

September 9, 2002

Federal Trade Commission  
Office of the Secretary  
Room H-159  
600 Pennsylvania Avenue, N.W.  
Washington, D.C. 20580  
E-Mail: Secretary@ftc.gov



Via Electronic and First Class Mail

RE: File No. 012-3240

Dear Mr. Secretary:

The Association for Competitive Technology (ACT) is submitting the following comments in support the Consent Order entered into between the Commission and Microsoft Corporation in File No. 012 3240 and strongly urges the Commission to adopt the Consent Order as a Final Order.

ACT is a national education and advocacy group for the technology industry. Representing mostly small- and mid-sized companies, ACT is the industry's strongest voice when it comes to preserving competition and innovation in the high tech sector. ACT's members span the industry, including software developers, systems integrators, IT consulting and training firms, and e-businesses. ACT has actively engaged policy makers on a wide range of issues including privacy.

ACT believes the FTC Complaint raises issues crucial to the success of e-commerce as well as the technology industry. Without a doubt, consumer confidence is the key to attracting and retaining buyers and sellers on the Internet. The Consent Order with Microsoft is a step towards growing consumer confidence by providing them full and accurate information regarding security and privacy.

The Consent Order effectively addresses the issues surrounding Microsoft's Passport services. Further, the Order's requirement that Microsoft implement and maintain a comprehensive security information program could have a "rising tide" effect on the rest of the industries privacy practices. The Consent Order effectively sets a new standard for making privacy and security promises to consumers. In particular, I would point to the twenty year duration of the Consent Order without a finding of an actual breach of security or privacy. While we applaud the commission's decision to hold the industry to the highest standards, I have some concerns with the precedent set by the Order's remedies which, in total, are somewhat disproportionate to the actual findings of the investigation.

ACT has long stated that efforts to protect consumer privacy should focus on improved enforcement of existing laws. Therefore, we conclude that the Consent Order effectively addresses the concerns raised in the Complaint and represents a fair settlement that will benefit consumers and the IT industry as a whole. We support the Consent Order and its adoption as a Final Order.

Sincerely,

Jonathan Zuck  
President

Helping Washington Get IT.