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TO: FTC Transition Team

FROM: Kathryn C. Montgomery, PhD, Professor, School of Communication, American University

RE: The FTC's role in safeguarding children and adolescents in the digital marketplace

I have worked with the FTC since the early 90s. As President of the Center for Media Education, I collaborated closely with Commission staff during our successful efforts to institute online privacy provisions through passage and implementation of the Children's Online Privacy Protection Act (COPPA). The regulatory intervention we were able to make during this early period of commercialization of the Web has created a set of standards that have ensured at least minimal protections for children under the age of 13 against the most egregious data collection practices.

However, as the digital marketing system continues to intrude further into young peoples' lives, U.S. regulations remained ill equipped to deal with its impact on children's health and wellbeing. Today's children and adolescents are positioned at the epicenter of a growing "media and marketing ecosystem" that encompasses mobile devices, broadband video, social networks, instant messaging, videogames, and virtual, three-dimensional worlds. These new interactive marketing practices are a dramatic departure from conventional children's advertising. By seamlessly weaving together content, advertising, brand promotion, and direct transactions, interactive media can provide marketers with unprecedented access to individual consumer data, as well as an array of direct-response opportunities.

We are now at a critical crossroads when the FTC can again play a leadership role in developing protections for the nation's young people against unfair and deceptive digital marketing practices. Two issues are particularly urgent: personal privacy and food marketing. I strongly urge the new Federal Trade Commission leadership to:

1. More effectively monitor and enforce COPPA. The FTC has taken a narrow approach to its implementation and enforcement of COPPA, which fails to take into account contemporary techniques of behavioral targeting and other new forms of personalized interactive marketing. The agency must be much more proactive in monitoring industry developments and ensuring COPPA's continued effectiveness in the rapidly growing digital media.

2. Develop policy safeguards to protect the privacy of adolescents online. Behavioral profiling and social media marketing are part of the core business model for online commercial services that target 13-17 year olds. Adolescents are unaware of the extensive data collection and targeting system in place on mobile devices, social networks, and video platforms, where they are living much of their social lives. Nor are they capable of fully understanding the purposefully vague and incomprehensible privacy policies on many of their favorite sites. Regulators must ensure that adequate privacy safeguards are put in place to protect this vulnerable segment of the public.

3. Address the role of digital marketing in the youth obesity crisis. In implementing its Congressional mandate on food and beverage marketing to children, the Commission must do a better job of researching and understanding the nature of the digital marketplace and the plethora of new interactive techniques that food and beverage companies are employing to target children and adolescents. Moreover, rather than relying on the current patchwork of industry self-regulatory principles, the FTC should develop a set of clear and consistent government guidelines to ensure that *all* food and beverage companies -- across *all* media platforms -- engage in fair marketing practices to *all* children under 18.