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January 29, 2001

Donald S. Clark
Secretary, Federal Trade Commission
Room H-159
600 Pennsylvania Avenue, N. W.
Washington, DC 20580

Re: 16 CFR Part 600 --- Fair Credit Reporting Act Interpretations

Dear Mr. Secretary:

iPlace, Inc. wishes to thank the Secretary and the Federal Trade Commission for the opportunity to comment on the important issue of "affiliate information sharing." Before we address the questions asked by the Commission, we would like to provide a brief sketch of iPlace, Inc.

iPlace, Inc. is a leading provider of information about credit, home, neighborhood and other personal assets. The company's services, data and technologies provide compelling information solutions, relationship building tools and transaction facilitation for more than 100,000 online and offline businesses. Strategic relationships include Yahoo!, Microsoft, Intuit, Freddie Mac, Wells Fargo, Equifax, NextCard, E-Loan, Cendant, CBS Marketwatch, and MemberWorks -- (Nasdaq: MBRS) which holds a significant equity stake -- among many others. Through our family of web sites (iPlace.com, QSpace.com, ConsumerInfo.com, HomeRadar.com, eNeighborhoods.com and FreeCreditReport.com), iPlace receives approximately six million unique visitors per month. iPlace is the leading reseller of credit reports directly to consumers on the Internet.

At iPlace Inc., we believe that consumers must have set guidelines in place to protect personal information they willingly and unwillingly surrender to merchants in the course of establishing and conducting online and off line commerce. We also believe that the Federal Trade Commission (FTC) in developing and enforcing the Fair Information Practice Principles has made a significant step in accomplishing this objective. That being said, we understand why the FTC needs to develop a set of interpretations of provisions of the Fair Credit Reporting Act (FCRA) that would allow merchants to share information with affiliates without incurring the obligations of becoming a Credit Reporting Agency (CRA), but we have several concerns that we would like to express before we comment on the specific questions that have been asked.

Our first concern centers on the fact that smaller businesses will incur new costs and miss revenue opportunities if these interpretations are implemented. We believe we can speak for most small businesses when we say that our operating costs, both direct and indirect, will increase. Simply stated, more operational and compliance personnel and systems will be required to meet these standards, and we will lose the economies and efficiencies associated with maintaining one single customer data base for our set of wholly owned companies because we will have to maintain multiple customer data bases. Unavoidably, these increased costs will be passed on to the consumer as an increase in prices paid for our products and services.

In addition, we cannot overlook the impact to revenue caused by interruptions to the flow of registering a new customer. Any time you stop a registration sequence, you will have fewer completed transactions than if you had not made the interruption. Additional costs incurred and new revenues lost will be the direct result of these interpretations if they are not carefully constructed and implemented. There is also mounting evidence that the consumer is annoyed and inconvenienced by too many interruptions while conducting business at a website.

Our second concern addresses the fact that smaller businesses incur more relative costs than do larger businesses when complying with regulations such as the interpretations contemplated. We do not have large legal and compliance staffs, and as a result we must go outside the corporation for professional assistance, or add to our staffs internally. These additional costs are ultimately passed on to the consumer as an increase in prices paid for our products and services. Therefore the closer the FTC's interpretation can come to paralleling the Gramm Leach Bliley Act and other similar regulations, the better it is for the smaller business and ultimately, the consumer.

The third concern we would like to express focuses on the consumer. The FTC in the past few years has spent a good amount of time and effort looking at the privacy practices of both online and offline merchants. These efforts have had a positive impact on the industry and have led to better merchant privacy practices. Our concern is that these studies did not include consumer views. The FTC has not spent equal time studying the needs, values and desires of the consumer as they relate to this issue. This is an important view and one we believe is missing. Therefore, iPlace, Inc. recommends that before the proposed FCRA interpretations are finalized, that the Commission undertake an objective, reliable, valid and rigorous study focusing on the need for and composition of, these new rules from the consumer's perspective. This study would be of tremendous value to both the industry and consumers.

Comments:

A. -- Examples

We feel the examples are appropriate and useful to the extent they give the merchant an outline of the elements that should be included. Additional examples would be helpful.

B. -- Defined terms

All the terms seem adequately defined except "affiliate." The definition as we understand it is

troublesome for companies with a single board and set of officers who manage several companies as one.

C. – Application of the exclusion – as general

No comment.

D. – Application of the exclusion – mergers and acquisitions

No comment.

E. – Content of opt out notice

There is a danger that this requirement would require too many lists and category descriptions. As we indicated above, that disrupts the flow of the transaction and would result in fewer registrations and less revenue, and it is inconvenient and confusing to customers. The current trend is away from extremely detailed statements to simpler and more general ones, in part because few consumers read the more complex presentations.

F. – Reasonable opportunity to opt out

30 days is a reasonable period for all communication mediums. Online, mail, in person and phone are all acceptable methods.

G. – Reasonable method of exercising opt out opportunity

We would support a policy that required all methods of communicating an opt out, just as we would support all methods of communication for those who wish to opt in.

H. – Delivery of opt out notices

No comment.

I. – Time by which opt out must be honored

30 days after receipt of notice is a reasonable period to comply with the consumers request.

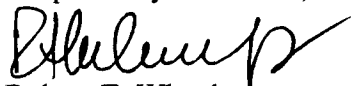
J. – Duration of opt out

We believe that the term “relationship” is not well defined and that the Commission needs to provide some clarification of this item. We support a definition stating that a relation between a merchant and a consumer continues until the consumer or merchant chooses to discontinue or opt out of it.

K. – Sample form

We would recommend additional samples – shorter forms with more straightforward language.

Respectfully submitted,



Robert T. Wheeler
Chief Privacy Officer
iPlace, Inc.