



Brief submitted to: Standing Committee on Public Safety and National Security

Bill S-210 An Act to Restrict Young Persons' Online Access to Sexually Explicit Material

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Protecting Minors Online: Why Device-Based Age Verification Is the Key

Thank you for the opportunity to make a submission to the <u>Standing Committee on Public Safety</u> and <u>National Security (SECU)</u> regarding <u>S-210</u> Act to restrict young persons' online access to sexually explicit material.

We are writing on behalf of Aylo and Ethical Capital Partners (ECP). Aylo (formerly MindGeek), is a technology and media company, owner of a large portfolio of adult entertainment properties (Pornhub, YouPorn, Redtube, Brazzers). ECP is a private equity firm managed by a multi-disciplinary advisory team with legal, regulatory, law enforcement, public engagement, capital markets and investment banking experience. Just over a year ago, ECP acquired Aylo.

Our submission is meant to provide insights into the complexities of site-based age verification, highlighting its challenges within existing approaches and the unintended consequences it presents. Additionally, we propose a device-level solution and wish to situate the issue of age verification within the broader context of making the internet safer for all.

Introduction

Before proceeding with our response to S-210, we would like to state the following:

- S-210's stated objective is to protect young people from exposure to pornography. Let us start by stating clearly that we have no interest in minors accessing content intended for adults. We support clear and comprehensive policy solutions that are both effective at preventing minors from accessing content intended for adults, while respecting the privacy and safeguarding the personal identifiable information (PII) of users.
- We understand that Aylo is often considered the industry leader in online adult content, and that with this leadership position comes a responsibility to create safe, responsible and enjoyable platforms where consenting adults can share sex-positive free expression.
- We believe that a viable technological solution is available to empower parents to prevent their children from accessing content intended for adults. Unfortunately, without a clear

- standard, parents are presently forced to navigate a weak patchwork of potentially easily evaded verification processes for things like gaming, alcohol and cannabis.
- Age restriction is a very complex subject that brings with it concerns related to data privacy and the potential for uneven and inconsistent application for different digital platforms.
- <u>Content creators</u> who publish their content on Aylo platforms do not want their material
 viewed by minors and support strong verification not only of the age of viewers but of the
 safety of the content appearing on Aylo platforms. Adult entertainment has always been the
 target of attacks from certain ideologically-motivated segments of society, intent on
 spreading misinformation about the adult industry, this misinformation is rampant and must
 be stopped in its tracks.

Existing Age Verification

We have seen several jurisdictions try to impose platform-level – also known as "site-level" – age verification requirements. They have all failed to adequately protect minors. Minors are still able to readily and easily access adult material online in these regions, because compliance is only met by one or few adult platforms and enforcement is lacking.

There are hundreds of thousands of sites categorized as adult websites: how many of these sites comply with the law? How does a regulator even contact them? In jurisdictions where unworkable laws, which we believe are unconstitutional, have been passed, Aylo platforms have complied. However, most sites do not comply, making the law completely ineffective at protecting children.

Since 2015, Aylo has been exploring and integrating technologies for verifying age and identity. When it comes to the age verification of site visitors, the challenge is not a technological one. The technological means exist to verify the age of users. There are many third-party tools that accomplish this. However, mandating this from individual adult websites is ineffective, underinclusive, and most importantly, does not achieve the purported goal of protecting children online. It requires adult users to provide their sensitive PII multiple times to multiple websites and providers, which is not only dangerous but contrary to any "privacy by design" approach.

Let us elaborate on the unintended consequences of existing laws and this proposed law (S-210):

1. Failure to protect children

Age-restricted materials can be found on hundreds of thousands of sites categorized as adult websites. Without a uniform approach, including equitable enforcement, this material will continue to remain widely and openly available. Legislation mandating changes from the websites offering age-restricted materials has and will continue to result in underinclusive implementation of controls and fails to prevent minors from accessing age-restricted material online. This point is demonstrated by comparing the period prior to and after the introduction of legislation in Louisiana: Aylo figures demonstrate that traffic declined by 80% and appears to have moved to non-compliant websites (see Figure 1).

2. Privacy issues

Site-level age verification requires users to share their PII repeatedly with many age-restricted websites or third-party verification services, whose security and privacy measures are wholly unknown. Users often hesitate, and rightfully so, to provide their personal information such as identity documents or biometric data, whether to third party services or directly to the websites

themselves, just to view or access a website. Sharing PII multiple times to many different websites creates a substantial risk of data theft and privacy violation. PII is attractive for criminals, therefore risks of phishing attacks, identity theft, data hacks and fraud increase as users share their PII with more and more websites and providers of age verification services online.

3. Exposure to illegal material on irresponsible and unsafe platforms

The largest and most visited adult-content websites are those most likely to comply with legislation. These are also the websites that have invested the most in Trust & Safety and moderation processes, thereby more effectively limiting the availability and potential exposure of visitors to illegal, obscene, or harmful material. While the most responsible website operators may comply with such legislation, the others will not (and have not). This creates a substantial increase of the risk to users being exposed to potentially harmful material on websites without adequate controls.

For more information, please see Appendix A.

Getting Legislation Right

We are supportive of regulations, because with regulations come responsibility and rights. But this issue is too important to get wrong.

We extended invitations to engage with elected officials, including members of this committee, to present Aylo research findings on age verification measures implemented across diverse jurisdictions. We are committed to facilitating informed discussions by offering insights into the efficacy of age verification systems. We remain steadfast in our readiness to provide research and explore diverse technological solutions.

We support both the government and opposition parties in their endeavor to enact regulations aimed at ensuring online safety for all, with a particular focus on protecting minors. However, the implementation of regulations that are destined to falter risks undermining public trust in this crucial process.

The privacy risks of age verification were highlighted recently by the <u>Australian government</u> who decided not to proceed with mandatory platform-level age verification. As well, in 2023 Texas introduced a <u>law</u> whose stated goal was to prevent minors from accessing age-restricted content on the internet. A US Federal Judge in <u>Texas</u> rightly found that the bill's age verification process, other restrictions and information requirements violated Texans' freedom of speech, raised privacy concerns, and was overly broad and vague. A similar law targeting social media platforms in <u>Arkansas</u> was also judged unconstitutional around the same time.

Without a uniform approach, adult material will remain widely available to minors. Focusing on a handful of sites just because governments can, will not solve the problem. It will only result in users frequenting unsafe alternatives. Any effective solution to stop minors accessing adult material must be **easy to use**, **secure** and **enforced equitably** across all platforms offering adult content.

Device-Level Solution

We believe that the real solution for protecting minors and adults alike is to verify users' ages at the point of access—the users' devices—and to deny or permit access to age-restricted materials and websites based on that verification*.

This approach requires working with operating system companies and, with their buy-in, stands to minimize the transmission of PII while protecting minors from age-restricted content across the entire internet.

We support device-level age verification because it would control the severe risks inherent with potentially having hundreds of thousands of sites introducing and holding their own age verification systems and require consumers to repeatedly present their ID or undergo biometric processing.

The technology to accomplish this exists today. Many devices already offer free and easy-to-use parental control features that can prevent minors' accounts from accessing adult content without risking the disclosure of sensitive user data. For instance, Apple introduced age verification to their services. According to Apple introduced age verification to their services.. According to Apple's announcement, as of Fall 2023, "businesses will be able to accept IDs in Apple Wallet — no additional hardware needed. This will streamline their ability to securely check a customer's age in person for things like alcohol purchases or to verify a customer's identity at checkout for car rentals, and more." Furthermore, social media platforms have also published statements pertaining to device level controls to employer-parents.

These features simply need to be mandated to block devices by default, unlocked only by age verification by an adult on the device. We support the "opt-out" approach wherein age-based blocks on inappropriate content would be default-on and would require a verified adult to turn the filter off. This far exceeds the current "opt-in" patchwork approach in which only a fraction of sites hosting age-restricted content have any kind of age-gating or content-blocking options available to help parents effectively block their children from accessing.

The device-level approach is a 360-degree solution that stops age-restricted content at the source and protects a user's privacy by not requiring them to provide their PII on multiple-sites across the internet.

Age verification at the device level provides the strongest protection possible to block minors from accessing inappropriate sites, protects adult user privacy, and is enforced equitably across all platforms. For more information, please see <u>Appendix D</u>.

*Device-Based Age Verification refers to any approach to age verification where the personal information that is used to verify the user's age is either shared in-person at an authorized retailer, inputted locally into the user's device, or stored on a network controlled by the device manufacturer or the supplier of the device's operating system. Whether through pre-installed content blocking and filtering software, the disabling of web-browsing permissions, or other means, the user will then be prevented from accessing age-restricted content over the internet unless they are age-verified. To come to fruition, such an approach requires the cooperation of manufacturers and operating-system providers.

Recommendation

As a leader in our industry, we are fully prepared to collaborate with policymakers to develop precise, enforceable and efficient age verification mechanisms at the device level. We are equipped and eager to engage with both governmental authorities and operating system providers to showcase the viability of implementing age verification directly on devices, thereby promptly restricting access to adult content on a per-device or per-account basis. Such collaboration could take the form of a **pilot project**, illustrating our collective commitment—by governments and internet companies alike—to devising internet-native solutions that prioritize online safety for minors. We all share a responsibility in this endeavor.

General Description

Aylo

The intersection of technology and culture.

Launched in 2004, Aylo is a tech pioneer offering world class adult content platforms. The company provides trusted environments to enable a safe online user experience, and to empower its communities by celebrating diversity, inclusion and expression. Aylo holds a number of widely popular and diverse online adult entertainment and gaming properties. Its portfolio includes Pornhub, YouPorn, Brazzers, Men.com, Nutaku, and more, all of which maintain robust trust and safety protocols.

Ethical Capital Partners

Unlocking value through ethics-first investing.

Ethical Capital Partners (ECP) is a private equity firm seeking out investment opportunities in industries that require principled ethical leadership. ECP concentrates on projects which focus on technologies, and have legal and regulatory complexity. ECP was created in 2022 by a multidisciplinary team with legal, regulatory, law enforcement, public engagement and finance experience. ECP's philosophy is rooted in identifying companies amenable to our responsible investment approach, and working collaboratively with management teams in order to develop strategies to create value and attractive returns.

Appendix

Appendix A

Unintended Consequences: Privacy Concerns and Traffic Redirected to Non-Compliant Sites

Mandating users to submit ID every time they want to visit an adult platform is ineffective, underinclusive, and most importantly, does not achieve the purported goal of protecting children online. Requiring adult users to provide their sensitive PII multiple times to multiple websites and providers, is not only dangerous but contrary to any "privacy by design" approach. We believe any effective solution to stop minors accessing adult material must be **easy to use**, **secure** and **enforced equitably** across all platforms offering adult content.

Aylo's experience and publicly available data show that adult users are not willing to undergo verification if they can access other non-compliant websites without age verification measures in place or get around age-verification barriers.

For instance, in 2022, Pornhub tested a portion of traffic, by requesting age verification at the site level in France with various third-party verification methods. The following methods were offered:

- Digital ID
- Document scan with liveness test
- Facial Age Estimation
- Voice Age Estimation
- Credit Card submission
- Email Address verification

Even though Pornhub offered multiple ways that a user could prove their age, this testing found that over 99% of users subjected to a verification requirement did not verify their age. Aylo data shows humans will take the path of least resistance, making the transition to non-compliant sites easy.

In American states where Aylo introduced age verification or removed access to their platforms, we saw a surge in searches for other, often unregulated, adult sites with fewer or no trust and safety or moderation processes, as well as searches for Virtual Private Networks (VPNs) (see Figure 1 and 2).

In Louisiana, laws (<u>Act 440 & Act 216</u>) introduced in 2023 allow the attorney general to investigate and fine websites that do not verify age. Aylo platforms use the government-approved digital wallet (<u>LA Wallet</u>) to verify the age of Louisiana-based users. Traffic to Pornhub dropped by approximately 80% in Louisiana, but we know that people did not stop consuming porn overnight because of this new law. Rather, they simply moved to illegal or other non-compliant sites that do not ask visitors to verify their age (see <u>Figure 1</u>). To our knowledge, at the time of submission (April 2024), not a single non-compliant site had been fined or shut down since the new regulations were introduced. Similarly, other copycat state level laws, such as Arkansas' <u>Act 612</u>, Utah's <u>SB287</u> and Virginia's <u>SB1515</u> have no regulator, only civil liability, which results in a flawed enforcement regime, effectively making compliance optional.

In addition to searches for non-compliant sites, there has been a surge in VPN demand (Virtual Private Network works by creating a secure and encrypted connection between your device and a server, allowing you to access the internet through the server's location, by masking your own IP address). A recent example of this is in Montana, where Aylo blocked their sites on December 28, 2023, according to Top 10 VPN, demand for VPNs peaked on December 29 at 482% higher than the daily average over the previous 28 days (see Figure 2). Similarly, when Utah introduced their age verification law in May 2023, on May 2, demand for VPN services surged by 847%.

In Texas, Senior US District Judge David Ezra sharply criticized the verification law, saying that although he agrees with its purpose of protecting minors, users he insists can get around it by accessing sites through a virtual private network. "It just isn't doing anything effectively," he said. From the Bloomberg Law article - Pornhub Texas Return Possible After High Court Age Check Ruling.

An <u>NYU study</u> from March 2025 details research looking at how age-verification laws in the US impact "digital behavior across four key dimensions: searches for the largest compliant website, the largest non-compliant website, VPN services, and adult content generally." It noted "The three-month results demonstrate a 51% reduction in searches for the largest compliant platform, accompanied by increases in searches for the next largest non-compliant platform (48.1%) and VPN (23.6%) services".

Furthermore, normalizing the practice of uploading PII to access websites poses significant risks, as it can lead to privacy breaches, identity theft and unauthorized use of sensitive data, highlighting the importance of safeguarding PII in the digital age. Governments and IT nonprofit organizations communicate and make available educational online resources regarding the sharing of PII, including:

- <u>Canada Revenue Agency</u>, "Be extremely careful when you provide personal information via email or over the Internet."
- <u>Federal Bureau of Investigation (USA).</u> "Be careful with what information you share online or on social media."
- <u>Electronic Frontier Foundation</u>, "Mandating that users must hand over more sensitive information about themselves than they previously did is fundamentally anti-private. Even if these systems

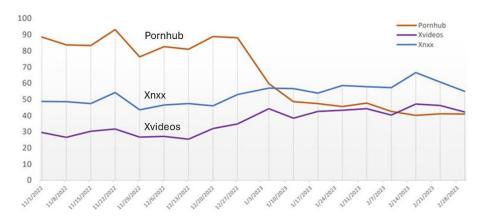
were to work flawlessly and their security were perfect—which is never a safe assumption to make—it still goes against the basic privacy needs of the everyday internet user."

As such, assigning this responsibility to the platform(s) visited by a user means they must submit private information several times to access many different adult sites, while normalizing disclosure of PII across the internet and creating a potentially irreparable global data identity theft problem.

Appendix B

Figure 1 Louisiana - Pornhub Search on Google

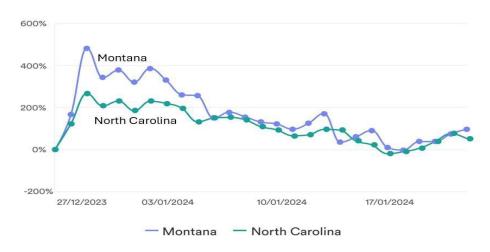
The following chart is based on Google Trends, demonstrating search interest for Pornhub (prior to and after introduction of law), compared to other platforms that have not implemented age verification for Louisiana.



Appendix C

Figure 2 Montana - VPN Demand Increase

The following chart is based on <u>Top10 VPN research</u>, demonstrating search demand increase for VPNs after introduction of law in Montana (both Montana and North Carolina laws came into effect on January 1, 2024).



Appendix D

Age Verification + Device-Based Solution

Fact Sheet | April 2024

We all want to ensure the safety of children online. We all have responsibility in this.

Aylo does not accept, nor tolerate minors on our sites under any circumstances. We fully support the goal of ensuring minors do not access adult material and believe that device-based age verification can make the internet a safer space for everyone, when it is done right.

Building a barrier between minors and adult websites is a challenge that requires a global solution. We support laws that protect children from age-inappropriate material online and preserve the privacy of adults without introducing unintended consequences.

COMMITMENT

We support processes and solutions that ensure minors do not access adult material and have repeatedly stated our concern with mandatory platform-level verification. It must effectively protect children while ensuring user safety and privacy.

We have research and expertise that we openly provide to lawmakers to help inform their choices. The Aylo team continues to engage with governments and industry to find a tech solution to ensure children do not access online adult entertainment sites.

IN PRACTICE – 100% COMPLIANT

Aylo platforms comply with regulations. But the jurisdiction-by-jurisdiction patchwork has resulted in the introduction of different standards and requirements, applied inconsistently.

For instance in Louisiana we are working with government-approved digital wallet (LA wallet). Whereas in Texas, we joined other plaintiffs taking the legal route because we believe the Texas legislation is unconstitutional and went even further by requiring compelled speech. And finally, if we believe government regulations put user safety in jeopardy, are implemented inequitably, or do not effectively protect children from age-inappropriate material online, the safest decision for the public is to block our platforms, as we did in Utah, Virginia, Texas, Montana, Mississippi, Arkansas and North Carolina. To be clear, by **blocking access, we are complying.**

EFFECTIVE, SECURE, EQUITABLE

Any effective solution to stop minors accessing adult material must be easy to use, secure and enforced equitably across all platforms offering adult content.

PROPOSED SOLUTION

In order to effectively prevent minors from accessing age-inappropriate material online, we are proposing to governments a simple, effective solution with none of the inherent dangers of current and proposed legislation: **device-based verification**.

Age Verification + Device-Based Solution

DEVICE-BASED AGE VERIFICATION SOLUTION

We remain firm that device-based verification is the solution*.

We believe that the real solution for protecting minors and adults alike is to verify users' ages at the point of access—the users' devices—and to deny or permit access to agerestricted materials and websites based on that verification. This approach requires working with operating system companies and, with their buy-in, stands to minimize the transmission of personal information while protecting minors from age-restricted content across the entire internet.

This means users would only get verified once, through their operating system, not on each age-restricted site. This dramatically reduces both privacy and data theft risks and creates a very simple process for regulators to enforce.

Protect Children from Accessing Age Restricted Sites Make it so that age restricted sites (from gambling to sexually explicit content) are inaccessible until age is verified (through government issued ID) indicating that they are of age to access these sites.

Protects Adult-User Privacy and Safeguards Personal Information

Control the severe risks inherent with having millions of sites introducing and holding their own age verification systems and require consumers to repeatedly present their ID or undergo biometric processing.

Enforced Equitably Across all Platforms

Ensure easy regulatory monitoring and enforcement because of the small number of operating systems and device manufacturers within the ecosystem.

We believe the technology required exists today. Regulators and industry can work together to solve this challenge with device-based age verification. Operating system companies could, with a software update to their devices, give every adult user the ability to identify as an adult - once and only once - and store this information securely on their devices.

- Global: To access the internet, with very few exceptions, the general population
 uses a device powered with an operating system made by one of three companies –
 Apple (iOS), Google (Android), and Microsoft (Windows).
- Existing: Operating system companies already have the available technology and, in some cases, already know the age of a user, so user impact would be low.
- Integrated: Devices have integrated security to access them (passwords and biometrics), the same is true for shared devices with accounts or profiles. This is the best and most appropriate place to integrate controls on age restricted material.
- **Effective**: This solution would instantly and effectively protect children from ageinappropriate content, and could be rolled out worldwide overnight.

*Device-Based Age Verification refers to any approach to age verification where the personal information that is used to verify the user's age is either shared in-person at an authorized retailer, inputted locally into the user's device, or stored on a network controlled by the device manufacturer or the supplier of the device's operating system. Whether through pre-installed content blocking and filtering software, the disabling of web-browsing permissions, or other means, the user will then be prevented from accessing age-restricted content over the internet unless they are age-verified. Such an approach requires the cooperation of manufacturers and operating-system providers.

We look forward to further consulting with stakeholders as we continue to build on Aylo's industry-leading commitment to quality adult entertainment made by and for consenting adults on platforms that set the standard for trust and safety.

For more information, please visit www.aylo.com and consult the Pornhub Transparency Report.



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