



Michael S. Loy | Chief Managing Officer
Direct 703.865.7879 | mloy@intermarkets.net

March 5, 2012

VIA EMAIL

Alexis Madrigal, Senior Editor
Atlantic Media Company
600 New Hampshire Ave, N.W.
Washington, DC 20037

Dear Mr. Madrigal:

Thank you for delaying your article, while my team at Intermarkets reviewed the information that you provided. Intermarkets strongly maintains and follows our privacy policies.

The Drudge Report respects viewer privacy, and we do our best to balance personal privacy while still generating sufficient revenue to employ the staff necessary to provide 24-7-365 Web content. As you are well aware, the Drudge Report provides all of its content free of charge. But, you may not be aware that we at Intermarkets developed an "Ad Feedback" feature (that is linked from the front page of Drudgereport.com prominently at four different places) that permits website visitors to indicate that they have received malware or inappropriate ads.¹ Website visitors use this feature to stop targeted ads. Notwithstanding this feature, the Drudgereport.com ***only shares non-personally identifiable information with its participating ad-server partners***, for example, the number of visits to the site, page views and the like, as explained in our Privacy Policy.

Regarding the facts that you have provided, we are concerned that your findings mischaracterize the amount of online behavioral advertising on the website, as defined by the Digital Advertising Alliance (DAA).² Particularly, we identified the following concerns from the data in your 2012-03-03-DrudgeReportCookieDomainList.pgn file: The following cookies are not used for behavioral tracking:

¹ You may view this feature at:

<http://www.intermarkets.net/adfeedback/form.htm?Plcmt=none&ATFlgt=none&Ntwk=none&NCrt=none>.

² See Self Regulatory Principles for Online Behavioral Advertising, Digital Advertising Alliance (July 2009) available at: <http://www.aboutads.info/resource/download/seven-principles-07-01-09.pdf> ("[T]he collection of data online from a particular computer or device regarding Web viewing behaviors over time and across non-affiliate Web sites for the purpose of using such data to deliver advertising to that computer or device based on the preferences or interests inferred from such Web viewing behaviors." This definition was recently supported last week by the Department of Commerce and the Federal Trade Commission in order to create an industry-standard Do Not Track feature using web headers.).

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- Drudgereport.com: This is a content based cookie from the Drudge Report. It helps customize news content for viewers, so they receive more relevant posts.
- Keisu02.eproof.com: This is a cookie for analytics software that DrudgeReport.com uses. By analytics software, we simply mean software that measures website hits, which is necessary for the site to evaluate click through advertising payment relationships.
- Scorecardresearch.com: This is a cookie for an analytics package that Intermarkets uses – it is from ComScore. This is the same premise here; we are measuring hits for compensation relationships.
- Tinyurl.com: This is for tracking clicks and possible impressions of a URL shortener. In this case, we are trying to make the website more navigable for viewers.
- Quantserve.com: Another analytics software package.
- Dmtry.com: This is another analytics software package from the advertiser side, as it verifies that a click was placed on an ad.

The following cookies help facilitate real-time ad placement and are not behaviorally tracking users. All of these cookies are linked to our relationship with the real-time ad bidding company Rubicon:

- Adbrite.com,
- andnxs.com,
- openx.net,
- p-td.com,
- Pubmatic.com,
- spotxchange.com,
- tag.admeld.com,
- w55c.net (this cookie will be removed from the site, because it has never been used), and
- triggitt.com (this cookie will be removed from the site, because it has never been used).

So, of the 27 cookies that you provided to us, over half of these are not conducting online behavioral advertising. Even if the remaining 12 cookies were conducting online behavioral advertising, and we are not saying that they are, this type of digital advertising portfolio is not materially different from many other media outlets, including, *The Atlantic*. We researched and identified the following number of cookies using the web tool, Ghostery March 3-4, 2012 (for comparison purposes, Drudgereport.com shows 14 cookies on Ghostery, even with counting the non OBA cookies identified above):

- The Atlantic: 20 cookies (as measured from the page in which your February 29, 2012 "I'm Being Followed" article appears);
- MSNBC: 24 cookies;
- CNN: 15 cookies;
- Chicago Sun: 19 cookies;
- Fox News: 25 cookies;

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- Bloomberg: 14 cookies and
- Associated Press: 23 cookies.

So, the Drudgereport.com's tracking profile is not materially different from any other website. In fact, in some respects, it is more privacy conscious. Other media websites routinely have social network widgets (e.g., Facebook Connect and Facebook Social Plugins) which enable the social networks to conduct broad, personally identifiable surveillance on their members as they read politically and religiously sensitive news items. Multiple media outlets (the Wall Street Journal, San Francisco Gate, CNBC and LA Times, to name a few) enable this tracking by including the Facebook widgets in their webpage, including, ironically, The Atlantic! The Drudgereport.com has no such social media widgets.

We would like to note as well that cookie views will vary based on a number of factors, such as geography, the technology the of the end user, the sell through rate of the publisher, the amount of partners the publisher works with. So, our data will differ slightly from yours, and it is disingenuous to label one website as a broad base web tracker or online behavioral advertiser, without a detailed geographically diverse and longitudinal study.

Again, thank you for delaying your article to permit us an opportunity to review your findings. In the short window we were given for analysis, we have found a number of items that would cause us concern, if any articles were to be printed using these facts. If we were given more time, we are confident that we could find further items where reasonable minds could differ. Intermarkets strongly maintains and follows our privacy policies. I strongly urge you and your team to consider your analysis carefully should you decide to use the Drudgereport.com in any one of your upcoming articles. Please do not hesitate to contact me if you need any further information.

Regards,



Michael S. Loy
Chief Managing Officer