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United States Senate

COMMITTEE ON COMMERCE, SCIENCE,
AND TRANSPORTATION

WASHINGTON, DC 20510-6125

WEB SITE: <http://commerce.senate.gov>

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October 27, 2011

Mr. Ajay Banga
President and Chief Executive Officer
MasterCard Worldwide
2000 Purchase Street
Purchase, NY 10577

Dear Mr. Banga:

I write this letter with regard to a front page article in the October 25 edition of the Wall Street Journal, which reports on a recent proposal by MasterCard to provide third-party advertisement networks with customer data that would facilitate online behavioral marketing. Specifically, the Journal article cites a MasterCard document, shared with at least four companies, that touts the company's "extensive experience" in connecting "anonymized purchased attributes to consumer names and addresses." According to the Journal, this profiling expertise is aided by third-party companies independent of MasterCard.

The Journal goes on to report that MasterCard's initial proposal has "evolved significantly" and that the company has apparently determined "there was 'no feasible way' to connect Internet users with its analysis of their purchase history." Moreover, a company spokesperson clarified to the Journal that "[a]ny matching that may have been discussed would have been on the part of the third-party company – not MasterCard." According to the Journal, MasterCard's new proposal is to aggregate and sell data on consumer "segments" which would inform third-party advertisers about specific group purchasing behavior.

The facts alleged in the Wall Street Journal raise questions about MasterCard's collection and use practices and the firm's policy on customer privacy. As a general matter, I am already concerned that privacy protections afforded to American consumers in the commercial marketplace are inadequate, whether those consumers are surfing the World Wide Web, using their smartphones, or shopping in their local supermarket. Allegations that MasterCard is contemplating a combination of information databases – heretofore unconnected – that could allow the company or non-affiliated third parties to build and maintain consumer profiles of unprecedented proportions raise new concerns.

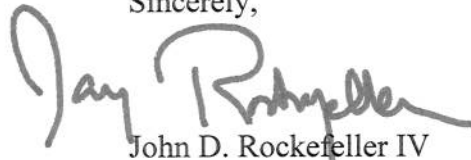
As Chairman of the Senate Committee on Commerce, Science, and Transportation, I have long advocated for increased privacy protections for consumers and greater transparency

and choice with regard to the collection and use of their personal information. The Commerce Committee has broad jurisdiction over interstate commerce and consumer protection, including consumer privacy. In this capacity, the Committee has held numerous hearings on consumer privacy and intends to remain fully active in this issue area. As such, I ask that your company provide answers to the Commerce Committee on the following questions:

1. What information does MasterCard currently collect on its customers and their purchases, and how is this information used?
2. If MasterCard sells customer data to third parties, what contractual safeguards does MasterCard adopt to ensure this data is not used to identify specific customers?
3. What policies does MasterCard have in place to ensure compliance with the notice and opt-out requirements of the Gramm-Leach-Bliley Act? Please provide the Committee with examples of the notice and opt-out mechanisms for all of MasterCard's information collection and sharing practices.
4. What is MasterCard currently contemplating with regard to combining customer purchasing data with other exogenous data sources, such as information from social networking sites and Web surfing habits? In this regard, is MasterCard considering combining "actual purchase behavior with attitudinal and demographic information [which] provides unparalleled understanding of the consumer" as proposed in the company document obtained by the Wall Street Journal?
5. What is the company's planned timeline for implementing new and revised collection and use practices, and what privacy and security protocols will MasterCard have in place to protect customer privacy?

Please provide your answers to the Committee no later than November 30. Thank you for your attention to this matter. Should you have any questions, please have your staff contact Christian Tamotsu Fjeld on my Committee staff at (202) 224-1270.

Sincerely,



John D. Rockefeller IV
Chairman
Senate Committee on Commerce, Science,
And Transportation