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BEFORE THE

SUBCOMMITTEE ON COMMUNICATIONS, TECHNOLOGY & THE INTERNET

COMMITTEE ON ENERGY & COMMERCE

UNITED STATES HOUSE OF REPRESENTATIVES

HEARING ON THE COLLECTION AND USE OF LOCATION INFORMATION FOR COMMERCIAL PURPOSES

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Thank you Mr. Chairman and Members of the Subcommittee for inviting uLocate Communications Inc. here to discuss the use of location information in commercial software applications. What I hope to accomplish this morning is to provide you with an example of how such information can benefit the consumer in the form of a mobile local search application within a privacy sensitive business model.

To start, please allow me to tell you about uLocate's mobile application – WHERE® - and how we use location. We launched WHERE in 2007 and have since become a top provider of mobile local search content that informs, entertains, and helps consumers save time and money. WHERE aggregates best-of breed content from multiple sources to create a top-tier local search experience that includes real-time user generated recommendations and targeted advertising and offers based on the consumer's preferences.

WHERE's popularity is demonstrated by millions of downloads and top ratings on 'smart phones' such as iPhone, Android, Blackberry, and Palm Pre, and on feature phones from wireless carriers such as AT&T, Sprint, and T-Mobile.

Local content available through WHERE includes everything from the weather, news, restaurant reviews, directions to the closest coffee shop with WiFi, cheap gas, traffic updates, movie show times, and more. Plus, we have integrated a variety of 'yellow pages' search providers to further expand the information available at the consumer's fingertips. WHERE also helps people reach their destinations with easy to use maps and directions.

In addition to providing local content and search services, WHERE enables brands and advertisers to reach a local audience. We currently serve advertisements on mobile devices across all of the major US wireless carriers. Once the consumer establishes their location within WHERE, we are able to deliver both contextually and demographically targeted campaigns.

Interestingly, as we moved from displaying non-location based banner ads to more targeted advertising last year, we began to receive positive feedback from our users. As opposed to expressing frustration with generic or irrelevant ads, our users commented that our new style of location or service related ads were positive additions to their experience. In other words, ads and offers for local businesses that make sense within the consumer's experience turn out to be viewed as value-added content.

We also noticed that such ads generated more revenue for uLocate. For example, by using location, time-of-day, application context, and other factors, we know that an ad for a local service station inside of the Traffic widget will have a higher clickthrough rate, as will ads for local pizza shops at lunchtime.

Next, I will provide you with some details about how WHERE collects location information.

The first thing that I would like to point out is that the CTIA *Best Practices and Guidelines for Location Based Services* are an excellent source of information for how location can be used in a responsible and consumer-focused way. Given our close relationship with the wireless carriers, adherence to these guidelines has always been central to the services we offer – and, we believe, to our success in the market.

In order to deliver location-based services, WHERE employs several location technologies such as GPS, WiFi, and network-based location to determine the consumer's whereabouts. When a consumer starts WHERE for the first time they are informed that WHERE is a location-based application and will attempt to get their location automatically. Consumers that are concerned about privacy can choose not to allow WHERE to get location in the background. Choosing this option requires users to explicitly approve location acquisition every time they launch WHERE.

Consumers can also manually set their location – either to their actual position on the planet or some other place – depending on their preference and at any point in time.

Furthermore, WHERE users can control location accuracy. For example, if the user chooses to update their location with WHERE, they are presented with a list of options ranging from zip code to actual GPS fix. For many search activities, zip code is often sufficient (e.g., Movie theaters), while a street address may provide a more optimized experience for other functions (e.g., restaurant reviews).

Once the location of the consumer's handset is updated (either automatically or manually), we cache the new location locally on the consumer's handset. When

location is sent from the handset to our back-end servers as part of a service request, the location data is encrypted.

We do log service requests (e.g., a search for nearby coffee shops) in our database under a randomly generated ID along with the encrypted location data. The data in these logs is then aggregated and only the aggregate data is used for downstream analytical functions. These logs are purged periodically and are never used to track or share personally identifiable information or behaviors.

Having processes and policies that address the collection and storage of location information is only part of our approach, however. I would like to also address the issue of sharing location information.

Unlike some location-based services in market, WHERE does not allow anyone to 'pull' or monitor the location of anyone else. We also do not allow automatic posting of locations that might allow others to track a WHERE user's location. Lastly, we do not share personally identifiable location information of WHERE users with any third parties. Having a well-defined and trusted application with respect to these three behaviors has been a cornerstone of our approach to protecting consumer privacy.

WHERE does allow users to publish or 'push' their location to others within certain user controlled functions such as reviews and 'check ins'. This is done to provide the consumer with the ability to generate location-specific content (e.g. restaurant reviews) and post that content on a variety of social networks (e.g., Facebook) and forums (e.g., WHERE Reviews).

I hope this statement has provided you with some insights into what we consider to be a 'well-behaved' mobile location-based application operating in today's market.

In sum, we use location to deliver a beneficial experience to the consumer and we put the consumer in control of both managing their location information and sharing it with others.

Thank you for the opportunity to speak with you today. I would be pleased to answer any questions you may have.