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Internet Privacy – Careful How we Ask for It

By Michael W. Thompson

In another life, I founded and built a direct marketing company.

We contacted folks using names acquired from “list companies” that offered to rent to us the names of those people with similar backgrounds. These lists were developed by companies and organizations that allowed their customer names to be used by us for our clients. Those customer names were owned by organizations and companies that rented names themselves from others to build, in turn, their own customer base. Lists were also available that were considered “compiled” names of those with various demographic similarities – where they lived, income level, driver’s license holders, registered voters, catalogue buyers, etc.

We looked for lists of people who had similar interests to the issues or products our clients were promoting. And we used reputable “mail houses” that received the names we rented and mailed the materials we drafted and printed. We or our clients never saw the specific names unless a person responded directly to one of their appeals. Then that person’s name and address were part of our client’s database.

Multiple surveys showed that those who responded to direct mail appeals, or purchased items from catalogues received in the mail, enjoyed receiving these direct mail solicitations. They could toss out those letters and catalogues they didn’t like, read those they wanted, and respond if they wanted. Free choice!

Today the direct marketing and advertising business has exploded thanks to the marvels of the internet. And internet advertising is much like advertising in other media – aimed at the customer potentially most interested. You can respond or not with the click of your mouse. Free choice again!

But recently, the un-elected Federal Communications Commission (FCC), tried to “protect the privacy” of individuals by requiring broadband providers to ask customers for specific permission before collecting data to use in selling ads. They made it sound as if advertisers were gaining access to all sorts of private information about each of us from our broadband providers. But this isn’t what is happening. In actuality, the advertisers are placing ads on our computers based on the data compiled by internet providers but our names are not given directly to the advertisers. If you or I respond to an ad, then the advertising entity (company, organization, candidate, etc.) has our name and what we purchased in their own database.

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But the FCC's proposed rules would have applied only to internet providers and not to various websites, search engines and others that collect information on all of us as well. AT&T, Comcast, Verizon and other internet providers would have been under these new restrictive rules but Google, Facebook and others would not. That was clearly unfair and sends up all sorts of yellow flags.

So Congress recently stepped in and overruled the FCC and stopped these proposed new "privacy" rules from going into effect until a more reasonable, effective and fair process can be developed. And hopefully this new approach will protect privacy as the individual might desire and not greatly hinder the growing internet industry.

And like other media that carry advertising – television and radio stations for instance – the advertising revenue is a huge part of the internet providers' bottom line. These advertising revenues likely keep our internet access costs lower than they would be otherwise. And that is advantageous to all of us who use the internet each and every day.

But when Congress intervened and overruled these proposed new rules which did not apply evenly to all who use data collection to advertise, some critics went through the roof. That was a typical overreaction by those who don't seem to understand the realities. They claimed that Congress was denying us our privacy rights, which is completely inaccurate. And, these critics failed to mention that the Federal Trade Commission (FTC) remains the main regulatory agency on privacy issues, not the FCC. Congress did understand and our elected officials took action.

An even handed and reasonable method of allowing those of us who use the internet to restrict how our information is used seems like a good idea. It would be the same as, when I was in the direct marketing business, a person checking a box off on his or her response device to not share their information with others. Such requirements would best be voluntarily accepted by the major players in the industry. However, if the federal government still demands involvement, then it should include the Federal Trade Commission as well as the Federal Communications Commission. And all internet players should be part of the new rules. Once the FTC and FCC agree on a universal system, it should be approved or cancelled by our elected Congress. This is much too important to be left in the hands of a few appointed bureaucrats.