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June 27, 2005

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

**RE: COPPA Rule Review 2005, Project No. P054505**

Dear Secretary Clark:

Motion Picture Association of America (“MPAA”) is pleased to submit these comments (“Comments”) in response to the Federal Trade Commission’s (“FTC” or “Commission”) request for public comment on its implementation of the Children’s Online Privacy Protection Act (“COPPA”) through the Children’s Online Privacy Protection Rule (“COPPA Rule” or “the Rule”), the costs and benefits of the Rule, as well as on whether the Rule should be retained, eliminated, or modified.<sup>1</sup>

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<sup>1</sup> These comments are in response to the Commission’s request for public comment published in 70 *Fed. Reg.* 21107 (April 22, 2005), available at <http://www.ftc.gov/opa/2005/04/coppacomments.htm>.

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Several MPAA member companies<sup>2</sup> and their affiliates<sup>3</sup> maintain Web sites directed to children, and all MPAA member companies operate multiple general audience Web sites. According to Nielsen NetRatings, six of the top twenty visited sites for children under thirteen are MPAA member company properties. Therefore, the MPAA member companies have direct and significant experience with the Commission's implementation of the Rule and can offer a first-hand understanding of the costs and benefits of the Rule. Additionally, MPAA has polled its member companies on questions regarding COPPA implementation and found the companies had virtually no knowledge of any complaints regarding the use of children's information on the companies' Web sites or the use of credit cards as a means of obtaining verifiable parental consent on the companies' Web sites.

MPAA believes that the Commission has successfully implemented and achieved the goals of COPPA through the COPPA Rule for the past five years. Children's online privacy and safety have been greatly increased because of the Rule, which has also provided certainty on standards where previously there was none. The Commission should retain the Rule in order to continue to protect the online privacy of children and provide clear guidance for Web site operators.

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<sup>2</sup> MPAA members include: Paramount Pictures Corporation; Sony Pictures Entertainment Inc.; Twentieth Century Fox Film Corporation; Warner Bros. Entertainment, Inc.; Universal City Studios LLLP; and The Walt Disney Company.

<sup>3</sup> For example, Nickelodeon is an affiliate of Paramount Pictures, and Kids WB and Looney Kids are affiliates of Warner Bros. Entertainment, Inc.

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## **I. The COPPA Rule Has Been Effective and Should Be Retained.**

The Commission should be congratulated on its implementation of the COPPA Rule, which has successfully protected children's online privacy for the past five years. The COPPA Rule has proven to be an effective means of protecting children's privacy and thus should be retained.

MPAA members complied with the COPPA Rule immediately after it went into effect, and since then, MPAA members have received virtually no complaints from parents concerning the use of their children's information obtained via members' Web sites. In earlier proceedings addressing the sliding scale mechanism,<sup>4</sup> the Commission likewise implied that there have not been significant complaints from parents alleging breaches in their children's privacy by the operators of children's Web sites.<sup>5</sup>

The COPPA Rule provided certainty to Web site operators and parents when previously there was none. Before the COPPA Rule, Web site operators did

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<sup>4</sup> The sliding scale mechanism allows Web site operators to use email to get consent from parents for internal uses of a child's personal information. Disclosing a child's personal information to third parties requires "more reliable methods of obtaining verifiable parental consent" including print-and-send forms, requiring a parent to use a credit card in connection with a transaction, toll-free telephone numbers, digital certificates, or email accompanied by a password sent to the parent. *See* 16 C.F.R. § 312.5(b) (1999).

<sup>5</sup> The sliding scale mechanism is effective, efficient, and successful. MPAA fully supported – and continues to support – the Commission's proposal to make permanent the sliding scale mechanism for obtaining verifiable parental consent. *See* MPAA Comments Re: Sliding Scale 2005, Project No. P054503 (Feb. 14, 2005).











