

FCC boosts online privacy rules

By Associated Press

New privacy rules may make it easier to escape at least some online tracking.

The Federal Communications Commission on Thursday approved rules that require Internet service providers like Comcast, AT&T and Verizon to ask customers' permission to use or share much of their data.

That could potentially make it harder for them to build advertising businesses that could serve as competition to Google and Facebook. Those digital-ad behemoths are not covered by the new FCC rules.

Industry groups representing the cable, phone and advertising industries criticized the outcome of Thursday's vote. Several consumer-advocacy groups hailed it, while saying it should go further.

Under the measure, for example, a broadband provider has to ask a customer's permission before it can tell an advertiser exactly where that customer is by tracking her phone and what interests she has gleaned from the websites she's visited on it and the apps she's used.

For some information that's not considered as private, like names and addresses, there's a more lenient approach. Customers should assume that broadband providers can use that information, but they can "opt out" of letting them do so.

There will not be much visible difference in the online experience for most consumers. There will be more notices from your home internet or wireless carrier saying what type of

information they collect and that they'd like to use and share it.

"I think the new FCC rules are a step in the right direction," said Mark Bartholomew, a law professor at the University of Buffalo who studies advertising law and privacy. "But ultimately I think people will go ahead and let themselves be tracked. ...We routinely click and agree to get what we want online without thinking too much about being tracked."

The Federal Communications Commission's measure was scaled back from an earlier proposal, but was still criticized by the advertising, telecommunications and cable industries.

Cable and phone companies want to increase revenue from ad businesses of their own – AT&T has said increasing advertising tailored to customers' preferences is one of its goals with its \$85.4 billion purchase of HBO, CNN and TBS owner Time Warner. Verizon has bought AOL and agreed to buy Yahoo in order to build up a digital-ad business.

But the new rules could make doing that more difficult. Companies and industry groups say it's confusing and unfair that the regulations are stricter than the Federal Trade Commission standards that Google and Facebook operate under.

FCC officials approved the rules on a 3-2 vote Thursday, its latest contentious measure to pass on party lines.

"It is the consumer's information. How it is to be used should be the consumers' choice, not the choice of some corporate algorithm," said Tom Wheeler, the Democratic chairman of the FCC who has pushed for the privacy measure and other efforts that have angered phone and cable companies. AT&T and other players have fought the "net neutrality" rules, which went into effect last year, that say ISPs can't favor their some internet traffic. Another measure that could make the cable-box market more competitive is still waiting for an FCC vote.

One of the Republican commissioners who voted against the privacy rules, Michael O'Reilly, said that they were senseless because broadband providers could still buy the information they would have collected, and that the prices consumers ultimately pay could rise.