

**FEDERAL TRADE COMMISSION****Public Workshop: Radio Frequency Identification: Applications and Implications for Consumers**

**AGENCY:** Federal Trade Commission (FTC).

**ACTION:** Notice announcing Public Workshop and Requesting Public Comment.

**SUMMARY:** The FTC is planning to host a public workshop that will explore the uses, efficiencies, and implications for consumers associated with radio frequency identification (RFID) technology. The workshop will address both current and anticipated uses of RFID tags and their impact on the marketplace.

**DATES:** The workshop will be held on Monday, June 21, 2004, from 8:30 a.m. to 5:30 p.m. at the Federal Trade Commission's Satellite Building, which is located at 601 New Jersey Avenue, NW., Washington, DC. The event is open to the public and there is no fee for attendance. Pre-registration is not required.

*Requests to Participate as a Panelist:* As discussed below, written requests to participate as a panelist must be received on or before Friday, May 7, 2004. Persons filing requests to participate as a panelist in the workshop will be notified on or before Friday, May 21, 2004, if they have been selected. For further instructions, please see the "Requests to Participate as a Panelist in the Workshop" section below.

*Written Comments Filed in Paper or Electronic Form:* Regardless of whether they are selected to participate, persons may submit written comments, in paper or electronic form, on the topics to be discussed by the panelists. Such comments must be received on or before Friday, May 21, 2004. For further instructions on submitting comments, please see the "Form and Availability of Comments" section below. To read our policy on how we handle the information you submit, please visit <http://www.ftc.gov/ftc/privacy.htm>.

**ADDRESSES:** Written comments and requests to participate as a panelist in the workshop should respectively refer to "RFID Workshop—Comment, P049106" or "RFID Workshop—Request to Participate, P049106" to facilitate the organization of comments and requests. A comment or request filed in paper form should include this reference both in the text and on the envelope, and the original and two copies should be mailed or delivered to the following address: Federal Trade Commission/Office of the Secretary, Room 159-H

(Annex G), 600 Pennsylvania Avenue, NW., Washington, DC 20580. Comments and requests containing confidential material must be filed in paper form, as explained in the Supplementary Information section. The Commission is requesting that any comment or request filed in paper form be sent by courier or overnight service, if possible, because U.S. postal mail in the Washington area and at the Commission is subject to delay due to heightened security precautions. Comments and requests to participate filed in electronic form (except comments containing any confidential material) should be sent, as prescribed in the Supplementary Information section, to the following email box: [rfidworkshop@ftc.gov](mailto:rfidworkshop@ftc.gov).

**FOR FURTHER INFORMATION CONTACT:** Julie K. Brof, Attorney, (206) 220-4475, Northwest Region, Federal Trade Commission, 915 Second Avenue, Suite 2896, Seattle, WA 98174. Prior to the workshop, an agenda and additional information for attendees will be posted on the FTC's Web site, <http://www.ftc.gov/bcp/workshop/rfid>.

**SUPPLEMENTARY INFORMATION:****Background and Workshop Goals**

The emergence of RFID as a technology with seemingly unlimited applications has implications for business and consumers alike. RFID plays an important role in supply chain management, enhancing efficiencies through multiple stages of production as well as in the retail environment. Consumers may already be using RFID tags on the highway, to buy gas and groceries, and to protect their pets. RFID also has enormous potential as a public safety and anti-counterfeiting tool and, as the cost of RFID chips declines, new applications will undoubtedly be developed. In the meantime, suppliers to major domestic retailers and the Department of Defense are rushing to comply with mandates for RFID use, as are drug manufacturers, spurred by a recent Food and Drug Administration initiative calling for RFID tags on pharmaceuticals by 2007.<sup>1</sup> As a result, investment in this technology is expected to jump from an estimated \$90 million in 2003 to potentially more than \$4 billion by 2008.<sup>2</sup>

The FTC's workshop, "Radio Frequency Identification: Applications and Implications for Consumers," will continue the Commission's efforts to address the impact on consumers of

new and significant technologies. The workshop will provide an opportunity to learn about how RFID works and to highlight its numerous and rapidly growing applications. It will also address the privacy and security concerns associated with RFID use, particularly on an item-level basis. By bringing together RFID proponents, privacy advocates, and other interested parties, the workshop will facilitate discussion of core public policy issues and encourage the development of best practices that capitalize on the efficiencies generated by RFID without compromising consumers' privacy and security.

Questions expected to be addressed at the workshop include:

1. What is RFID all about?
  - How does RFID technology work? How does it differ from UPC bar codes and other competing technologies?
  - RFID is a popular term and technology. What kinds of systems are properly defined as "RFID"?
2. How is RFID technology currently being deployed?
  - What are the significant commercial uses for RFID tags?
  - What are the current or intended applications of RFID technology in the public sector, such as food and drug safety?
  - How is RFID being used abroad? Are these uses different from or similar to domestic applications?
  - What impact will these global applications have upon domestic uses?
3. What is the future of RFID?
  - What additional applications are envisioned over the next decade and beyond?
  - What might constrain development of these applications?
4. How are consumers impacted by current and/or anticipated RFID uses?
  - What do consumers already know about RFID technology? Are there any studies that address consumer understanding of RFID?
  - What benefits may accrue to consumers from RFID technology? Which benefits do consumers value most?
  - Will RFID use in the supply chain impact the cost, availability, and quality of consumer goods and services? If so, in what way?
  - What privacy and security concerns do current and anticipated uses of RFID technology raise? Are they different from concerns raised by other, more familiar technologies or devices?
5. What approaches have led or will lead to use of RFID in a way that accommodates privacy and security concerns?
  - How can communication between RFID proponents and consumer

<sup>1</sup> Marc Kaufman, FDA Looks to Chips to Thwart Drug Counterfeiters, Washington Post, Feb. 19, 2004.

<sup>2</sup> RFID/IT Infrastructure worth \$4.2 billion next decade, Feb. 19, 2004, UsingRFID.com.

advocates be improved? Are there examples that can be followed?

- Do studies suggest that education can help protect consumers from threats to their privacy and security?

- Are there examples of “best practices” being implemented by business that address these issues?

- What legislative steps are underway domestically? Do these initiatives propose effective solutions? What are the consequences of a patchwork of state regulation?

- What technological or other solutions exist to remedy consumers’ privacy and security concerns? How do the costs of these measures relate to their benefits?

- What is an appropriate role for the FTC at this juncture?

#### Requests To Participate as a Panelist in the Workshop

Parties seeking to participate as panelists in the workshop must notify the FTC in writing of their interest in participating on or before Friday, May 7, 2004, either by mail to the Secretary of the FTC or by e-mail to [rfidworkshop@ftc.gov](mailto:rfidworkshop@ftc.gov). Requests to participate as a panelist should be captioned “RFID Workshop—Request to Participate, P049106,” and should be filed in the same manner as prescribed for written comments in the “Form and Availability of Comments” section below. Parties are asked to include in their requests a statement setting forth their expertise in or knowledge of the issues on which the workshop will focus and their contact information, including a telephone number, facsimile number, and e-mail address (if available), to enable the FTC to notify them if they are selected. For requests filed in paper form, an original and two copies of each document should be provided. Panelists will be notified on

or before Friday, May 21, 2004, whether they have been selected.

Using the following criteria, FTC staff will select a number of panelists to participate in the workshop. The number of parties selected will not be so large as to inhibit effective discussion among them.

1. The party has expertise in or knowledge of the issues that are the focus of the workshop.

2. The party’s participation would promote a balance of interests being represented at the workshop.

3. The party has been designated by one or more interested parties (who timely file requests to participate) as a party who shares group interests with the designator(s).

#### Form and Availability of Comments

The FTC requests that interested parties, regardless of whether they are also seeking to participate as a panelist, submit written comments on the above questions to foster greater understanding of the issues. Especially useful are any studies, surveys, research, and empirical data. Written comments must be received on or before Friday, May 21, 2004, and may be filed in either paper or electronic form. Written comments should refer to “RFID Workshop—Comment, P049106” to facilitate the organization of comments. A comment filed in paper form should include this reference both in the text and on the envelope, and the original and two copies should be mailed or delivered to the following address: Federal Trade Commission/Office of the Secretary, Room 159–H (Annex G), 600 Pennsylvania Avenue, NW., Washington, DC 20580. If the comment contains any material for which confidential treatment is requested, it must be filed in paper (rather than electronic) form, and the first page of

the document must be clearly labeled “Confidential.”<sup>3</sup> The FTC is requesting that any comment filed in paper form be sent by courier or overnight service, if possible, because U.S. postal mail in the Washington area and at the Commission is subject to delay due to heightened security precautions. Comments filed in electronic form (except comments containing any confidential material) should be sent to the following e-mail box: [rfidworkshop@ftc.gov](mailto:rfidworkshop@ftc.gov).

The FTC Act and other laws the Commission administers permit the collection of public comments to consider and use in this proceeding as appropriate. All timely and responsive public comments, whether filed in paper or electronic form, will be considered by the Commission, and will be available to the public on the FTC Web site, to the extent practicable, at <http://www.ftc.gov>. As a matter of discretion, the FTC makes every effort to remove home contact information for individuals from the public comments it receives before placing those comments on the FTC Web site. More information, including routine uses permitted by the Privacy Act, may be found in the FTC’s privacy policy, at <http://www.ftc.gov/ftc/privacy.htm>.

By direction of the Commission.

**Donald S. Clark,**

*Secretary.*

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<sup>3</sup> Commission Rule 4.2(d), 16 CFR 4.2(d). The comment must be accompanied by an explicit request for confidential treatment, including the factual and legal basis for the request, and must identify the specific portions of the comment to be withheld from the public record. The request will be granted or denied by the Commission’s General Counsel, consistent with applicable law and the public interest. See Commission Rule 4.9(c), 16 CFR 4.9(c).