

FEDERAL REGISTER NOTICE

Public Workshop: Information Flows: The Costs and Benefits to Consumers and Businesses of the Collection and Use of Consumer Information

AGENCY: Federal Trade Commission

ACTION: Notice of Public Workshop and Opportunity for Comment

SUMMARY: The Federal Trade Commission ("FTC" or "Commission") announces a public workshop on "The Costs and Benefits to Consumers and Businesses of the Collection and Use of Consumer Information." The workshop will focus on how and why certain businesses collect, analyze, and use certain consumer information to facilitate commercial transactions with consumers and the associated costs and benefits to consumers and businesses of such practices. The workshop will be held at and administered by the FTC.

DATES: The workshop will take place on June 18, 2003, at the FTC's Satellite Building, now located at 601 New Jersey Avenue, N.W., Washington, D.C. The workshop is open to the public and attendance is free of charge. Pre-registration is not required. The workshop will be transcribed and placed on the public record.

REQUESTS TO PARTICIPATE AS A PANELIST: As discussed below, written requests to participate as a panelist in the workshop must be filed on or before May 9, 2003. Requests should be addressed to Donald S. Clark, Office of the Secretary, Federal Trade Commission, 600 Pennsylvania Avenue, N.W., Washington, D.C. 20580 or via e-mail at infoflows@ftc.gov. Parties are asked to include in their requests a detailed statement setting forth their expertise in or knowledge of the issues and their contact information, including a telephone number, facsimile number, and email address.

Using the following criteria, FTC staff will select a limited number of panelists to participate in the forum:

1. The party has expertise in or knowledge of the issues that are the focus of the forum.
2. The party's participation would promote a balance of interests being represented at the forum.
3. The party can present information or evidence that is highly relevant to the forum and not available from other parties.

Persons filing requests to participate as a panelist will be notified on or before May 21, 2003, if they have been selected to participate.

WRITTEN COMMENTS: Whether or not selected to participate, any interested person may submit written comments responsive to any of the topics to be addressed; such comments should be submitted no later than the last panel of the workshop. Any written comments received also will be placed on the public record. Written comments should be submitted in both hard copy and electronic form. Six hard copies of each submission should be addressed to Donald S. Clark, Office of the Secretary, Federal Trade Commission, 600 Pennsylvania Avenue, N.W., Washington, D.C. 20580. Submissions should be captioned "Comments regarding consumer information flows." Electronic submissions may be sent by electronic mail to infoflows@ftc.gov. Alternatively, electronic submissions may be filed on a 3-1/2 inch computer disk with a label on

the disk stating the name of the submitter and the name and version of the word processing program used to create the document.

FOR FURTHER INFORMATION CONTACT: Maureen Ohlhausen, (202) 326-2632, mko-infowflows@ftc.gov, Office of Policy Planning, 600 Pennsylvania Avenue, N.W., Washington, D.C. 20580. A detailed agenda for the workshop will be available on the FTC Home Page (<http://www.ftc.gov>) and through Mildred Taylor, Staff Secretary, at (202) 326-2553.

SUPPLEMENTARY INFORMATION:

Overview

Since 1995, the FTC has examined the consumer issues raised by the collection and use of consumer information. To gain a better understanding of these issues, the FTC has held workshops, conducted surveys, prepared reports, and met with numerous industry and consumer groups. Where the Commission determined that certain information practices were unlawful, it has also brought enforcement actions and issued educational materials to assist businesses and consumers in avoiding these practices. In approaching this issue, the FTC recognizes that the sharing and use of information can benefit consumers, but seeks to put a stop to unfair or deceptive information practices that harm consumers.

As part of this ongoing effort to examine how information practices affect consumers, the FTC is announcing a workshop to examine the various costs and benefits of collecting and using certain consumer information to facilitate commercial transactions. To permit a closer examination of the issues, the workshop will focus on the collection and use of consumer information for particular commercial purposes in the context of two or three case studies. Candidates for such case studies include consumer credit, fraud prevention, financial services, customer relations management, and direct and targeted marketing. The workshop will not focus on transactions or entities outside the FTC's jurisdiction. The FTC is particularly interested in learning about specific data or studies showing how the use of consumer information for these commercial purposes affects consumers. Although observers frequently cite the costs and benefits of these uses of consumer information, a more thorough examination of the empirical evidence should promote greater understanding of the issues.

Issues

Below is a non-exhaustive list of issues to be addressed by the workshop. Written comments need not address all of these issues.

How do businesses measure the value of consumer trust?

What part do information practices play in this valuation?

How do businesses collect and aggregate information about consumers?

How do businesses use information about consumers in their operations?

How do businesses incorporate information practices to benefit consumers?

What types of information about consumers do businesses use?

What factors should be considered in evaluating the costs and benefits to consumers and businesses of the collection and usage of this information?

What are the benefits to consumers of the use of this information by businesses?

What are the costs to consumers of the use of this information by businesses?

The Commission welcomes suggestions for other questions that also should be addressed. Proposed questions, identified as such, may be sent by electronic mail to infoflows@ftc.gov.

By direction of the Commission, with Commissioner Anthony voting in the negative.

Donald S. Clark
Secretary