August 8, 2008

U.S. House of Representatives
Committee on Energy and Commerce
Washington, DC 20515-6115

Dear Chairman Dingell, Ranking Member Barton, Chairman Markey, and Ranking Member Stearns:

This letter from United Online, Inc. ("**United Online**") is in response to the letter sent August 1, 2008 from the U.S. House of Representatives Subcommittee on Telecommunications and the Internet (the "**Subcommittee**") regarding the practice of tailoring Internet advertising based on consumers' Internet search, surfing, or other use (the "**Subcommittee Letter**").

United Online is a leading provider of consumer Internet and media services. United Online was formed in 2001 upon the merger of two leading dial up Internet service providers, NetZero and Juno. Since this merger, United Online has added Bluelight into its Internet access service portfolio. United Online also owns the social networking site Classmates, the online loyalty marketing site MyPoints, and the Web hosting service provider MySite (the "**Non-ISP Businesses**"). As United Online was included among the companies set forth in the "Telecom" category in the list of recipients of the Subcommittee Letter, this response relates to the practices of United Online's Internet service providers: NetZero, Juno, and Bluelight, (the "**ISP Businesses**"). However, please note that the practices of the Non-ISP Businesses are consistent with those of the ISP Businesses. The ISP Businesses offer a variety of no cost and low cost Internet access subscription plans. The most common subscription plan provides consumers with unlimited Internet access for only $9.95 a month. Indeed, United Online is proud to offer an affordable Internet access solution to many households who either cannot afford, do not have access to, or do not have a need for costly broadband Internet access.

Since its inception, United Online has been committed to protecting the privacy of its subscribers. The ISP Businesses have maintained robust privacy statements that set forth their privacy commitments to their subscribers. Chief among these commitments is to protect a subscriber's personally identifying information ("**PII**"). The ISP Businesses disclose PII about their subscribers only when such disclosure is (i) to a third party service provider that an ISP Business has engaged to assist with the operation of the Internet access service (e.g., an entity that processes credit card payments), (ii) in

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response to a legal, regulatory, or governmental inquiry, investigation, or proceeding, (iii) related to an emergency situation[1] or (iv) necessary for an ISP Business to protect or enforce its rights under the subscription agreement with a subscriber. In those instances where the ISP Businesses disclose PII to third parties for business-related purposes, like a credit card processing entity, the contractual arrangements with such third parties prohibit the use of the information for any purposes not related to the outsourced task. Apart from these limited instances, the ISP Businesses do not share PII outside of United Online without the subscriber's express consent.[2]

Based on the prior communications distributed by members of the Subcommittee to Charter Communications and Embarq, along with the Subcommittee's hearing on June 17, 2008, it is our understanding that the Subcommittee Letter centers on the practice of intercepting, filtering, and analyzing subscribers' Web browsing data as it is transferred over the Internet and the use of that data to build profiles about individuals and serve advertisements based on these profiles. This practice is commonly referred to as "deep packet inspection". While the ISP Businesses have considered implementing these types of advertising techniques, the ISP Businesses do not, have not, and at this time do not intend to engage in advertising based on deep packet inspection techniques.

The ISP Businesses follow the traditional paradigm for serving advertisements by using information contained in cookies to help determine which advertisements to serve to a subscriber. In many instances this involves engaging third party advertising networks to serve advertisements. These advertising networks may use cookies to ensure that subscribers do not see the same advertisements too often, and these cookies also may collect information about which advertisements the subscribers view. These cookies may belong to the advertising network or United Online. In the instances when the advertising networks place and read their own cookies, United Online does not have access to such cookies nor does United Online control how they are used. When the advertising networks utilize cookies provided by United Online, the ISP Businesses may use the information contained in the cookies to determine the type of advertisements to serve to the subscriber while the subscriber is on an ISP Business' Website. The ISP Businesses disclose in their privacy statements the practices of using cookies and advertising networks to assist in serving advertisements to the subscribers.

The privacy statements disclose that the ISP Businesses may retain profile information provided by their subscribers.[3] The provision of this information is not required and is left solely to the discretion of the subscriber. Such information is stored in each subscriber's personal profile and may be accessed, updated, and deleted by the subscriber. As disclosed in the privacy statements, the ISP Businesses may use the profile

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[1] Disclosures made in response to emergency situations are to legal authorities and involve threats of death or serious injury.

[2] The ISP Businesses and Non-ISP Businesses disclose in their privacy statements that they may share PII with each other for operational and cross marketing purposes. In the event of any such internal sharing of PII, the United Online entity receiving the PII is prohibited from sharing the PII with an entity outside of United Online.

[3] At registration and any time thereafter, subscribers may provide demographic and psychographic information (e.g., age, gender, income level, interests, etc.).

information voluntarily provided by subscribers to deliver content, including advertisements, to the subscribers that are relevant to the stated interests.

United Online is committed to informing and protecting individuals who use the Internet so that they feel confident that they control the use of their PII. As such, United Online is pleased to assist the Subcommittee in developing a legal and regulatory scheme to protect our fellow Americans and Internet users.

Sincerely,

Frederic A. Randall, Jr.
Executive Vice President and General Counsel
United Online, Inc.