

Testimony of
Mr. Doug Comer

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I thank the Chair for the opportunity to testify this afternoon. My name is Doug Comer and I am Director of Legal Affairs and technology policy for Intel Corporation. For over three decades, Intel Corporation has been at the forefront of the technology revolution. Intel introduced the world's first microprocessor in 1971. Today, Intel supplies chips, boards, systems, software, networking and communications equipment that comprise the "ingredients" of computer architecture and the Internet. The health of the Internet is a core issue for our company and for the entire Information Technology industry.

Intel believes that consumer concerns surrounding the safety of online transactions are impeding the growth of e-commerce. For example, a Gartner survey of 7,000 consumers found that 60% say that security and privacy concerns keep them from doing business online. In order to ensure that the Internet continues to grow as a tool of commerce and a driver for productivity in our economy, businesses large and small need to recognize these concerns and respond to them.

Our company has come to the view that federal privacy legislation is needed to address these concerns, and provide a stable legal playing field for business. We believe that such legislation should embrace the following principles, which have been subscribed to by all of our major industry associations:

•Mandate notice- Websites that collect personally identifiable information should provide clear and conspicuous notice of their practices at the time of information collection.

•Ensure consumer choice- Internet users should have the ability to opt-out of the use or disclosure of their personally identifiable information for purposes unrelated to the transaction for which it is provided.

•Focus on market solutions- Legislation should build upon existing self-regulatory mechanisms, and back those mechanisms with the enforcement clout of the Federal Trade Commission.

•Provide a national, uniform standard for privacy protection- A federal Internet privacy policy should be national in scope, and preempt state laws in order to avoid the confusion that would result for users and for website operators by widely disparate local laws. It should, as well, ensure that the national standards are not undercut by private litigation case decisions. The enforcement should be in federal court, subject to FTC supervision.

•Apply the same principles to Offline data collection - The same privacy principles should apply regardless of whether the transaction was conducted online or offline. In Intel's view, this can be done efficiently if data collection materials --- such as warranty cards, etc. - are designed properly.

We at Intel commend you, Senator Feinstein, for your focus on the need for a comprehensive, systematic, and national approach to protecting privacy. We strongly support the provisions of

Title I of your bill, which addresses consumer privacy on the Internet, because it reflects these principles.

Because we share your objective of comprehensive protection for the Internet user, we believe that the rules set forth in S. 1055 should apply to public sector websites as well. We have seen cases where data collected from the public by government agencies has been transferred, without the consent of the parties supplying the data, to private sector entities for commercial purposes.

I would take this opportunity to submit for the Subcommittee's consideration a letter signed by Mr. Bill Archey, President and CEO of the American Electronics Association, that expresses the positive views of that very important organization on the provisions of Title I of your bill. I also ask for inclusion in the record of the testimony of Mr. Jeff Nicol, Customer Privacy Manager at Intel, which was previously provided to the Committee and which I have appended to my statement.

That concludes my remarks. I will be glad to answer any questions the members of the Subcommittee may have.