

BEFORE THE ADMINISTRATOR

In the Matter of

NHTSA, as the agency charged with promoting vehicle safety, plans to mandate the inclusion of this V2V technology in future new cars at the conclusion of this process.

Among other issues, NHTSA asked for comment related to privacy and security issues raised in the V2V Report and the ANPRM. As the primary federal agency with authority over consumer privacy and data security, the Federal Trade Commission (“FTC” or “Commission”)

appreciates the opportunity to provide comments limited to those issues.

~~SECUR~~miss35.46c1P <<C 7.22hDC -0 55.be]TJ -Oppreithe th pr

I. FTC AUTHORITY AND ACTIVITY IN THE PRIVACY AND DATA SECURITY AREA

The FTC has served as the primary federal agency charged with protecting

maintain reasonable security, in violation of Section 5 of the FTC Act.⁵ Among other things, the FTC charged TRENDnet with failing to test its products appropriately, resulting in hackers being able to post private video feeds of people's bedrooms and childprie h4(dr)3(oo)-10(e)4(F)6(T)1

and their impact on consumer data, including topics such as Big Data,⁹ mobile technology,¹⁰ and the Internet of Things.¹¹

II. CONNECTED VEHICLES AND V2V TECHNOLOGY

At its Internet of Things workshop in November 2013, the Commission specifically examined privacy and security issues sp

about an individual.¹⁴ Did Consumer A visit an AIDS clinic last Tuesday? What place of worship does he attend? Was he at a psychiatrist's office last week? Did he meet with a prospective business customer? By collecting geolocation information from motor vehicles, businesses could build profiles of a driver's activities over time and use the information for purposes unanticipated by the driver. For example, a business could sell the information to a data broker, which might, in turn, tag the consumer with reference to his medical conditions and sell it to other businesses. Indeed, many consumers are concerned about the privacy of their geolocation data. One recent study found that nearly three quarters of consumers surveyed were reluctant to enable location tracking on their phones due to privacy concerns.¹⁵ Consistent with this generalized concern about geolocation data, NHTSA's own survey discussed in the V2V Report reflects consumer discomfort about businesses having access to additional driving-related geolocation information.¹⁶

Second, FTC workshop participants expressed a concern that information about driving habits could be used to price insurance premiums or set prices for other auto-related products, without drivers

generally governs data supplied by and furnished to credit reporting agencies for certain eligibility decisions.¹⁷

A third concern relates to the security of connected cars. At the Commission's Internet of Things workshop, one participant discussed his successful efforts to remotely

identifying system functions to serve those needs, identifying the data that must be collected to serve the needs, describing and quantifying privacy risks, and identifying ways to control these risks. It also appears that NHTSA is prepared to ensure that the V2V system will contain multiple technical, physical, and organizational controls to minimize privacy risks, including the likelihood of vehicle tracking by commercial entities. The Commission appreciates NHTSA's explanation of the substantial steps it took as part of its interim privacy impact assessment, and looks forward to reviewing the results of the final assessment.

Second, the Commission commends NHTSA for designing the V2V system in a way that limits the amount of data collected and stored to that which serves its intended safety purposes.

In particular, NHTSA makes clear that

the system will not collect or store any data on individuals or individual vehicles, nor will it enable the government to do so. There is no data in the safety messages exchanged by vehicles or collected by the V2V security system that could be used by law enforcement or private entities to personally identify a speeding or erratic driver. The system—operated by private entities—will not permit tracking through space or time of vehicles linked to specific owners or drivers or persons. Third parties attempting to use the system to track a vehicle would find it extremely difficult to do so, particularly in light of far simpler and cheaper means available for that purpose. The system will not collect financial information, personal communications, or other information linked to individuals. It will enroll V2V enabled vehicles automatically, without collecting any information identifying specific vehicles or owners. The system will not provide a “pipe” into the vehicle for extracting data. The system will enable NHTSA and motor vehicle manufacturers to find lots or production runs of potentially defective V2V equipment without use of VIN numbers or other information that could identify specific drivers or vehicles.¹⁹

In addition, the V2V Report indicates that the system design will ensure that no one party can match records to re-identify a particular individual or vehicle.²⁰ Such data collection

¹⁹ V2V Report, *supra* note 2, at 144. The report indicates that, while there will be, “on a very limited basis, some V2V data linking V2V device production lots to security credentials,” it explains that “neither the V2V system nor NHTSA will collect, store or have access to information that links production lots of defective V2V devices with specific VINs or owners.” *Id.* at 146.

²⁰ *Id.* at 176.

limitations, which should include both technical and administrative safeguards to help ensure against re-identification, are key in addressing consumer concerns about possible third-party sharing and other secondary uses.²¹

Third, NHTSA's attention to potential security issues is equally thorough and demonstrates a clear commitment to creating both a functional and secure communications system based on research efforts over more than a decade.²² The Commission agrees that "public acceptance and the adoption of cooperative V2V safety applications will depend on appropriate levels of security as an integral part of the system."²³ In particular, the Commission supports the choice not to connect that [(-4.29 -2. a4(t Td [0.0y)r)-0(r)-1(m)-6cularns

