Exhibit I

facebook

January 6, 2012

The Honorable Cliff Stearns U.S. House of Representatives 2306 Rayburn House Office Building Washington, DC 20515-0906

The Honorable Joe Barton U.S. House of Representatives 2125 Rayburn House Office Building Washington, DC 20515-6155 The Honorable Diana DeGette U.S. House of Representatives 2335 Rayburn House Office Building Washington, DC 20515-0601

The Honorable Edward J. Markey U.S. House of Representatives 2108 Rayburn House Office Building Washington, DC 20515-6155

Dear Representatives Stearns, DeGette, Barton, and Markey:

This letter responds to your December 8, 2011 inquiry about Facebook's practices. We appreciate the opportunity to respond to your questions.

Facebook develops innovative products and services that facilitate sharing, selfexpression, and connectivity. We work hard to give people control over the information they share and the connections they make. When people use Facebook, they do so because they trust that we will use the information they provide to us fairly and responsibly, and we are committed to working every day to sustain and deepen that trust.

That commitment is reflected in our agreement last month with the Federal Trade Commission to formalize and enhance our privacy program. The comprehensive program that we are developing will address the privacy risks related to new and existing services and ensure that appropriate privacy and security protections are integrated into those services. It also will be evaluated by an independent outside auditor, who will be responsible for assessing whether we are meeting our obligations over the next twenty years.

Our commitment to building people's trust also is reflected in the results of an audit of the privacy practices of our international affiliate, Facebook Ireland, Ltd., which the Office of the Data Protection Commissioner of Ireland released in December.¹ Among other conclusions, the report issued by the Commissioner's Office determined that Facebook has "a positive approach

¹ Facebook Ireland, Ltd., Report of Audit of Irish Data Protection Commissioner (*available at* <u>http://dataprotection.ie/viewdoc.asp?DocID=1182&m=f</u>). Although the Irish Data Protection Commission does not have jurisdiction over Facebook's activities in the United States, the practices and policies that it audited are the same as those in effect at Facebook in the United States.

and commitment ... to respecting the privacy rights of its users."² In an effort to improve the way that we provide our services, we agreed as part of the Irish audit to implement or consider a range of best practices recommended by the audit team, the vast majority of which also will apply to our practices in the United States.

Our agreement with the Federal Trade Commission and commitments to the Irish Data Protection Commissioner demonstrate that Facebook is serious about working with regulators, policymakers, advocates and experts to inform our data practices and policies. They also reflect emerging industry standards and, in that sense, help to establish rules that all Internet-based companies can and should live by.

With this background in mind, we address each of your questions in turn.

- 1. Please explain Facebook's browsing or tracking information collection practices.
 - a. What browsing or tracking information does Facebook collect for both users and non-users? Does this information collection include any information that can be used to identify an individual?
 - b. How does Facebook inform users and non-users of any data collection?
 - c. Can users or non-users opt-out of this information collection? If so, how?
 - d. Does Facebook collect any information about a user's activity after a user or non-user opts-out?

As your letter notes, Facebook allows third-party websites to display certain Facebook functionality on their sites through social plugins, such as the "Like" button. Facebook has not designed its advertising system to "track" people through social plugins on third-party websites for the purpose of profiling their activities and serving them targeted advertisements based on that activity. As the Office of the Irish Data Protection Commissioner found in its report:

"[T]his Office conducted a thorough analysis of the use of information gathered from external websites via the social plug-in. This Office is satisfied (for the reasons stated elsewhere) that such information is not associated with the user or used in any way to build a profile of that user. Neither is there any profile formed of non-users which could be attributed to a person on becoming a user."³

"We found no evidence, from a very extensive examination of code, logging and queries served to the logged data that the

² See Report of Audit of Irish Data Protection Commissioner, p. 3.

³ See id., p. 65.

information gathered was used for any advertising, predictive or user profiling purposes."⁴

The Office of the Irish Data Protection Commissioner rendered these findings only after testing our use of the data collected through social plugins.⁵

As background, social plugins allow a third-party website to present relevant information to a logged in Facebook user and to enable Facebook users to share content from that third-party site with their friends. This extends the experience of Facebook to other websites by enabling people to connect with friends and to recommend, comment on, and share content across the Internet. When a third-party website chooses to use Facebook features on their sites, Facebook records certain browser-related data when people visit those sites. The amount of data that a person's browser sends to Facebook depends on whether the person has visited Facebook in the past and whether the person is logged into Facebook when he or she visits the site.

- When a person who has never visited Facebook.com before visits a website with a social plugin, Facebook will receive a limited list of standard browser information, including: (i) the website being visited, (ii) the date and time, (iii) the IP address of the computer, and (iv) information about the browser type and operating system. The transmission of this information is part of the normal operation of the Internet: the information is sent to Facebook so that its servers can communicate with the person's browser and load the Facebook functionality onto the webpage.
- In addition to this technical information, if the person has visited Facebook.com in the past, Facebook will record information that has been stored in a "cookie" that was previously set when the person visited our site. For people who have visited Facebook.com, we place a cookie on their browser that identifies the individual browser but does not include personally identifying information, such as name or contact information. This browser-identifying cookie helps us keep Facebook and the people who use it safe. For example, we want to know if the same browser is attempting to visit Facebook thousands of times in just a few seconds as part of a coordinated denial of service attack.
- When a person is logged into Facebook and then visits a third-party site with a social plugin, we receive additional information that we need to provide the personalized, social experience that people request when they log into Facebook. Specifically, when a person is logged into Facebook, we would use a cookie to

⁴ See id., p. 74.

⁵ See Report of Audit of Irish Data Protection Commissioner, p. 82 ("Tests were also performed to attempt to establish whether or not the act of a logged-in Facebook user simply browsing to pages that have social plugins (as opposed to clicking the 'Like' button) would influence the advertising that the user is presented with. An affirmative result would strongly indicate that Facebook were using browsing activity to target advertising, which it is claimed is not the case. No correlation with browsing activity was identified.").

confirm that the person is logged into a specific Facebook account so that we can customize the content presented through the social plugin. For example, this allows us to ensure that when someone clicks the "Like" button, the "Liked" information is associated with the correct account or if someone visits a site with news articles, a social plugin may show them articles that their friends have liked or have shared on Facebook.

Importantly, Facebook specifically designed its social plugins so as not to share information that people provide on Facebook with third-party sites. To do this, the social plugin pulls content directly from Facebook's website and sends it to the person's browser, allowing, in effect, a part of Facebook to appear on a non-Facebook site. As the Office of the Irish Data Protection Commissioner found in its report:

"We have confirmed that the content of the social plugin iframe is delivered directly to the web browser from Facebook and the website on which the social plugin is hosted has no visibility of the content of the social plugin delivered."⁶

In short, Facebook's social plugin technology brings socially relevant content to users as they interact with other sites around the Internet without sharing any of that information with the hosting site. The information that we log through social plugins is used to deliver our services and analyze internally how our services are being used across the Internet. We also may use the information we collect for internal operations, including data analysis, research, development, and service improvement.

We describe in our Data Use Policy, which is available from a link that appears on virtually every page of our website, how we collect and use information when people use third-party sites that include Facebook plugins. Specifically, we explain:

"We receive data whenever you visit a game, application, or website that uses Facebook Platform or visit a site with a Facebook feature (such as a social plugin). This may include the date and time you visit the site; the web address, or URL, you're on; technical information about the IP address, browser and the operating system you use; and, if you are logged in to Facebook, your User ID."⁷

Our Data Use Policy also provides a link to our Help Center, where we answer frequently asked questions about a variety of topics, including questions around social plugins.⁸ There, we answer questions such as, "Does Facebook receive cookie information when I visit a site with a

⁶ See Report of Irish Data Protection Commissioner, p. 80.

⁷ Our Data Use Policy can be found here: https://www.facebook.com/full_data_use_policy.

⁸ https://www.facebook.com/help/?page=176591669064814.

Like button or other social plugin" and "What information does Facebook receive when I visit a site with the Like button or another social plugin."

People can control the extent to which we receive and record information about them when they use sites with social plugins by logging out of Facebook. When a person logs out of Facebook, we do not record through social plugins any information that identifies his or her particular account. Due to the limitations in browsers today, there are some categories of information about a browser — such as its Internet Protocol address, the referring page, and the operating system — that browsers send automatically whenever a user views content on the web. Just like other web-based companies, we accordingly we receive this information automatically from web browsers as a part of the normal operation of the Internet regardless of the browser status of the person visiting a third-party site (i.e., logged in, logged out, or non-Facebook user).

2. Does Facebook offer its users a way to opt-out of all information collection (other than information the user specifically provides to Facebook)? If so, how is Facebook making it easier for users to understand their ability to opt-out? If not, please explain why Facebook does not offer such an opt-out.

We provide information on our website about the circumstances under which we collect information when people use Facebook, the purposes for which we use such information, and the choices people have regarding that information.⁹ We do not offer Facebook users a way to opt out of all information collection. As the Office of the Irish Data Protection Commissioner concluded in its report:

"[I]t is important to make clear at the outset that this Office does not consider that it is possible using data protection requirements as a basis to require [Facebook] to deliver a free service from which members can have the right to opt-out completely from the means of funding it."¹⁰

With respect to information provided by individuals, we offer granular privacy controls that allow people to choose who will be able to see each piece of information they post and alter the privacy setting of something they have previously posted. And we provide interactive privacy tools that, for example, enable people to review the permissions they have granted to the Facebook applications they use and download the information they have submitted to Facebook all at once.

We also respect people's ability to request removal of information they have posted on Facebook and to request removal of their account in its entirety. This is reflected in the obligation that we undertook in our agreement with the Federal Trade Commission to

⁹ See e.g., <u>https://www.facebook.com/full data use policy</u> (describing "information received and how it used").

¹⁰ See Report of Irish Data Protection Commissioner, p. 44.

"implement procedures reasonably designed to ensure that [this] information cannot be accessed by any third party from servers under [our] control after a reasonable period of time, not to exceed thirty (30) days, from the time that the user has deleted such information or deleted or terminated his or her account, except as required by law or where necessary to protect the Facebook website or its users from fraud or illegal activity."

In agreeing to this obligation, the Federal Trade Commission and we focused on our commitment that, when people ask us to remove information that they have posted, we act quickly to make that information inaccessible on Facebook. This commitment reflects the recognition that the fundamental goal of a removal request is to prevent further distribution of that information. The Federal Trade Commission recognized that the essential commitment to promptly make removed information inaccessible creates real value for consumers by giving them control over its further distribution.

Recognizing that each person will have different preferences when it comes to privacy — and that a person's preferences may differ depending on the information itself — we believe that offering a menu of privacy settings and the various tools described above provides people with meaningful control over their privacy without stifling the social communication that is the reason they use Facebook in the first place.

3. Please explain Facebook's practices regarding the archiving of user information. How does Facebook treat a deceased user's account and personal information?

Many people use Facebook as the primary place where they store personal photos, videos, and other information that is important to them, so it is important that we ensure their information is available for them, anytime. We archive this material in our active databases and also maintain emergency backup records of stored information. Because securing information against unauthorized access is critical to Facebook, we invest heavily in technology, people and processes as part of our commitment to keeping the data that we archive safe and secure.

It is our position that people own the information they post on Facebook and they can modify or delete such information. We have a comprehensive process for responding to requests that we remove individual pieces of data and we will follow the obligations regarding the retention of data that are included in our agreement with the FTC, which are described in response to question 2.

When a Facebook account-holder passes away, our policy is to place the account into a special memorialized status to help protect the privacy of the person and his or her family and friends. Memorializing an account sets the account privacy so that only confirmed friends can see the person's profile or timeline or locate it on Facebook search. Friends and family can leave posts in remembrance. Memorializing an account also prevents anyone from logging into the account and makes other changes, such as preventing the person from appearing in the Suggestions portion of our homepage.

If we receive a request from a verified immediate family member of the person who passed away, we will delete or deactivate the person's account from Facebook rather than memorializing it. This will prevent any information associated with the person's account — including the person's profile or timeline — from appearing on Facebook.

- 4. News reports indicate that when Facebook launches the "Timeline" side-wide, users will have 5 days to emphasize or hide aspects of their profiles.
 - a. How did you arrive at the time frame of 5 days?
 - b. How did you respond to concerns that it will be onerous for users to carefully review each prior post and photo in just 5 days, particularly for long-time or highly active users?
 - c. Do you have any analysis indicting how many users will dedicate the time to do this?

Although the implementation of timeline on Facebook changes the template that we use to display information on people's profiles, no privacy setting is changing. As a result, all of the choices that people made regarding the privacy of their information on Facebook will continue to be effective. For example, if a person uploaded a photo and made it available only to specific friends, then only those friends will be able to see the photo through timeline. Similarly, if someone removed herself from a photo in which she was tagged or chose not to allow photos in which other people tag her to appear on her profile, those preferences will continue to be respected.

We recognize, of course, that any time we change our interface, people will want to understand how we will display the information that is already on Facebook. That is why we decided to roll out timeline with a seven-day preview,¹¹ which will allow people to see how their timeline will look to others before it launches publicly and to make any changes to their privacy settings before that launch. During the preview period, a person's traditional profile is still visible to the audiences they have selected. Again, existing privacy settings will continue to be respected, so the only preexisting information that will appear in a user's timeline is information that was already visible under the privacy settings that existed before the user upgraded to timeline.

During the roll-out period, each person can choose when his or her preview starts so that it can happen at a time convenient to him or her. And, while we believe it is important for people to see their Timelines before they become public, we also understand that it can be confusing for people to see a different view of their own profile than others see. We chose seven days in an effort to give people a sufficient amount of time to review their Timeline before it is made available to others without causing confusion as to what information is visible to others. That is why, after the seven-day preview period, we think it is most important to ensure that

¹¹ Some news outlets erroneously reported that the Timeline preview period is five, rather than seven, days.

there is consistency between the way a person's profile looks when he or she views it and the way it looks for others.

Although we do not have statistics as to how long it takes people to curate their Timelines or how many users are likely to do so, we are offering a number of tools and settings to help make curating Timelines fast and easy. These include Activity Log, which is the most comprehensive information control tool that we have ever developed. Using Activity Log, people can review their posts and activity, from today back to when they first started using Facebook. They can sort and review content by type — for example, photos or status updates and quickly adjust the privacy settings of the content, including featuring or hiding it in their Timelines or deleting it entirely.¹² We also have added a tool to make it easy for people to see how their Timelines look to others. To do this, a person can simply go to their Timeline, click "View As..." and type the name of a friend (or non-friend) on Facebook. We will then show how the Timeline would look to the specified individual.

In addition to offering tools to help people manage their privacy settings, we are taking a number of steps to help people learn about Timeline. When people get Timeline, they will participate in a multi-step transitional tour that walks them through the features of Timeline, including how to feature, hide, or delete stories. We also will begin featuring educational announcements on Facebook profiles and the home page, linking to informative pages, FAQs, tutorials and videos. In total, we will be serving more than 3 billion educational messages to help people learn more about Timeline and how they can control what information it displays.

5. The New York Times recently reported that Facebook's privacy policy has grown in length by a factor of nearly six in as many years. The current privacy policy is 5,830 words in length, up from 1,004 in 2005. Facebook's 2010 privacy policy was longer than that of all other social networks and exceed in length the United States Constitution, without Amendments. As you may know, we strongly support greater transparency to empower consumers with the information they need to make informed choices. We are concerned, however, that long, complex privacy policy statements make it difficult for consumers to understand how their information is being used. Do you believe the average Facebook user would read such a lengthy document in order to understand what personal information Facebook collects, use, or shares? Please provide all data indicating the percentage of Facebook users who read the full policy.

We strongly agree that consumers should be provided with the information they need to make informed choices about the use of their data online. The FTC emphasized this point in its December 2010 preliminary staff report when it urged companies to provide this information (and, if appropriate, offer the person a choice about the use of his or her data) "at a time and in a context in which the consumer is making a decision about his or her data."¹³ Over the past year,

¹² More information about Activity Log is available at <u>http://www.facebook.com/help/activitylog</u>.

¹³ Fed. Trade Comm'n, Preliminary Staff Report, Protecting Consumer Privacy in an Era of Rapid Change: A Proposed Framework for Businesses and Policymakers 57-58 (Dec. 2010).

we have implemented this principle across Facebook. For example, through our inline audience selector controls, users can easily exercise control over the audience with whom a post or profile update will be shared *at the moment they create the post or update*.¹⁴ Also, when we launch new features, we often include "What's this?" question marks in the context that the feature is implemented. By hovering over the question mark, the user can learn more information about the new feature, including how it may use the person's data.

We also agree that long and complex privacy policies can make it difficult for consumers to understand how their information is being used. For this reason, when we rolled out our new Data Use Policy last year, we included a number of innovative features that were designed to make the Policy more accessible and useful for the people who use Facebook. The Policy, available from almost every page on our site, describes in plain English our data use practices and includes a comprehensive, easy-to-understand guide to privacy on Facebook. In it, we use a layered approach, summarizing our practices on the front page and then allowing people to click through the Policy for more details. Of course, people who want to read the entire Data Use Policy on one page can do that as well.

By adopting this layered approach to privacy, our goal was to make comprehensive and detailed information available to people who wanted it, while making shorter summaries about how we use the data we receive easily available. We believe that this layered and graphical approach is the best way to provide people with clear information about our data use practices. We also sought to provide the information in a more accessible layout, using graphics and offering a format similar to the way content is presented to users online. The content is organized by topic, similar to our Help Center, which lets users find exactly what they are looking for quickly and easily.

We believe that the Data Use Policy provides the information that our users need because we developed it with their feedback. It has long been Facebook's policy — unmatched in the industry — to announce proposed changes to our Data Use Policy and offer users the ability to comment on the changes before they take effect. Numerous users commented on our latest updates, and we incorporated many of those comments into the current Data Use Policy.

Although we do not have the ability to determine the percentage of Facebook users who have read the full Data Use Policy, we believe that the resources we offer to users about how to control their information reaches a large cross-section of our user base. We give our users a wide array of choices in how they can obtain information about the uses of their data. While some users prefer to read full privacy policies to learn about how their data is being used online, we recognize that others would rather be given that information in different formats. That's why, in addition to our Data Use Policy, we provide information throughout our site to educate users about our practices. For example:

• We have created a number of interactive privacy tools that, for example, let people preview how their profile looks to any other specific person, see what

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¹⁴ http://www.facebook.com/about/sharing

permissions they have granted to the Facebook applications they use, and download the information they have submitted to Facebook all at once.¹⁵

- We provide links to our Help Center in the dropdown menu at the top of every page of our site. People can use the Help Center to learn information about topics ranging from their Account Settings to online bullying, as well as to search for answers to privacy-related questions.¹⁶
- We display Facebook public service announcements to educate people about privacy and related topics. Most recently, we displayed a notice on the pages of Facebook users entitled *About Ads: Ever wonder how Facebook makes money? Get the Details*, which linked to a video describing advertising on Facebook.¹⁷
- We enable users to preview and comment on changes to our Data Use Policy on our Site Governance page, which has over two million fans.¹⁸ In addition, Facebook users obtain privacy-related updates, information, and other resources in their News Feed by "liking" the Facebook & Privacy Page, which has almost 600 thousand fans.¹⁹
- We offer videos and other tutorials about how our products, tools, and features work, including through our Facebook Page, which has over 57 million fans.²⁰

We believe the compendium of resources that we offer, including our Data Use Policy and the tools highlighted above, demonstrates our commitment to ensuring Facebook users understand the collection and use of their information and how they can control this collection and use. We recognize that we can always improve upon the information that we provide about our practices and, as part of our commitments to the Office of the Irish Data Protection Commissioner, we have agreed implement a number of modifications to our Data Use Policy, including additional explanations of our data protection practices. Our goal is to ensure that Facebook users have the information they need to make the privacy decisions that are right for them.

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¹⁵ https://www.facebook.com/about/privacy/tools.

¹⁶ https://www.facebook.com/help.

¹⁷ https://www.facebook.com/about/ads/?mid=55.

¹⁸ http://www.facebook.com/#!/fbsitegovernance

¹⁹ https://www.facebook.com/fbprivacy.

²⁰ https://www.facebook.com/facebook?sk=videos.

Thank you for your letter. If we can provide any additional information, please do not hesitate to contact us.

Sincerely, an

Erin M. Egan U Chief Privacy Officer, Policy Facebook