



JOINT STATEMENT OF FTC COMMISSIONERS CHOPRA, SLAUGHTER, AND WILSON

*Regarding Social Media and Video Streaming Service Providers' Privacy Practices
Commission File No. P205402
December 4, 2020*

Social media and video streaming services have become almost unavoidable in today's modern world, particularly as many Americans are working, socializing, and attending school online during the national pandemic. Despite their central role in our daily lives, the decisions that prominent online platforms make regarding consumers and consumer data remain shrouded in secrecy. Critical questions about business models, algorithms, and data collection and use have gone unanswered. Policymakers and the public are in the dark about what social media and video streaming services do to capture and sell users' data and attention. It is alarming that we still know so little about companies that know so much about us.

These digital products may have launched with the simple goal of connecting people or fostering creativity. But, in the decades since, the industry model has shifted from supporting users' activities to monetizing them. This transition has been fueled by the industry's increasing intrusion into our private lives. Several social media and video streaming companies have been able to exploit their user-surveillance capabilities to achieve such significant financial gains that they are now among the most profitable companies in the world.

Never before has there been an industry capable of surveilling and monetizing so much of our personal lives. Social media and video streaming companies now follow users everywhere through apps on their always-present mobile devices. This constant access allows these firms to monitor where users go, the people with whom they interact, and what they are doing. But to what end? Is this surveillance used to build psychological profiles of users? Predict their behavior? Manipulate experiences to generate ad sales? Promote content to capture attention or shape discourse? Too much about the industry remains dangerously opaque.

The Federal Trade Commission's decision to issue a section 6(b) study to assess the practices of social media and video streaming firms is just a step toward getting much-needed clarity. This order has been sent to Facebook, WhatsApp, Snap, Twitter, YouTube, ByteDance, Twitch, Reddit, and Discord. Given how much these companies rely on the organization and analysis of data as a core underpinning of their business models, we expect that compliance with this order will be expeditious and comprehensive.

The Commission's 6(b) study will lift the hood on the social media and video streaming firms to carefully study their engines. As concerns mount regarding the impact of the tech companies on Americans' privacy and behavior, this study is timely and important.

One key aspect of the inquiry is ascertaining the full scale and scope of social media and video streaming companies' data collection. The FTC wants to know how many users these companies have, how active the users are, what the companies know about them, how they got that information, and what steps the companies take to continue to engage users. The inquiry also asks how social media and video streaming companies process the data they collect and what kinds of inferences they are able to make about user attributes, interest, and interactions. The FTC wants to understand how business models influence what Americans hear and see, with whom they talk, and what information they share. The questions push to uncover how children and families are targeted and categorized. These questions also address whether we are being subjected to social engineering experiments. And the FTC wants to better understand the financial incentives of social media and video streaming services.

One of the FTC's strengths is its perennial pursuit of learning to inform its policy and enforcement approaches. By engaging in research with industry participants and soliciting public input, the FTC strengthens its ability to assess the dynamics of the complex social media and video streaming industry in thoughtful and measured ways. This study has been long in the making.¹ Many stakeholders have affirmed its importance. We look forward to receiving critical information that will shed light on the business practices deeply embedded in our digital lives.

¹ See Fed. Trade Comm'n, Statement of Comm'r Christine S. Wilson, Joined by Commissioner Rohit Chopra, Concerning Non-Reportable Hart-Scott-Rodino Act Filing 6(b) Orders (Feb. 11, 2020), https://www.ftc.gov/system/files/documents/reports/6b-orders-file-special-reports-technology-platform-companies/statement_by_commissioners_wilson_and_chopra_re_hsr_6b_0.pdf; see also Wendy Davis, DigitalNewsDaily, *FTC's Slaughter: Most Commissioners Support Investigation of Ad Tech* (Sept. 25, 2020), <https://www.mediapost.com/publications/article/356252/ftcs-slaughter-most-commissioners-support-invest.html>.