

Mobile Apps - Privacy and Policy Issues

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CTIA – The Wireless Association®

- More than 250 member companies, representing all facets of the industry – service providers, manufacturers, vendors, etc.
- Represents all sectors of wireless communications
- Advocates for the industry at the FCC, in Congress, with the Administration and in the States
- Hosts two annual industry shows
- Supports The Wireless Foundation
 - Promotes wireless safety and responsible use
 - Educates children, parents, teachers, and policymakers on how to benefit from wireless
 - Encourages environmentally-responsible green cell phone practices



U.S. Wireless Industry at a Glance

- As of December 2012:
 - 326.4M active wireless subscribers with a wireless penetration rate of 102.4%
 - Wireless network data traffic increased by 69.3% over 2011 – 1.468M megabytes
 - 152.1M active smartphones and wireless-enabled PDAs; up 36.4% over 2011
 - 22.3M wireless-enabled tablets, laptops and modems up 10.2% over 2011

Economic Benefits of Wireless

- U.S. wireless providers invested \$30.1 billion in 2012 which is 25% of the world's total wireless expenditures
- Supports directly or indirectly 3.8 million jobs
- Carriers directly employ >240,000
- Pays wages 65% higher than national average

The Growing App Economy

- Over 2.4 million apps available on more than 11 different operating systems from more than 28 independent non-carrier stores
 - In 2011, the mobile app revenue was almost \$10 billion, but by 2016, it's expected to be more than \$46 billion
 - 36 billion apps are expected to be downloaded worldwide this year
 - Apple iTunes and Android Market application stores first opened in 2008
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Economic Impact of the App Economy

App Economy Impact - Top 10 State Economies

Millions of dollars, annual rate

1. California - \$8,241
2. Washington - \$2,671
3. New York - \$2,313
4. Texas - \$1,183
5. Massachusetts - \$1,143
6. New Jersey - \$1,087
7. Georgia - \$1,062
8. Illinois - \$847
9. Virginia - \$788
10. Pennsylvania - \$632

Economic Impact of the App Economy

Top 10 States for App Economy Jobs

In thousands

1. California - 151.9
2. Washington - 49.8
3. New York - 39.8
4. Texas - 25.0
5. Georgia - 24.0
6. Massachusetts - 21.4
7. Illinois - 19.9
8. New Jersey - 19.5
9. Virginia - 15.0
10. Florida - 14.6

Case Study: Louisiana Economic Development

- Louisiana has been actively recruiting app developers
- Gameloft and Electronic Arts have relocated parts of their business to Louisiana
- Attempting to attract or create 10,000 app economy jobs within 7-10 years
- Louisiana is ranked 48th in app economy jobs and economic impact



Expanding mHealth Initiatives

- Use of remote monitoring
- The FCC's National Broadband Plan outlines massive savings from mHealth initiatives
- 25% of the U.S. population lives in rural areas, only 10% of physicians practice in these areas
- Chronic disease treatment costs over \$1.4 trillion each year, but using mHealth could mean a savings of more than \$21.1 billion per year



mEducation and mCommerce Benefits of Wireless

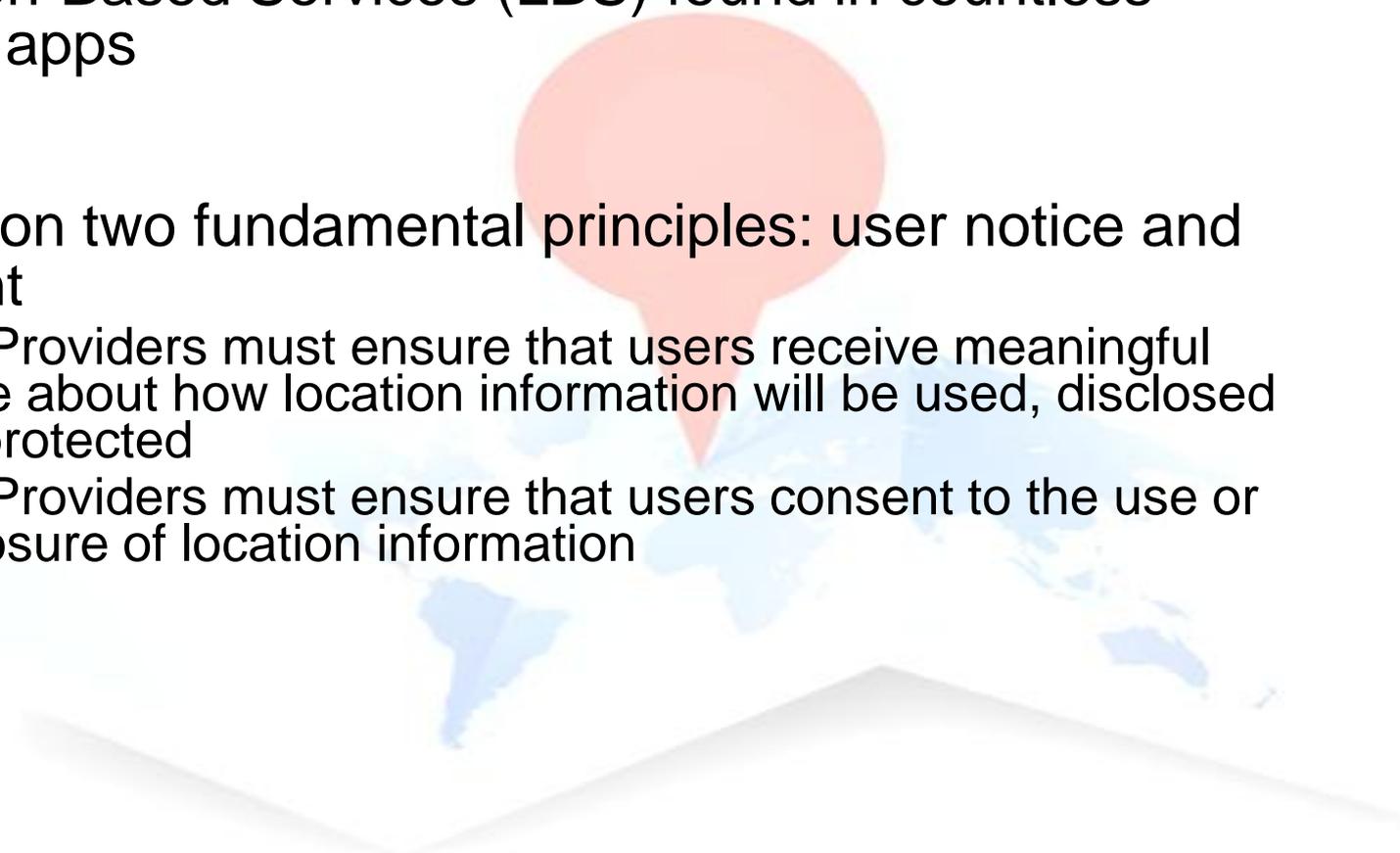


- mEducation helps increase test scores and student confidence among students
 - 85 percent of students participating in Project K-Nect that reported feeling more successful in math
- The push for increased use of e-textbooks will offer more children educational tools
- 68% of under banked consumers in the U.S. own a mobile phone – reaching them by mobile is ideal

Industry Engagement on Privacy Issues

- CTIA's Consumer Code for Wireless Service
 - Disclose Rates and Terms of Service to Consumers
 - Make Available Maps Showing Where Service is Generally Available
 - Provide Contract Terms to Customers and Confirm Changes in Service
 - Allow a Trial Period for New Service
 - Provide Specific Disclosure in Advertising
 - Separately Identify Carrier Charges from Taxes on Billing Statements
 - Provide Customers the Right to Terminate Service for Changes to Contract Terms
 - Provide Ready Access to Customer Service
 - Promptly Respond to Consumer Inquires and Complaints Received from Government Agencies
 - **Abide by Policies for Protection of Customer Privacy**
 - Provide Consumers with Free Notifications for Voice, Data and Messaging Usage, and International Roaming
- Almost 97 percent of U.S. wireless subscribers are covered by CTIA's Code

CTIA's LBS Best Practices

- CTIA has developed best practices and guidelines for Location-Based Services (LBS) found in countless mobile apps
 - Based on two fundamental principles: user notice and consent
 - LBS Providers must ensure that users receive meaningful notice about how location information will be used, disclosed and protected
 - LBS Providers must ensure that users consent to the use or disclosure of location information
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- A background graphic featuring a light blue world map with a large, semi-transparent red location pin marker centered over North America. Below the map is a stylized white mountain range silhouette.

CTIA's Growing Wireless

- 56 percent of children, age 8 to 12, have a cell phone
- CTIA has helped expand wireless protections for children through multiple initiatives
 - CTIA Mobile Application Rating System with ESRB
 - These ratings provide concise and impartial information about the content and age-appropriateness of apps
 - Promotion of parental management tools and filters
 - Parents can tailor their children's access to apps, content, websites, and purchasing authority
 - Growing Wireless tips and guides for parents
 - CTIA offers parents and families guidance how to best use wireless features safely and effectively

CTIA Carrier Member Privacy Policies

- Employee Training
- Billing System Controls
- Fraud Investigation Units
- Step-by-Step Privacy Setup Instructions for Customers



FTC Guidance on Mobile Privacy Disclosure

- The Federal Trade Commission released a staff report in February that provided guidelines meant to improve mobile privacy disclosure
- Recommendations for operating system providers:
 - Obtain affirmative express consent from customers before allowing apps to access sensitive content (like geolocation)
 - Create a one-stop “dashboard” to allow consumers to review the content accessed by the apps
- Recommendations for app developers:
 - Ensure privacy policies are easily accessible via app stores
 - Improve coordination and communication with ad networks and other third parties

Questions...

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