

Cookie monsters that know all

Technology keeps tabs on those who window-shop using the Internet.

BY KEVIN KINNAIRD

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Window-shopping is no different today than a century ago. Shoppers still gaze at items on display in a store, and chances are, unless they wear a name badge, the clerk watching them has no idea who they are. If they purchase an item with cash, they can remain anonymous.

But the same rules do not apply for window shoppers on the Internet, where potentially everyone — or every machine — could someday know your name.

Web sites run by many retail stores — and even nonretail sites — often use electronic methods of identifying and distinguishing one paying customer from another. That goes for Internet window shoppers as well.



Sen. Fred Thompson, R-Tenn.

A number of federal government agencies also are using this identifying technology even though they have been told to stop, according to a congressional report released in June by Sen. Jay Inslee, D-Wash., and Sen. Fred Thompson, R-Tenn.

Specifically, identifying technology refers to “cookies,” or small tracking devices placed — often without the user’s knowledge — on the hard drives

of Internet surfers who visit Web sites that deploy them.

Privacy advocates and civil libertarians have complained about the use of cookies for years, although many businesses say the devices are necessary to tailor a shopping experience to each customer.

If Web surfers volunteer to give personal information to a retail site, the retailer can design personalized Web pages for customers.

In exchange for a shopper’s personal information, merchants also may offer additional perks or deeper discounts, and may recommend something the consumer might be interested in buying based on the types of items previously purchased.

By comparison, what would the townspeople of Walnut Grove in the hit TV show “Little House on the Prairie” have thought if mercantile owner Nels Oleson had kept a written record of every item ever purchased by every shopper in town, and the times they were in the store?

Perhaps the townspeople would have been at ease knowing Oleson wouldn’t sell that personal information to banks, creditors and marketing agencies who might use it to solicit them. But if Oleson’s mercantile busi-

ness had gone belly up, would he have classified his records as an asset to be liquidated by creditors?

And what if he had promised not to share or sell that data, but the mercantile went out of business and ended up in the hands of another company that didn't share the same business philosophy or treat customers' personal information the same way?

This analogy is just one example of how American society may be slowly losing its right to privacy.

Shopkeeper Oleson probably never envisioned the power of computers — or the modern wonders and havoc they would bring to future generations — but that power is such a major issue today that the National Association of Attorneys General has placed it on its radar screens as a chief concern, said Linda Moran, senior assistant attorney general in Washington.

"I think this is an important issue — some surveys are showing this issue is increasingly important to people,

and more are demanding to know about it," Moran said. "I can tell you across the nation this is definitely an issue the attorneys general are hearing about from consumers."

Although privacy is not a jurisdictional issue because the computer medium isn't much different than a telephone when it comes to the law and fraud, state attorneys general will continue to address the issue, and to keep it in front of lawmakers, Moran said.

"NAAG last year worked on a privacy principles paper to give guidance to Congress on what should be in any privacy legislation," she said. "Congress may move to act basically when they feel states are going in different directions."

During its spring meeting held in March in Washington, D.C., the organization adopted a resolution based on shared beliefs in privacy principles. The resolution can be found on the NAAG Web site (<http://www.naag.org/features/ConsumerPrivacy.cfm>).

The resolution urges that any legislation adopted by Congress relating to consumer privacy and businesses' information practices allow state attorneys general to enforce the legislation in either state or federal court, and authorize states to obtain injunctive relief, consumer restitution, civil penalties, fees and costs, as well as any remedies that may be applicable under state law.

Meanwhile, the federal government may not be following its own rules on Internet privacy. According to a story by the Associated Press, the report released to Congress by Sens. Inslee and Thompson in June revealed that inspectors general had found 300 "cookies" on the Web sites of 23 federal agencies.

Several bills dealing with this issue are pending in Congress, including one offered by Thompson that would establish a commission charged with reviewing how federal, state and local

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NASTD ad

Taking the long view

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should anticipate shouldering greater responsibilities.

In addition to its biennial trends reports, the Center issues a Visioning Kentucky's Future report in alternating years that gauges the state's progress on 26 goals for the state's future that were developed in a series of public meetings in the 1990s. Other state agencies, as well as a number of local and regional entities, have used the goals and benchmarks to measure their own progress.

Long before the Web became a household word, the Center anticipated a future driven and dominated by information technology. To that end, it has issued reports on the public's readiness for electronic government and on cyberspace's impact on tax revenues; it also issues periodic reports on survey data that gauge access to computers and the Internet in the state. And the Center lives by its words, making every report and publication available at its Web site and on CD-ROMs that are now distributed annually along with an index.

The Center has also earned praise for its development of the interactive Kentucky State Budget Game. The game has been used in high schools and college courses to teach users how difficult it is to meet public needs — and demands — in a fiscally responsible manner.

In spite of the positive response to the think tank's work, some complain that its reports are too long, too esoteric, and too short on policy prescriptions. These criticisms are being met with a response. Childress said, "We're responding to these criticisms by launching a new initiative that will provide lawmakers with more timely, accessible and useable information."

Nunn said plans are in the works to have the Center staff interact more with legislators to encourage lawmakers to read and digest the reports. Nunn agreed that legislators prefer shorter reports. "The Center's publications are rather intensive and more than most legislators can consume in a short pe-

riod of time," he said.

A talented staff

The Center has a small staff, including an occasional intern. The staff bring diverse skills to the challenge of communicating with the state's policymakers and residents. Childress, an alumnus of the RAND Corporation, has never seen an issue he cannot quantify, staff say. Childress inputs an enormous amount of data, runs most of his own numbers, writes articles and reports, orchestrates the Center's annual conference and other proceedings, maintains close contact with the leadership of the agency's 21-member board, and politely fields inquiries, whether from a legislator or a student with a deadline. "He is absolutely the best, a leader by example who inspires people to do good work," said senior staff member Michal Smith-Mello.

Smith-Mello has worked as a member of research teams and as a journalist and editor, serving as SGN's managing editor in 1986 and 1987. Childress is fond of saying she has a "black belt" in writing. In addition to the expanding shelf of reports and articles she has written or edited, she develops marketing tools for the Center with Childress, and edits everything from the Center's quarterly publication *Foresight* to many outgoing letters.

Legislative Research Commission alumna Billie M. Sebastian manages day-to-day business, orchestrates the scanning program, writes, edits, proofreads and maintains the Web site. Amy Watts, an economist by training, analyzes data and writes reports. Mark Schirmer, a communications specialist, compiles CD-ROMs, shoots and edits video, writes, proofreads and assists with layout. Suzanne King, a staff assistant, fields phone calls, creates layouts for publications and helps keep the agency moving.

The Center also taps experts, state agencies and university resources. It collaborates with university entities such as the Sanders-Brown Center on Aging at the University of Kentucky, the UK Center for Health Services Management and Research, UK Sur-

vey Research Center and the Martin School of Public Policy at UK. The state's leading experts write articles for *Foresight* and collaborate on studies. Both Kentucky Educational Television and a group of young Kentucky leaders collaborated on a conference last year.

Readers can learn more about the Kentucky Long-Term Policy Research Center at its Web site (www.kltprc.net), where they can access the full text of its reports and articles. Printed copies are also available upon request while they last. To request a copy of any report, contact the center via e-mail at info@kltprc.net; by phone at (800) 853-2851, ext. 19; or by writing to the Center at 111 St. James Court, Frankfort, Ky. 40601. ★

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governments collect and use personal information.

Another battle has been going on in the private sector, where businesses are asking for self-regulation, while consumers are saying retailers aren't solving the problem fast enough, Moran said.

"It just isn't an easy issue," she said. "Consumer privacy strikes at the heart of what Americans want."

Elaine Rose, another senior assistant attorney general from Washington, said Congress has made strides to protect consumers, especially with the Gramm-Leach-Bliley Act of 1999. The act, also known as the Financial Services Modernization Act, requires every financial institution to put a privacy policy in writing and send that plan out to all customers by July 2001, and every year thereafter.

"There are steps being made in that vein to give consumers more control over their privacy," Rose said. "Whether it's gone far enough depends on people's perspective." ★