

## **1. What is the annual NAI compliance Report?**

The NAI and its members invest enormous resources towards working to ensure that consumer choices are honored by member companies, and data privacy is respected through a rigorous compliance and enforcement process. The report provides to the public the summary of the NAI's policy and self-regulatory efforts as well as results of the NAI's compliance program each year. Through publication of this report, consumers, regulators and others gain visibility into the NAI's compliance program and self-regulatory process. NAI leverages the findings of the report to further strengthen its self-regulatory program.

## **2. What information is included in the NAI Compliance Report?**

The report provides a summary of the NAI staffs' findings from our compliance monitoring processes of our 103, as of January 2019, member companies during the 2018 compliance review period (January 1, 2018, to December 31, 2018). This includes investigations and, when applicable, enforcements conducted during that time period.

## **3. The Compliance Report does not cite any members for noncompliance. Is that because the NAI staff did not find any violations of the Codes?**

No. The report shows that NAI staff found that some member companies had various non-material violations of the Code as a result of the organization's robust monitoring program. These violations included potentially ineffective privacy links and privacy disclosures that may not have provided adequate information regarding data collection and use in specific circumstances. However, members actively worked with NAI staff during the course of the year to ensure that these issues were resolved quickly. The NAI did not find any material violations of the Code during the 2018 compliance review period. Material violations are willful and/or very serious violations of our Code, such as failure to provide consumer choice for an extended period of time, deliberately misleading statements in disclosures, failure to implement NAI guidance document requirements, or refusal to cooperate with NAI staff.

## **4. If no sanctions are listed in the Report, why do you claim that the NAI has a robust compliance program?**

The NAI's rigorous compliance approach encourages collaborative dialogue between NAI staff and its members that creates a comprehensive, disciplined partnership that enhances the overall health of the digital advertising ecosystem and benefits consumers. The NAI is a membership organization, and therefore its impact, and the benefit to consumers, increase as more companies join and sign up for self-regulation. Issues are resolved promptly, before they turn into larger problems affecting greater numbers of consumers. Ultimately, encouraging candor among member companies, and reserving sanctions for situations in which members are unwilling or unable to make the changes necessary for them to remain in compliance with the Code allows the NAI to understand the activities involved in digital advertising while pushing member companies to adapt in order to provide consumers with notice and choice with regard to their data collection and use practices. That is self-regulation at its best.

## **5. What are the NAI's plans for 2019?**

The NAI leveraged the findings of the Annual Compliance Report to further strengthen its self-regulatory program. In 2019, the NAI began enforcing two new guidance, addressing the collection and use of data for digital advertising on connected television screens. The NAI also published a thoroughly revised 2020 Code of Conduct, addressing the newest technologies used for digital advertising, including the use of “offline” data, sensor information, and providing dramatically improved transparency for political advertising and the protections for the use of Precise Location Data.

At a time when the nature of digital advertising is being questioned and reconsidered in Europe, in several US states, and on a federal level, it is even more important for self-regulatory efforts in the US to clearly demonstrate that a thoughtful and flexible self-regulatory approach can provide robust consumer privacy protection while also allowing digital advertising technology, and the Internet economy more broadly, to flourish. Perhaps most importantly, the NAI’s approach aims to preserve free and equal consumer access to a bounty of diverse content online.