

JANUARY 26, 2005

**SCHAKOWSKY JOINS EFFORT
TO PROTECT ONLINE
CONSUMERS FROM SPYWARE**

WASHINGTON, D.C. - During a Commerce Committee hearing today hearing on H.R. 29, the Spy Act, U.S. Representative Jan Schakowsky (D-IL), today said: "Spyware is a serious threat to consumer privacy and potentially a powerful tool for identity theft, a serious crime that is on the rise." Schakowsky, who is the ranking Democrat on the Commerce, Trade and Consumer Protection Subcommittee, applauded the bipartisan efforts to move forward this legislation that would protect consumers.

Below is Schakowsky's statement:

Thank you, Chairmen Barton and Stearns, for holding today's hearing on H.R. 29, the Spy Act, a strong pro-consumer, bipartisan piece of legislation which addresses one of the newest and most troublesome consumer and privacy issues - spyware. I would also like to thank Ranking Member Dingell who is unable to be here today. As the ranking Democrat on the Commerce, Trade, and Consumer Protection Committee in the 108th Congress, I had the privilege of working closely with Chairman Barton, Chairman Stearns, Ranking Member Dingell, and Representatives Towns and Bono, on the first version of the Spy Act.

As we learned last year, spyware, while not yet a household word, is a household phenomenon. A recent study by America Online found that 80 percent of families with broadband access had spyware on their computers. Earthlink, one of our witnesses here today, along with Webroot, an anti-spyware software provider, found that in 3 million scans of computers, there was an average of 26 instances of spyware on each and every computer.

With those kinds of numbers, spyware will soon be a part of everyone's vocabulary. However, because of the surreptitious nature of spyware, because of the furtive practices of the spyware purveyors, many people have no idea that their computers have been infected with the software.

□ People notice that pop-up ads will not go away and they notice when their computers are much slower.□ And, of course they notice when their homepages have been changed - but not by them.□ Consumers tend to blame viruses, their "old" computer, or their Internet Service Providers.□ But, because spyware is bundled with software people do want to download, or because it is "drive-by downloaded" from unknowingly visiting the wrong website, people do not know that in many cases, the real cause of their headaches is spyware.□□

□ As we pointed out last year, spyware is much more than merely annoying.□ Slow computers and pop-up ads are just symptoms of the real trouble spyware can cause. The software is so "resourceful" that it can snatch personal information from computer hard drives, track every website visited, and log every keystroke entered.□ Spyware is a serious threat to consumer privacy and potentially a powerful tool for identity theft, a serious crime that is on the rise.□□

□ Although we do not want to stop legitimate uses of the software underlying spyware, like allowing easy access to online newspapers, we do want consumers to have control of their computers and personal information and to stop truly nefarious uses of the programs.

□□□□□□□□□□ The Spy Act finds the balance that helps protect consumers from truly bad acts and actors while preserving the pro-consumer functions of the software.□ It prohibits indefensible uses of the software, like keystroke logging.□ And, it gives consumers the choice to opt-in to the installation or activation of information collection software on their computers, but only when consumers know exactly what information will be collected and how it will be used.□ Furthermore, the SPY Act gives the FTC the power it needs, on top of laws already in place, to pursue predatory uses of the software.□ The Spy Act puts the control of computers and privacy back in consumers' hands, and I am glad that we are moving this bill forward once again.

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