



June 14, 2010

National Telecommunications and Information Administration
United States Department of Commerce
Room 4725
1401 Constitution Avenue, NW
Washington, DC 20230

Re: Docket Number 100402174-0175-01

Dear Sir or Madam:

Procter & Gamble is the world's largest consumer products company with over 250 brands used by 4 billion consumers across 180 countries. Our products are used in 59% of the world's households. Our culture is based on principles and values—Passion for Winning, Leadership, Ownership, Integrity and Trust—that have allowed us to continue to grow for 172 years. We are consistently ranked in the top 10 of Fortune Magazine's Most Admired Companies, Business Week's World's Most Innovative Companies, and Ponemon Institute's US Most Trusted Company surveys, to name a few examples.

P&G appreciates the opportunity to submit comments regarding the Information Privacy and Innovation in the Internet Economy Notice of Inquiry. We have provided input to comments that will be submitted by several of our industry partners, but want to highlight several common key points. To provide context for these key points, included below is a general overview of P&G's Global Privacy Program, as described in remarks to the Conference of International Data Protection Commissioners in Madrid, Spain in November 2009.

Global Privacy at P&G – Context for Key Points

At P&G, our purpose is to “Touch lives and Improve Life,” and our internal corporate mantra is “The consumer is boss.” We build brand franchises globally, which means we need to develop trusted relationships with consumers around the globe to better understand and deliver what they want, whenever and wherever they want it. This naturally requires global flow of data; the trust of our consumers who provide their personal data drives P&G's Global Privacy Program. It is supported and sponsored by the CEO and functional officers.

We have one Global Privacy Policy that applies to all types of personal data across all geographies and all media types—online, offline, mobile, wireless, etc. This Global Privacy Policy sets our corporate standard reflecting the strictest of privacy laws for every country where we have operations, whether or not local privacy laws exist in those countries.

Key measures for our global program include privacy comments from consumers and employees, incident response and tracking, mandatory training completions, control assessments and audit results, to name a few. We track these measures globally, learn from them and modify our procedures accordingly for continuous improvement. We share these with our senior leadership in periodic reviews.

We were one of the first companies to participate in Safe Harbor for all types of data and certify annually with the US Department of Commerce. The Better Business Bureau and the Direct Marketing Association are our third party intermediaries; we have had no reports to the DMA and very few to the BBB over the eight years we've had their seal. Our consumers come directly to us and we handle each complaint urgently and professionally. Consumers can contact us via the web, in writing, through email or by calling the toll-free number we have on product labels. These communications all come to our global consumer relations organization, which is well trained on whom to contact quickly if there is a significant incident or repeated incidents. We believe we have a world class privacy program, but accidents will still happen, especially with a company of our size. We need to make sure that when it does we can shut down or fix the problem quickly and then learn from the mistake to modify our controls and procedures holistically.

We realize that consumers don't always understand privacy and thus we have created a consumer privacy education webpage that has tips and articles on how to protect the personal information of a consumer's family. Among other topics in privacy, this site explains how to read and understand a privacy notice and how to 'stop the junk' for marketing messages consumers get online and offline.

P&G's Global Privacy Program is built on a foundation of trust, and we are accountable for this across the breadth of our Company. While our program is driven by the consumer, P&G does and always will comply with all laws in all jurisdictions. However, when we have to insert processes specific to state or country regulations—registering databases and applications, waiting for approval from notifying authorities to transfer data, requiring our global suppliers to provide individual country contracts for approval in local language—one has to wonder, how is this protecting consumers any more than we already do? Our brands have to delay or avoid launching initiatives in a state or country because of the extra time and cost to meet differing requirements. In some cases this is due to those DPA offices that have the requirements but not the resources to respond in a timely manner. This means consumers in some countries will not experience P&G products or services as quickly as those in other countries.

We are not alone in living this high level of corporate accountability; other multinational corporations have the same approach to their Global Privacy Programs; many are our global partners. Ideally, mechanisms such as International Data Protection Standards would drive the certification of accountability, mutually recognized by countries around the globe. In this scenario, companies that demonstrate the willingness and capacity to be responsible would be certified as accountable. These companies would be allowed to change processes and move data without filing notifications and waiting for approvals. This would benefit global commerce, reduce the work of the country data protection offices, and ensure that consumers have timely access to the product and services that enhance their lives. This type of model would incentivize

data protection, resulting in greater consumer trust in the corporations that hold their information.

Procter & Gamble believes that the Department of Commerce should take a leadership role in driving consistency in domestic and international privacy standards and accountability. The development of the APEC Privacy and Security Framework and the subsequent Pathfinder Pilot—both of which included P&G as a participant—is an excellent example of the positive leadership role the Department can play in privacy policy.

Summary – Key Points in Response to Notice of Inquiry

- The current maze of state and country laws, regulations and accountability systems is a deterrent to a thriving international digital economy. (See comments submitted by USCIB, Center for Information Policy Leadership.)
- Experience shows that a mix of principle-based laws & regulations, together with self-regulation (e.g. based on how data will be used and thus obligations to protect it), will be the most efficient and effective way to achieve policymaker objectives. (See comments submitted by GS1/EPCglobal, Business Forum for Consumer Privacy.)
- Incentives to “Do the Right Thing” should be built into any new accountability model to encourage adherence to principle-based laws & regulations. (Similar to the US Federal Sentencing Guidelines for effective Ethics & Compliance programs.)
- The Department of Commerce can play a lead and unbiased role in bringing together industry, advocates, policymakers and academics to focus on common objectives to protect and safeguard personal information and thus develop policy solutions that will work for companies of all sizes. (See comments submitted by USCIB, CIPL, the Forum, GS1/EPCglobal.)

Procter & Gamble looks forward to continued partnership with the Department of Commerce in our common goal—protecting the consumer in the international free-flow of the information economy. Please contact me with any questions.

Sincerely,



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