

Secretary  
Federal Trade Commission  
Room H-159  
600 Pennsylvania Avenue, NW  
Washington, DC 20580

**Re: TRUSTe Request for Commission Approval of Self Regulatory  
Guidelines under the Children's Online Privacy Protection Rules**

Dear Mr. Secretary:

TRUSTe hereby respectfully submits this application for Federal Trade Commission approval of its Children's Program for Safe Harbor status. TRUSTe submits this application pursuant to Section 312.10 of the FTC's rules implementing the Children's Online Privacy Protection Act ("COPPA"). In addition to this original, TRUSTe submits five copies of this application for Safe Harbor, along with a 3½-inch disc containing the application in Word format. TRUSTe's Children's Program has been developed to provide highly effective protection of children's privacy and has evolved in response to the growing understanding of the specific needs and issues raised by the collection of information from children. TRUSTe believes that its Children's Program meets the COPPA requirements for Safe Harbor, and that it will continue to serve the Internet community, providing strong, reliable protection for children's privacy online.

**1. About the TRUSTe Program**

TRUSTe, the Internet industry's privacy seal program, offers a cost-effective, practical program that squarely addresses the privacy concerns of consumers, Web sites, and government officials. The TRUSTe program enables Web sites to develop privacy statements that effectively and clearly notify Internet users about the company's

information gathering and dissemination practices. It requires websites to meet program requirements encompassing fair information practices of notice, choice, security, and access, as interpreted by the Department of Commerce and the Federal Trade Commission. It further requires sites to submit to oversight and dispute resolution through the program's Watchdog process, which offers consumers a place to have their complaints heard and resolved. Sites that adhere to the TRUSTe program's requirements carry the TRUSTe seal, or "trustmark," an online branded symbol.

#### **A. TRUSTe Oversight**

TRUSTe monitors its licensees for compliance with their posted privacy practices and TRUSTe program requirements through a variety of measures, including initial and periodic Web site reviews, "seeding," and online community monitoring.

*Initial and Periodic Reviews* – After a Web site has completed a formal application to become a TRUSTe licensee, a TRUSTe representative will initially review the site for adherence to TRUSTe program principles, privacy statement requirements and trustmark usage. A TRUSTe representative will then periodically review the site to ensure compliance with posted privacy practices and program requirements, and to check for changes in the privacy statement.

*Seeding* – TRUSTe regularly "seeds" Web sites, a process that involves tracking unique identifiers in the site's database. TRUSTe submits unique user information ourselves and monitors results to ensure that the site is practicing information collection and use practices that are consistent with its stated policies and program requirements.

***Online Community Monitoring*** – TRUSTe relies on online users to report violations of posted privacy policies, misuse of the TRUSTe trustmark, or specific privacy concerns pertaining to a licensee. TRUSTe has established a convenient online Watchdog reporting form for users to report suspected violations or trademark misuse. Licensee privacy statements must also display the TRUSTe “click to verify seal,” which links to a verification page located on TRUSTe’s secure server. This mechanism deters seal piracy by allowing consumers to verify that a site is authorized to use the TRUSTe trustmark.

***Internet Monitoring Efforts*** - TRUSTe also employs “spider” technology that searches the entire Internet for postings of the TRUSTe mark. This technology allows TRUSTe to locate rogue uses of the mark and to notify unauthorized Web sites that they must remove the TRUSTe seal. If TRUSTe’s notification to Web sites does not successfully prompt the site to remove the seal, TRUSTe’s legal counsel will contact the site, asserting TRUSTe’s rights under trademark law. While to date it has been unnecessary to do so, TRUSTe is prepared to take legal action against unauthorized sites that carry the TRUSTe seal.

## **B. TRUSTe Resolution Process<sup>1</sup>**

To resolve privacy concerns or complaints raised by Internet users or by TRUSTe through the oversight process, Web site licensees agree to cooperate with all of TRUSTe’s reviews and inquiries. Through its Watchdog process, TRUSTe works with licensees and users to resolve privacy-related disputes quickly and fairly.

---

<sup>1</sup> The TRUSTe resolution process is outlined in detail in the TRUSTe Compliance Document, attached as Exhibit B.

The TRUSTe license agreement requires that Web sites provide consumers with simple, effective means to submit their privacy concerns directly to the Web site. At a minimum, all privacy statements contain TRUSTe contact information so users may direct their questions or concerns to us. We ask users to contact Web sites directly before filing a report with TRUSTe to assure that Web sites have the opportunity to make an initial attempt to resolve the consumer's concerns.

If the Web site has not acknowledged the receipt of the consumer's complaint, or if a satisfactory response is not provided, TRUSTe acts as the liaison between the consumer and the Web site to resolve the problem. This process entails

- (i) notifying the licensee of the consumer's complaint and working with the site toward a speedy, satisfactory resolution;
- (ii) notifying the consumer of the resolution or other relevant findings; and
- (iii) pursuing the issue further if TRUSTe is unable to bring the matter to a mutually satisfactory resolution.

In the event that TRUSTe has reason to believe that a licensee has violated its posted privacy practices or other TRUSTe program requirements, TRUSTe will conduct an escalated investigation. This process may include an on-site compliance review by a third-party auditor. If the on-site review finds that a licensee is non-compliant, TRUSTe will advise and guide the licensee on the steps to remedy the problem.

If no action is taken by the licensee, and depending upon the severity of the breach, the TRUSTe investigation may result in revocation of the TRUSTe trustmark, termination

of the licensee's participation in the program. In some cases, TRUSTe may exercise its right to refer a case to the appropriate government agency.

The dispute resolution mechanism provided by the TRUSTe program does not constitute binding arbitration. Consumers who participate in the TRUSTe process remain free to pursue any legal recourse available through the court system.

## **2. The TRUSTe Children's Program**

The TRUSTe Children's Privacy Seal Program offers companies a solution to addressing children's privacy issues. Parents and children who visit sites that post the Children's Seal are assured that the site has complied with the TRUSTe Children's Program, that TRUSTe is providing ongoing review to ensure the site is not violating its privacy statement, and that a formal complaint and resolution process exists if consumers perceive that the site may not be in compliance with the TRUSTe program.

All sites directed at children under age 13 and those general audience sites with actual knowledge that children visit their site seeking licensing by TRUSTe must post the Children's Seal and adhere to the provisions of the standard TRUSTe program and TRUSTe Children's Program requirements. The Children's Program requirements have evolved with the development of public policy and now incorporate all of the requirements of the COPPA.

### **I. Requirements of the TRUSTe Children's Program**

Pursuant to Section 312(c)(I), which requires applicants to submit a copy of the full text of the guidelines for which Safe Harbor approval is sought, TRUSTe attaches a

copy of version 6.0 of its License Agreement (Exhibit A). The license agreement contains a section entitled Schedule B: The TRUSTe Children's Program Requirements, that contains the specific requirements to be met by participants in the TRUSTe Children's Program. These requirements track the provisions of Sections 312.3-312.8 of the COPPA Rule. These requirements should be read in the context of the overall TRUSTe License Agreement and Compliance Document (Exhibit B), which set forth the overarching standards of the TRUSTe program, and the details of the program's dispute resolution and enforcement mechanisms, respectively.

## **II. Comparison of Sections 312.3-312.8 of the Rule and TRUSTe's Children's Program Requirements**

### **Section 312.3 Regulation of unfair or deceptive acts or practices in connection with the collection, use, and/or disclosure of personal information from and about children on the Internet.**

Section 312.3 states that operators may not collect or maintain information from a child in a manner that violates the rule. It outlines the general requirements of Section 312.4-312.8, which relate to notice, verifiable parental consent, parental review of information, minimization of information collection and maintaining the security and integrity of any data collected from a child.

The TRUSTe program requirements fully incorporate the requirements of 312.3 in the provisions of its License Agreement. The Agreement calls for clear, unambiguous, conspicuous notice that incorporates specific requirements. It makes provisions for parental consent that meets certain standards. It provides for the right of parents to review personal information provided by a child and to have that information deleted. It prohibits conditioning a child's participation on collection of personal information, and

requires Web sites to implement reasonable procedures to protect the confidentiality, security, and integrity of personal information collected from children.

A more detailed description of these requirements follows in a comparison of sections 312.4-312.8 of the Rule and our Guidelines.

**Section 312.4(a),(b). Notice, General Principles of Notice, Notice on the Website or Online Service**

Section 312.4(a) of the COPPA requires that notice or privacy statements are clear, concise and understandable. It provides that notices be labeled as such and provided on the Web site's home page, as well as wherever personal information is collected from a child.

The fair information practice of notice is the cornerstone of the TRUSTe program. The TRUSTe License Agreement sets forth notice, embodied in a Privacy Statement, as a minimum requirement. Schedule A, Section 3.A. of the Agreement states:

“Privacy Statement. Licensee’s Privacy Statement shall be made available to users of the Site (“Users”) prior to or at the time Personally Identifiable Information or Third Party Personally Identifiable Information is collected. The Privacy Statement shall disclose to Users the Site’s information user and collection practices. . .”

The agreement then states in specificity the requirements of a privacy statement.<sup>2</sup>

---

<sup>2</sup> The TRUSTe Program requires that a privacy statement include 1) what Personally Identifiable Information (PII) is collected through the site; 2) the identity of the

The notice requirement of the TRUSTe Children’s Program builds on these general requirements for the privacy statement. Section 7 of the TRUSTe License Agreement states that licensees must

“provide a link to the Privacy Statement in a clear and prominent place and manner on Licensee’s home page and any area where children directly provide, or are asked to provide, Personally Identifiable Information. The notice must be in close proximity to the requests for Personally Identifiable Information in such areas. If the site has a separate children’s area, Licensee must also provide a link to the Privacy Statement in a clear and prominent place and manner on the home page of that area. The link must clearly indicate that the Privacy Statement includes information about the site’s information practices with regard to children.”

In addition, licensee compliance with the COPPA requirement that the notice be “clearly and understandably written, be complete, and must contain no unrelated, confusing, or contradictory materials” is assured both by the requirements of the TRUSTe license agreement, and by the TRUSTe application process. The license agreement specifies that “the Privacy Statement shall contain no confusing, unrelated or contradictory language, and shall contain no marketing or public relations material.” In addition, each

---

**organization collecting information, including contact information; 3) how PII may be used; 4) with whom PII may be shared; 5) what choices are available to the user of the site regarding collection, use, disclosure, and distribution of PII; 6) what kinds of security procedures have been put in place by licensee and its collecting organization to protect against loss, misuse, or unauthorized access, disclosure or alteration of PII; 7) whether users of the site are offered access to their PII; and 8) the fact that PII provided to licensee is subject to disclosure pursuant to judicial or other governmental subpoenas, warrants or orders. See Exhibit A, TRUSTe license agreement version 6.0, Schedule A, Section 3.A.**



licensee's privacy statement is reviewed and revised individually by TRUSTe representatives who works with the licensee's company representative to assure that the detailed requirements of Section 312.4.b.1-2 are met<sup>3</sup> and the privacy statement is clear and contains the information that parents need to know. The TRUSTe License Agreement specifically requires that the notice not contain marketing or public relations materials.

It should be noted that the TRUSTe program takes an additional step in providing sound notice, by requiring Web sites to provide notice directly to children. The TRUSTe License Agreement states that licensees must:

“[p]rovide prominent notice to children describing in age-appropriate terms what Personally Identifiable Information is to be collected, and explain the need for those children to obtain parental consent before sharing information.”

This provision is in keeping with TRUSTe's role in consumer education, as it promotes a child's understanding of the importance of making considered choices about release of information. It also encourages an opportunity for children and parents to talk about information privacy issues.

#### **Section 312.4 (a), (b)(2),(c) Content of Notice, Notice to a Parent**

Section 312.4(b)(2) outlines the information that a Web site must disclose in its privacy policy. This section provides that operators must (i) identify themselves; (ii)

---

<sup>3</sup> Web sites applying to the TRUSTe program are assigned to a TRUSTe representative who receives a copy of the TRUSTe self-assessment sheet (discussed elsewhere in this document) and the privacy statement. The TRUSTe representative works with the Web site's representative to assure that the contents of the privacy statement comport with the assertions made on the self-assessment sheet. In addition, the TRUSTe representative reviews the privacy statement to be sure that it is clearly and understandably written, placed so that the user can easily view it, and that it includes all of the information required in Subsection 2 of Section 312.4. The application will not be approved until the TRUSTe representative determines that these requirements have been met.

disclose the type of information collected and whether it is gathered directly or passively; (iii) define how personal information is used; (iv) disclose whether personal information is disclosed to third parties, and if so, to whom, the purposes of the sharing, and how information will be protected; (v) not condition a child's participation on information disclosure; and (vi) give parents an opportunity to review or delete information and refuse further use.

The TRUSTe License Agreement closely tracks these requirements. Schedule B, Section 8 provides that licensees subject to the Children's Seal Program requirements must:

“[p]rovide notice to parents, in the Privacy Statement, of the types of information collected through the site, how such information is collected and how it will be used. The Privacy Statement must state that a child's access to the site cannot be conditioned on giving out more information than is reasonably necessary for participation, that parents have the right to consent only to the collection and use of a child's Personally Identifiable Information without also consenting to disclosure to third parties, the right to review their child's collected personal information, and the rights to have that information deleted or refuse further collection and use of the child's information. The Privacy Statement must also describe the procedures for parental consent and review.”

The TRUSTe License Agreement further states that the privacy statement shall include:

“the names, addresses telephone numbers, and e-mail addresses of all parties collecting or maintaining Personally Identifiable Information from children through the Site, and the name, address, phone number, and e-mail address of a single party that will respond to all inquiries from parents concerning the privacy policies of all named parties. If information is transferred to third parties, the Privacy Statement must state the types of businesses conducted by those third parties, the third parties' general use of the information, and whether the third parties agree to maintain the confidentiality, security, and integrity of the information.

For a licensee to fulfill its obligations under the terms of the Agreement, each of the requirements of the Rule regarding the content of notice must be provided in the privacy statement. TRUSTe works with each individual Web site to refine and clarify their

privacy statement, and to assure that all requisite elements are represented in the statement. The privacy statement is not approved until the TRUSTe account executive is satisfied that all elements required by the TRUSTe license agreement are included.<sup>4</sup>

The TRUSTe License Agreement provides that operators of children's sites must post a link to the notice on the home page or on the page where the personally identifiable information is collected. General sites that collect birthday and/or age information and have actual knowledge that a user is a child must post a link to the notice on the page where child's information is collected.<sup>5</sup>

### **Section 312.5 Parental Consent**

Section 312.5 of the Rule governs notice to a parent, when verifiable parental consent or direct parental notification is required. The TRUSTe License Agreement closely tracks the language of the Rule's parental consent and notice requirements, and TRUSTe's work with Web site operators to assure that the mechanisms for obtaining verifiable parental consent are appropriately implemented by licensees. Historically, TRUSTe has required that sites implement mechanisms such as phone call, fax, credit card verification or postal letter to obtain verifiable parental consent. The current version of the TRUSTe License Agreement, (Exhibit A), specifically proposes off-line consent such as printing and submitting a permission form by mail or facsimile. Consent may be obtained online via email when a verifiable unique identifier like credit card information is part of the communication, however, this method may not be used when information is to

---

<sup>4</sup> See the process as described briefly in footnote 2.

<sup>5</sup> Schedule B, Paragraph 7, TRUSTe License Agreement Version 6.0.

be made public or shared with third parties. Consent by email only is not sufficient in any instance. The TRUSTe License Agreement provides that licensees will:

“Obtain Verifiable Parental Consent prior to the collection, use, or distribution to third parties of Personally Identifiable Information from children under 13. “Verifiable Parental Consent” shall relate to the type of information collected and the way the information may be used and distributed and may include any reasonable effort taking into consideration available technology to ensure that consent for collection is actually obtained from a child’s parent. Such consent may, at the option of parents, permit only the collection and use, but not disclosure, of a child’s Personally Identifiable Information. Mechanisms for such consent may include, but are not limited to, off-line consent such as printing and submitting a permission form by mail or facsimile; or, in cases where information is not to be made public or shared with third parties, online consent that contains a verifiable unique identifier like credit card information.”

TRUSTe is committed to promoting the spirit of the Rule as it relates to verifiable parental consent, and works with sites to assure that the method of consent is appropriate to the Web site’s business model and in keeping with current technological developments.

The TRUSTe License Agreement also makes specific provisions for those instances in which the Rule provides an exception to parental consent.<sup>6</sup> Paragraph 4, Schedule B, of the TRUSTe License Agreement provides that licensees shall not be required to obtain prior parental consent:

In order to collect and use online contact information a) to respond directly to the child’s request on a one-time basis to a specific request from the child where it is not used to re-contact the child for other purposes; b) in order to request the name or online contact information of a parent for the sole purpose of obtaining Verifiable Parental Consent or providing parental notification, c) for the sole

---

<sup>6</sup> Section 312.5(c) of the Rule provides that an operator is permitted, without prior parental consent to collect: (1) a parent’s or child’s name and online contact information to seek parental consent to provide parental notice; (2) a child’s online contact information in order to respond on a one-time basis to a specific request of the child; a child’s online contact information in order to respond directly more than once to a specific request of the child when such information is not used to contact the child beyond the scope of that request, and the operator provides the parent with notice and an opportunity to opt out; and (4) the name and online contact information of the child to the extent reasonably necessary to protect the safety of a child participating on the website.

purpose of protecting the child's safety, if the information is not disclosed on the site or used to recontact the child, d) as reasonably necessary to protect the security or integrity of the site, e) as reasonably necessary to take precautions against liability, f) as otherwise permitted by law, to assist law enforcement agencies of for an investigation on a matter related to public safety, and g) to respond more than once directly to a specific request from the child and not sued to recontact he child beyond the scope of that request. . . Where the information is used to contact the child more than once, Licensee must use reasonable efforts to provide parental notification. Direct parental notification shall apply to the nature and intended use, including distribution practices, of this information, which shall include an opportunity for the parent to prevent the use of the information and participation in the activity.

### **Section 312.6 Right of parent to review personal information provided by child**

Section 312.6 addresses the rights of parents to review personal information provided by a child.

The TRUSTe license agreement makes specific provisions for parental review of information collected from children in Schedule B, Section 8 of the Agreement, which states that licensees must

“[p]rovide notice to parents, in the Privacy Statement, of . . . the right to review their child's collected personal information, and the rights to have that information deleted or refuse further collection and use of the child's information. The Privacy Statement must also describe the procedures for parental consent and review.”

TRUSTe representatives work closely with Web site operators to assure that the right to review, delete and refuse collection or use of information is clearly stated in the site's privacy statement. Historically, TRUSTe has consulted with Web operators to determine practical and effective ways to provide parental consent, keeping in mind both the

evolution and the limitations of technology, as well as the specific needs of the Web site's business model.

**Section 312.7 Prohibition against conditioning a child's participation on collection of personal information.**

The TRUSTe License Agreement explicitly addresses this requirement of the COPPA in Schedule B, Section 5, which states that a licensee shall:

“[n]ot entice a child under 13, by the prospect of a special game, prize, or other activity to divulge more information than is needed to participate in such activity.”

**Section 312.8 Confidentiality, security, and integrity of personal information collected from children.**

The TRUSTe program requirements provide that all TRUSTe licensees implement reasonable procedures to protect personally identifiable information. The provisions of the Children's Program reinforce this requirement. Licensees subject to the requirements of the Children's Program are required specifically to

“[e]stablish and maintain reasonable procedures to protect the confidentiality, security, and integrity of Personally Identifiable Information collected from children.”

TRUSTe is cognizant that technologies available to provide information security are constantly changing and developing, and that Web site operators must take into consideration many factors in determining the nature of the security system they choose to

implement. TRUSTe is watching this issue closely, and is looking to the FTC's forthcoming guidelines as it works with licensees in this area.

### **III. The TRUSTe Self Assessment Process and Monitoring Function Meet the Requirements of the COPPA Rule**

#### **A. The Self-Assessment Process**

TRUSTe conducts a comprehensive assessment of the privacy practices of Web sites that seek to participate in the TRUSTe Children's Program. The site's practices must meet the standards of the TRUSTe Children's Program and the COPPA Rule. If during the TRUSTe approval and certification process it is determined that the Web site is not in compliance with the TRUSTe Children's Program guidelines, then the Web site must change its practices before its application is given any further consideration.

The first step in determining the Web site's privacy practices is the completion by the site operator (or other delegate within the Web site company) of a self-assessment form describing the site's privacy practices (see Exhibit A, which includes the TRUSTe Children's Program Self-Assessment document).

TRUSTe's self-assessment form asks questions in the following areas:

- What information the Web site collects about children
- How such information is collected (i.e., collection through site registration, order forms or contests; or information collected through log files)
- How the information is used (e.g., third party sharing or internal uses)
- What other parties (such as business partners) may also collect information through the site
- Whether children may contact or be contacted by third parties (through chat, email, etc.)
- How the site notifies and obtains verifiable consent from parents
- How the information is protected from external and internal abuse

After receiving the self-assessment form and a site's privacy statement, TRUSTe conducts an initial review of the site to verify that the site's stated policies are in effect on the site and that there is consistency between the Web site practices, the privacy statement

and the completed self-assessment form. For example, if the privacy statement indicates that the site does not collect financial information from children, TRUSTe reviews the site to determine that no features exist for the collection of this information.

If any inconsistencies are found, TRUSTe requires that the Web site make the changes necessary before the approval and certification process is continued.

TRUSTe ensures that the site's privacy practices are in compliance with the Children's Program and the COPPA rule. If the site collects information from children for the purpose of participation in certain activities (i.e. games, newsletters, etc.), TRUSTe reviews these features on the site features to determine whether such information collection demands parental notification or verifiable parental consent. If the site's features are not in compliance with the program or the rule, TRUSTe seeks changes in the site in order for the site to become compliant.

After the initial site review has been completed and the site has received the TRUSTe Children's Seal, the site is periodically monitored by TRUSTe to ensure continued compliance. The TRUSTe program requires Web site operators to notify TRUSTe of any changes in its privacy practices. The site's privacy practices are also reviewed periodically on an unannounced basis.<sup>7</sup>

## **B. Seeding Process**

TRUSTe periodically "seeds" Web sites that participate in the Children's Program in order to verify that the Web site is abiding by its stated privacy practices. During the

---

<sup>7</sup> For further discussion of this review, see Section III. B., "Seeding Process."



seeding process, TRUSTe creates a unique registration on a site, as a child, and supplies information to the site as a child user (including parental contact information).

TRUSTe then checks that the site is obtaining verifiable parental consent by registering the child for an activity requiring parental consent. In this way TRUSTe will be able to verify that the site is actually obtaining the required parental consent. TRUSTe, acting as a parent, also attempts to change or delete the information submitted by the child in order to test a parent's capability to access a child's profile information.

By monitoring the messages received in the "child's" account, TRUSTe is also able to verify that children's personal information is not being used for any reason outside the stated purpose.

#### **IV. Enforcement of the Requirements of the TRUSTe program are provided for in the TRUSTe License Agreement and Compliance Document**

The COPPA Rule lists optional methods for providing compliance with self-regulatory guidelines. These methods include (1) mandatory, public reporting of disciplinary action taken against Web sites by the industry group promulgating and administering the guidelines; (ii) consumer redress; (iii) voluntary payments to the United States Treasury in connection with an industry-directed program for violation of the guidelines; or (iv) referral to the Commission of operators who engage in a pattern or practice of violating the guidelines.

The Compliance Document provides a method for review of Web sites that may be in violation of the TRUSTe agreement. Users may bring complaints to TRUSTe for review through our Watchdog process, setting in motion a process by which TRUSTe investigates the complaint against the licensee. The investigation may result in the Web site's correction of a one-time error. If a Web site's actions have caused harm to a user, TRUSTe will work with the Web site to remedy the harm.

If, in TRUSTe's judgment, a Watchdog complaint indicates a pattern of information practice problems or violation of the TRUSTe agreement, a Web site may be asked to make changes to its privacy statement, or to its information practices. In some cases, TRUSTe may require that a site undergo a third party audit to assure that questions about internal practices, the privacy statement, or technologies have been resolved. Web sites undergoing such an audit are required to bear an "Audit Alert" mark near the TRUSTe seal until the audit is complete.<sup>8</sup>

The TRUSTe License Agreement explicitly provides that TRUSTe may, at its discretion, refer cases to the Federal Trade Commission. TRUSTe may terminate its Agreement with a licensee for material breach, and in so doing will revoke the Web site's right to bear the TRUSTe seal and remove the licensee's name from its list of participants in the TRUSTe program.

In such instances where cases have escalated beyond the Watchdog process, TRUSTe reports its escalation activity on its Website in an area called "Investigation Results."

## **Conclusion**

TRUSTe commends the FTC for its work on children's privacy and for promulgation of the rules governing implementation of the COPPA. TRUSTe appreciates this opportunity to demonstrate to the Commission that the elements of its Children's Program fulfill the requirements for Safe Harbor. TRUSTe believes that its Children's Program, through its License Agreement requirements, Watchdog process, enforcement tools and one-on-one consultation with Web site operators, can provide a strong and effective Safe Harbor program that will make possible positive online experiences for our children while protecting their privacy on the Internet.

---

<sup>8</sup> See Exhibit A, TRUSTe License Agreement version 6.0, Schedule A, Section 4.H.

### Section 312.3 General Requirements

Section 312.3 of the COPPA states that an operator must “provide notice on the website or online service of what information it collects from children, how it uses such information, and its disclosure practices for such information.” This provision of COPPA is addressed in Section 8 of the TRUSTe License Agreement. This section states that licensees must “[p]rovide notice to parents, in the Privacy Statement, of the types of information collected through the site, how such information is collected, and how it will be used.”

Section 312.3.b of the COPPA states that an operator must “obtain verifiable parental consent prior to any collection, use, and/or disclosure of personal information from children.” Section 312.3.b of the COPPA is addressed in Section 1 of the TRUSTe License Agreement which provides that licensees must “[o]btain verifiable parental consent prior to the collection, use or distribution to third parties of Personally Identifiable Information from children under 13.”

In Section 312.3.c of the COPPA, the Act provides that an operator must “provide a reasonable means for a parent to review the personal information collected from a child and to refuse to permit its further use or maintenance.” Section 312.3.c of the COPPA is provided for in Section 6 of the TRUSTe License agreement, which states that “[u]pon the request of a parent, provide an opportunity to refuse further use or future online collection of Personally Identifiable Information from that child; and provide a means that is reasonable under the circumstances for the parent to obtain any personally Identifiable Information collected from that child. Such means must also ensure that the requester is a parent of that child, taking into account available technology.

Section 312.3.d. of the COPPA states that an operator must “not condition a child’s participation in a game, the offering of a prize, or another activity on the child’s disclosing more personal information than is reasonably necessary to participate in such activity.” The TRUSTe agreement tracks this provision by stating that a TRUSTe licensee shall “not entice a child under 13, by the prospect of a special game, prize or other activity, to divulge more information than is needed to participate in such activity.”

Section 312.3.e of the COPPA states that an operator must “establish and maintain reasonable procedures to protect the confidentiality, security and integrity of personal information collected from children.” Section 312.3.e of the COPPA is addressed in Section 11 of the TRUSTe License Agreement which states that Licensees must “establish and maintain reasonable procedures to protect the confidentiality, security, and integrity of Personally Identifiable Information collected from children.”

### Section 312.4: Notice

Section 312.4.a of the COPPA states: “all notices under section 312.3 (a) and 312.5 must be clearly and understandably written, be complete, and must contain no unrelated, confusing, or contradictory materials. It is TRUSTe’s policy that the Privacy Statement/ Notice be clearly and understandably written, be complete and must not contain any unrelated, confusing, or contradictory materials. The question regarding the Privacy Statement being written in an easy to understand form is found in TRUSTe’s License Agreement; Self Assessment Sheet Section IX , question F.

Section 312.4.b of COPPA states: “Under Section 312.(a), an operator of a website or online service directed children must post a link to a notice of its information practices with regard to children on the home page of its website or online service and at each area on the website or online service where personal information is collected from children. An operator of a general audience website or online service that has a separate children’s area or site must post a link to a notice of its information practices with regard to children on the home page of the children’s area.

This provision is addressed in Section 7 of the TRUSTe License Agreement, which states that licensees must “provide a link to the Privacy Statement in a clear and prominent place and manner on Licensee’s home page and any area where children directly provide, or are asked to provide, Personally Identifiable Information. The notice must be in close proximity to the requests for Personally Identifiable Information. If the site has a separate children’s area, Licensee must also provide a link to the Privacy Statement in a clear and prominent place and manner on the home page of that area. The link must clearly indicate that the privacy statement includes information about the site’s information practices with regard to children.

Section 312.4.1(I-iii) of COPPA states:

i. The link to the notice must be clearly labeled as a notice of the website or online service’s information practices with regard to children; and ii. The link to the notice must be placed in a clear and prominent place and manner on the home page of the website or online service; and iii. The link to the notice must be placed in a clear and prominent place and manner at each area on the website or online service where children directly provide, or are asked to provide, personal information, and in close proximity to the requests for information in each such area.”

The TRUSTe agreement addresses each of these provisions in Section 7. The agreement states that licensees must “provide a link to the Privacy Statement in a clear and prominent place and manner on Licensee’s home page and any area where children directly provide, or are asked to provide, Personally Identifiable Information. The notice must be in close proximity to the request for Personally Identifiable Information in such areas. If the site

has a separate children’s area, Licensee must also provide a link to the Privacy Statement in a clear and prominent place and manner on the home page of that area. The link must clearly indicate that the privacy Statement includes information about the site’s information practices with regard to children.”

Section 314.2.i of the COPPA states that in order for the content of the notice “to be complete, the notice of the website or online service’s information practices must state the following.

- i. “The name, address, telephone number, and email address, telephone number, and email address of all operators collecting or maintaining personal information from children through the website or online service. Provided that: the operators of a website or online service may list the name, address, telephone number, and email address of one operator who will respond to all inquiries from parent concerning the operators privacy policy and use of children’s information, as long as the names of all the operators collecting or maintaining personal information from children through the website or online service area also listed in the notice.

The TRUSTe License Agreement states that the Licensee shall “Provide notice, in the Privacy Statement, of the names, addresses, telephone numbers, and email addresses of all parties collecting or maintaining Personally Identifiable Information from children through the site. Alternatively, the Licensee may provide notice of the names of all parties collecting or maintaining Personally Identifiable Information from children through the

site, and the name, address, telephone numbers, and email address of a single party that will respond to all inquiries from parents concerning the privacy policies of all named parties. If information is transferred to third parties, the Privacy Statement must state the types of businesses conducted by those third parties, the third parties' general use of the information, and whether the third parties agree to maintain the confidentiality, security and integrity of the information.