invasive methods some Internet service providers have used.
Companies have built an array of techniques to record the actions of users as they move across the Internet -- namely tracking "cookies," "beacons" and "deep packet inspection," which essentially looks at every packet of information delivered on an Internet line. Those tactics allow companies to record what Web sites customers visit, what products they purchase, even what newspaper articles they read. Advertisers use this information to determine what ads to deliver to that person's computer.

The crux of the current dispute is whether consumers should have to "opt in" -- or affirmatively consent -- to be tracked or whether they should merely be given the opportunity to "opt out" of tracking if they don't like the idea.

Google, Microsoft and many other Web companies have espoused the "opt out" model. They say this is enough to give consumers "control" over whether their activities are tracked.

Moreover, these Web companies minimize the privacy threat posed by the information collection, noting that the data is not linked to a person's name, but to a number or Internet address.

Finally, they argue that forcing users to "opt in" could wreck the Internet economy because so much of what is presented on the Web is supported by advertising. If given a choice and clear notice, most people probably would not "opt in" to tracking -- and advertising would suffer, industry officials said.

"If Congress required 'opt in' today, Congress would be back in tomorrow writing an Internet bailout bill," said Mike Zaneis, vice president of public policy for the Interactive Advertising Bureau, a trade group. "Every advertising platform and business model would be put at risk."

Today, as a matter of practice, only a small percentage of users avail themselves of the "opt out" choice they are commonly given.

A Consumer Reports National Research Center poll released yesterday found Americans are concerned and confused about their Internet privacy rights.

The poll, which Sen. Byron L. Dorgan (D-N.D.) cited during the hearing, showed that 72 percent of Americans are worried that their online behavior is being tracked and profiled by companies. Many also overestimate the extent to which the law protects their privacy.

According to the poll, 43 percent of Americans "incorrectly believe a court order is required to monitor activities online." Another 48 percent "incorrectly believe their consent is required for companies to use the personal information they collect from online activities."

House and Senate members have been holding hearings with an eye toward legislation regarding consumer privacy.

Some critics viewed yesterday's announcements skeptically, suggesting that even the
stricter "opt in" scheme could pose problems. Mildly worded warnings could lull many people to "opt in" despite the risks, they said.

"What they should be saying is, 'We are going to be collecting every move of your mouse on every Web site on a second-by-second basis.' But that would scare too many people away," said Jeff Chester, of the Center for Digital Democracy. "They're going to craft some kind of proposal that claims to be informed consent but simply gives them political cover while they engage in full frontal behavioral targeting."