



UNITED STATES OF AMERICA
Federal Trade Commission
WASHINGTON, D.C. 20580

Office of the Chair

**Statement of Chair Lina M. Khan
Regarding the Social Media and Video Streaming Service Providers Privacy Report
Commission File No. P205402**

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As social media and video streaming services have become embedded in people’s daily lives, understanding how those platforms collect, use, and disclose Americans’ personal data is critical. The FTC staff report issued today, *A Look Behind the Screens: Examining the Data Practices of Social Media and Video Streaming Services* (“Report”), sheds much-needed light on the data practices of nine of the largest and most powerful companies that operate such platforms: Amazon.com, Inc. (operator of Twitch), ByteDance Ltd. (operator of TikTok), Discord Inc., Facebook, Inc., Reddit, Inc., Snap Inc., Twitter, Inc., WhatsApp Inc., and YouTube LLC.¹

The Report lays out how these platforms collected and harvested an enormous amount of data on their users—and used, combined, retained, disseminated, and shared this data in a staggering number of unexpected ways.² The Report details how these firms surveilled users not just on the firms’ platforms but also across the Internet, gathering information they compiled into dossiers then made available to advertisers and other entities. They combined that data with information obtained across an opaque ecosystem of third parties and inferred sensitive details about users, such as the age of your kids or your household income. One platform acknowledged it scoured records of what people searched for and viewed online, as well as their location data, to glean characteristics it would then monetize online. The platforms often retained this data indefinitely, even against users’ wishes, sometimes even representing that data was “deleted” when it was only “deidentified.”

After collecting vast amounts of people’s personal information, the platforms implemented few guardrails on the disclosure of people’s data, and most disseminated this data to an assortment of third parties. Troublingly, no platform could provide a comprehensive list of the third parties to which it had disclosed user data, and several reported disclosing the data to third parties outside of the U.S., including foreign adversaries.

In short, the Report further substantiates the unease that growing numbers of Americans feel about how their data is collected and used.³ And as more people confront data breaches and

¹ Fed. Trade Comm’n, *A Look Behind the Screens: Examining the Data Practices of Social Media and Video Streaming Services* (2024) [hereinafter “Report”].

² Concurring Statement of Commissioner Alvaro M. Bedoya (highlighting key findings of the Report).

³ Colleen McClain, et al., *How Americans View Data Privacy: The Role of Technology Companies, AI and Regulation – Plus Personal Experiences with Data Breaches, Passwords, Cybersecurity and Privacy Policies*, PEW RSCH. CTR. (Oct. 18, 2023), <https://www.pewresearch.org/internet/2023/10/18/how-americans-view-data-privacy/>.

hacks—leading to a range of harms from identity theft to stolen passwords—the ramifications of firms over-collecting data have become painfully real.

Two background factors shape the Report’s findings and analysis: the business models that the platforms have deployed and the relatively dominant market position that several of them enjoy. As enforcers and lawmakers consider how to tackle issues surfaced in the Report, grappling with these factors will be critical.

As the Report notes, the platforms generally monetize their services through the sale of advertising, including targeted advertising. The advent of behavioral advertising marked an inflection point in the evolution of the advertising business. Marketers have always sought to reach their desired audience, but digitization enabled an unprecedented degree of behavioral targeting. Whereas contextual advertising let marketers tailor ads based on the content of a webpage, behavioral advertising let marketers tailor ads based on the characteristics and past behavior of any given individual. This newfound ability to monetize people’s behavior, activity, and characteristics helped drive the creation of a multi-billion dollar industry specializing in tracking and collecting vast amounts of Americans’ personal data.

The behavioral ad-based business model seems to be a key driver of the platforms’ data practices. Recognizing this basic fact is important for enforcers and policymakers alike because any efforts to limit or regulate how these firms harvest troves of people’s personal data will conflict with their primary business incentives. To craft effective rules or remedies limiting this data collection, policymakers will need to ensure that violating the law is not more lucrative than abiding by it. By situating the platforms’ data practices against the backdrop of their behavioral ad-based business model, the Report usefully identifies this core dynamic.⁴

⁴ Commissioner Ferguson writes that a focus on targeted advertising is misplaced, as “the correct regulatory focus is one step earlier in the supply chain—the largely unregulated collection, aggregation, sale, and retention of consumers’ data that makes the targeted advertising possible.” Concurring and Dissenting Statement of Commissioner Andrew N. Ferguson (“Ferguson Statement”), at 6. But addressing these data practices effectively will require recognizing the financial incentives driving them. Failing to do so risks creating a regulatory regime where firms can treat consumer privacy violations as the cost of doing business. Commissioner Ferguson also suggests the Report takes the position that targeted advertising is overall harmful ignoring the “significant benefits to website operators, advertisers, and consumers.” Ferguson Statement, at 4. The Report does not state that targeted advertising is overall harmful. And while I agree that certain market participants have benefited significantly from behavioral advertising, I reserve judgment on how consumers, advertisers, or publishers have fared overall, especially given persistent allegations of inflated and error-ridden ad metrics, as well recent empirical studies raising questions about the extent to which behavioral advertising benefits consumers. *See, e.g.*, Lara O’Reilly, *Google Issuing Refunds to Advertisers Over Fake Traffic, Plans New Safeguard*, WALL ST. J. (updated Aug. 25, 2017), <https://www.wsj.com/articles/google-issuing-refunds-to-advertisers-over-fake-traffic-plans-new-safeguard-1503675395>; Alexandra Bruell, *Facebook’s Latest Error Shakes Advertisers’ Confidence*, WALL ST. J. (Nov. 25, 2020), <https://www.wsj.com/articles/facebooks-latest-error-shakes-advertisers-confidence-11606346927>; Mike Shields, *Facebook Says It Found More Miscalculated Metrics*, WALL ST. J. (Nov. 16, 2016), <https://www.wsj.com/articles/facebook-says-it-found-more-miscalculated-metrics-1479303984>; Suzanne Vranica, *Facebook Overestimated Key Video Metric for Two Years*, WALL ST. J. (Sept. 22, 2016), <https://www.wsj.com/articles/facebook-overestimated-key-video-metric-for-two-years-1474586951>; Eduardo Schnadower Mustri, Idris Adjerid & Alessandro Acquisti, *Behavioral Advertising and Consumer Welfare* (Behavioral Advertising and Consumer Welfare Working Paper, 2023), https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4398428; Alessandro Acquisti, *The Economics of Privacy at a*

A second background factor is market competition. Indeed, it is the relative dominance of several of these platforms that gives their decisions and data practices an outsized impact on Americans. When a single firm controls a market and is unchecked by competition, its policies can effectively function as private regulation. A consolidated market is also more susceptible to coordination with—or cooptation by—the government. Unchecked private surveillance by these platforms creates heightened risk of improper surveillance by the state. How these markets are structured can result in greater risks to—or greater protections of—people’s core liberties.

In the context of platforms that mediate speech and expressive content, market dominance can pose a unique danger—allowing a small number of executives to determine whose views are amplified or silenced. Corporate decisions to deplatform certain people or suppress certain viewpoints can effectively deny people access to our modern-day public square.

Commissioner Holyoak suggests that the Report somehow endorses or encourages the platforms to disfavor certain viewpoints.⁵ The Report does no such thing. Rather, the Report expressly notes that it does not “address or endorse any attempt to censor or moderate content based on political views.”⁶ Because the power to censor derives from centralized control, I hope my colleagues who share concerns about corporate censorship will support FTC efforts to vigorously block unlawful monopolization, halt illegal acquisitions, and prevent unfair methods of competition in digital markets and beyond.

I am very grateful to the staff in the Division of Privacy and Identity Protection for their excellent work and careful review of the information gathered during this market inquiry.⁷ As state and federal lawmakers consider legislation to protect the privacy and security of Americans’ data, this Report can further inform those efforts.

Crossroads, in THE ECONOMICS OF PRIVACY (Avi Goldfarb & Catherine E. Tucker ed. 2024); Pegah Mordai, Critobal Cheyre & Alessandro Acquisti, Presentation at the 16th Annual Privacy Law Scholars Conference at University of Colorado-Boulder, Are There Economic Grounds for Regulating Behavioral Ads? (June 2023); TIM HWANG, SUBPRIME ATTENTION CRISIS (2020). *See also*, Press Release, Dept. of Justice, Justice Department Sues Google for Monopolizing Digital Advertising Technologies (Jan. 24, 2023), <https://www.justice.gov/opa/pr/justice-department-sues-google-monopolizing-digital-advertising-technologies> ; Press Release, Att’y Gen. Ken Paxton, AG Paxton Sues Google for Illegally Maintaining Monopolies in Internet Search and Search Advertising Services (Oct. 20, 2020), <https://texasattorneygeneral.gov/news/releases/ag-paxton-sues-google-illegally-maintaining-monopolies-internet-search-and-search-advertising>.

⁵ Concurring and Dissenting Statement of Commissioner Melissa Holyoak (“Holyoak Statement”), at 10-11.

⁶ Report at vii n.10, 83 n.304.

⁷ Commissioner Holyoak expresses misgivings about the Report’s inclusions of staff recommendations. Holyoak Statement, at 12-13. The FTC’s Division of Privacy and Identity Protection is staffed by national privacy experts, and I believe that Congress and the public are entitled to their recommendations, grounded in a publicly resourced study.