

Statement from CEOs of Associations of the Digital Advertising Alliance (DAA) Regarding White House Announcement about Online Consumer Privacy

We are honored that the White House this morning has endorsed the work of the Digital Advertising Alliance and our participating associations – the American Association of Advertising Agencies (4A's), the Association of National Advertisers (ANA), the American Advertising Federation (AAF), the Direct Marketing Association (DMA), the Interactive Advertising Bureau (IAB) and the Network Advertising Initiative (NAI) – in creating robust self-regulation to protect consumer privacy rights and expectations in the advertising-supported Internet.

But today marks not the end of a journey, but the beginning of an important collaboration among government, business, and consumer organizations to assure that the free Internet – the most vibrant, diverse and decentralized medium ever created – can continue to flourish, in the United States and around the world.

Central to the value proposition of the Internet is trust. Consumers must trust that their personal data will be kept private and secure, as they surf the Web aboard myriad devices seeking news, services, and entertainment tailored to their very personal interests.

Also central to the promise of digital media is advertising. While brilliant technologists laid the pipes, it was the promise of profit that has drawn the entrepreneurial energy of millions of our citizens to the Internet. That's no surprise: America is a land of commerce, and advertising is the engine of commerce. American commerce, as Tocqueville noted, "attracts the attention of the public and fills the imagination of the multitude; all energetic passions are directed to it."

We see those energetic, advertising-driven passions every day at the IAB. Yes, we see it in the Googles and Yahoos and AOLs and Time-Warners and NBCUniversals and other brand name media companies in our membership. But we also see it in Tim Carter, a former Cincinnati housing contractor who transformed his life as the proprietor of the ad-supported home site Askthebuilder.com. We see it in Floridian Kyle McCarthy, a former movie location scout who now runs the ad-supported online site FamilyTravelForum.com devoted to – what else? – family travel.

There are tens of thousands of stories like theirs, in every state, in every Congressional district – so many stories like theirs that the advertising-supported Internet represents 2.1% of total U.S. gross domestic product, according to a landmark study by Harvard Business School Professors John Deighton and John Quelch. A total of 3.1 million Americans are employed thanks to interactive advertising.

When the IAB, ANA, 4A's and DMA came together four-and-a-half years ago to form what is now the Digital Advertising Alliance, we built our coalition on one big idea: Without trust, there would be no Internet advertising, and without Internet advertising, this great engine of economic growth and cultural diversity would likely turn into little more than an interesting curiosity. Joined subsequently by the AAF, NAI and the Council of Better Business Bureaus. We determined to build a meaningful self-regulatory

mechanism that could be quick, flexible, and assertive – a program that could assure consumers that their privacy rights and expectations would be met by the major publishers, marketers, and agencies deploying advertising in digital media.

This is also a program that gives businesses clear ground rules, educates consumers how to protect themselves while taking advantage of interactive media’s powerful capabilities, and will promote continual innovation.

We thank the Administration for supporting the power of business self-regulation. But most of all, we thank the members of the DAA and their constituencies, who are proving again that consumers ARE the economy, and that doing right by consumers will promote economic growth.

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