



Office of the Secretary

UNITED STATES OF AMERICA
Federal Trade Commission
WASHINGTON, D.C. 20580

March 25, 2014

Mr. Joseph Lippe

Re: In the Matter of Apple Inc., File No. 1123108

Dear Mr. Lippe:

Thank you for your comment on the Federal Trade Commission's proposed consent agreement in the above-entitled proceeding. The Commission has placed your comment on the public record pursuant to rule 4.9(b)(6)(ii) of the Commission's Rules of Practice, 16 C.F.R. § 4.9(b)(6)(ii), and has given it serious consideration.

You express the opinion that the proposed order rewards irresponsible parents while passing costs onto responsible parents. As set forth in the proposed complaint, the Commission charges Apple with failing to provide basic information to parents about in-app charges, preventing parents from being able to decide whether to provide or withhold informed consent to such charges. The proposed complaint alleges that this practice resulted in Apple's billing parents for millions of dollars in unauthorized in-app charges by children. It also alleges that this harm outweighed any benefits of the practice to consumers and competition. The proposed order would remedy this problem by requiring Apple to give parents basic information about the amount and scope of in-app charges so that parents can make informed decisions about whether to approve such charges. It would also require Apple to provide full refunds to account holders who have been billed by Apple for unauthorized in-app charges incurred by minors. If Apple's payments total less than \$32.5 million, it would remit the difference to the FTC.

After reviewing your letter, other public comments filed with the Commission, and the investigative record, the Commission has determined that the relief set forth in the proposed order is appropriate and sufficient to remedy the violations alleged in the proposed complaint, and it is in the public interest to issue the Decision and Order in final form. The final Decision and Order and other relevant materials are available on the Commission's website at <http://www.ftc.gov/enforcement/cases-proceedings/112-3108/apple-inc>. It helps the Commission's analysis to hear from a variety of sources in its work. The Commission thanks you again for your comment.

By direction of the Commission, Commissioner Wright dissenting.

Donald S. Clark
Secretary