

**STATEMENT OF CHAIRMAN JOHN McCAIN  
FOR HEARING ON  
THE FTC REPORT ON ONLINE PRIVACY  
SENATE COMMERCE COMMITTEE  
May 25, 2000**

This morning, the Committee will examine the recently released FTC report on online privacy. I welcome the members of the Commission and all of the witnesses we will hear from today to the Committee. I also want to take this opportunity to thank all of you for your hard work and dedication you have brought to this difficult issue.

Every accolade that can be ascribed to Internet has been stated many times over. Needless to say it continues to transform our lives and our economy. While the Internet promises great opportunities, it also presents new concerns and fears. Chief among those concerns is the ability of the Internet to further erode individual privacy.

Since the beginning of commerce, business has sought to learn more about consumers. The ability of the Internet to aid business in the collection, storage, and transfer of information about consumer's habits is unprecedented. While this technology can allow business to better target goods and services, it has also increased consumers' fears about the collection and use of personally identifiable information. The commission documented many of these concerns in its report.

Last year, when the Committee reviewed the FTC's 1999 report on privacy, I made clear that my primary concern was to ensure that privacy policies were clear and understandable, that consumers could use them to guide their decisions and that companies actually followed the policies they posted. Improving the depth of privacy policies is the primary factor motivating my interests in this matter.

This year's report demonstrates that the business community has had great success in providing consumers with some form notice of their information practices. However, the report makes it equally clear that there is much work to be done to improve the depth of information practices on the Internet. Consumers should not be forced to forgo what has been described by Justices Brandeis and Warren as the "sacred precincts of private and domestic life" to enjoy the benefits of this new medium.

It is clear that businesses should inform consumers in a clear and conspicuous manner how they treat personal information and give consumers meaningful choices as to how that information is used. While we may disagree on the manner in which we meet this goal, we all agree that it must be done. I am hopeful that today's hearing will begin the process of developing consensus about the best way to accomplish this goal and enable consumers to protect their privacy online.

I look forward to working with all of you to address this vital issue.

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