



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

Feb. 14th, 2005

Re: Sliding Scale 2005, Project No. P054503

Dear Mr. Clark:

I welcome the opportunity to comment on the proposal to amend the Children's Online Privacy Protection Act Rule to make permanent a temporary provision in the rule allowing operators of Websites and online services that collect personal information from children only for internal use to obtain verifiable parental consent via e-mail.

As Managing Director of Schwab Learning, I am responsible for growing and deepening Schwab Learning program content and impact, expanding product development, increasing program reach among children and families, and building effective distribution channels. I also serve on the Charles and Helen Schwab Foundation cabinet, which provides direction for the Foundation.

Based on my experience, past and present, as well as from insights of colleagues who collectively bring decades of involvement in children's media and marketing, I want to express serious concern about the proposed amendment.

Last year, more than 1.5 million children visited our website for 8-12 year-olds. We were able to offer these children the opportunity to participate in a number of membership-based, community-oriented activities for which we required parental permission, and therefore verifiable parental consent. As a result of our implementation of a registration application (PrivoLock) provided by Privo, Inc., we were able to offer these activities to children while simultaneously enjoying the peace-of-mind that we had offered parents a full range of reliable verification methods to monitor and protect their children online.

At Schwab Learning we have found the PrivoLock registration process to be convenient and easy for our member parents. Privo enables us to offer parents multiple, reliable online and offline methods to verify and activate their account from which to manage their child's permissions. Privo is particularly useful to busy parents, who will greatly benefit from the efficiency of such a centralized service. Additionally, Privo provides even greater privacy and security for family contact information than internal family brand customer service departments.

Reducing the current requirement and consequently to allow operators to utilize email as confirmation for parental consent will severely undermine the legitimacy of the process of securing parental consent, thereby making a mockery of those operators who seek credible, verifiable parental consent. The likely result is a marketplace in which even the most diligent parents will be unable to responsibly protect or monitor their children online.

We do not believe that the standards for verifiable consent should be relaxed as the pending proposal suggests. Website operators should be required to be accountable for their communications and interactions with children by taking advantage of the available options to secure parental consent in the most reliable way possible. In time, if website operators come to realize that this requirement for accountability will not be waived or materially reduced, I believe that the marketplace will be receptive to solution providers such as Privo (or others which may emerge), which provide cost-effective solutions and maintain the highest standards as set forth by COPPA.

To amend the COPPA rule to permanently lock in place an inadequate form of parental verification would not be in the best interest of America's children or their parents. Privo is the first solution provider to become available and is setting a much needed standard in child registration and parental permissions management, benefiting all constituents: the public, family brands, and the government.

Respectfully Submitted,

/s/

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Managing Director

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