

# IBIA

## International Biometric Industry Association

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Via Hand Delivery  
March 29, 2000

Mr. Donald S. Clark  
Secretary  
Federal Trade Commission  
Room H-159  
600 Pennsylvania Avenue, N.W.  
Washington, D.C. 20580



Subject: Response to Notice of Proposed Rule Making  
16 CFR Part 313

Dear Mr. Clark:

The International Biometric Industry Association (IBIA) is a trade association founded in 1998 to advance the collective international interests of biometric developers, manufacturers, and integrators. Biometric technologies include a group of proven solutions that identify or verify individuals based on physiological or behavioral characteristics. Biometric identification and verification are accomplished by using computer technology in noninvasive ways to match patterns of live individuals in real time against enrolled records. Examples include products that recognize and authenticate faces, hands, fingers, signatures, irises or irides, voices, and fingerprints. In the financial services industry, biometric products are commonly used to verify a customer's identity at an ATM, to control employee access to sensitive financial data, and to regulate access to secure facilities.

**Purpose of Comments.** By means of this letter, IBIA is responding to the six related Notices of Proposed Rule Making that propose to establish minimum standards to protect the privacy of consumer financial information as provided by Public Law 106-102, "The Financial Services Modernization Act." IBIA has two particular concerns. First, IBIA wants to ensure that the statutory terms

"nonpublic personal information," "personally identifiable financial information," and "publicly available information" are clearly defined to exclude biometric data. Second, IBIA recommends that final regulations explicitly authorize the use of biometric technologies to carry out the objectives of the statute to protect the privacy and strengthen the security of customers, information, transactions, and assets in the financial services industry.

**Inherent Security of Biometric Data.** The proposed regulations invite comments to clarify the definitions of several categories of information, specifically "nonpublic personal information," "personally identifiable financial information," and "publicly available information." Biometric technology is used to erect a barrier between personal data and unauthorized access. This is accomplished by encrypting personal data and storing it in secured format in a protected database. This alphanumeric record, called a template, verifies a true owner's identity each time the system is used. Templates employ proprietary and carefully guarded algorithms to safeguard records and protect them from disclosure. Thus biometrics can be thought of not only as a very secure key, but a key that cannot be transferred from one person to another. Unless a biometric barrier is unlocked by the proper bearer, no one can gain access to that person's information. Accordingly, standing alone, biometric data are of no use, cannot be reconstructed to reveal a person's identity, and therefore should be explicitly excluded from the definition of any of these three categories of information.

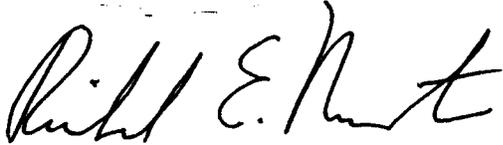
**Uses of Biometrics as Safeguards for All Statutory Purposes.** The proposed regulations state that standards are being drafted "relating to administrative, technical, and physical safeguards." This broad range of statutory purposes is well matched by the broad range and diversity of biometric technologies, each of which tends to have particular applications to which it is well suited. In short, certain biometric technologies tend to have natural applications as administrative safeguards, others as technical safeguards, and still others as physical safeguards. Collectively, biometric technologies can effectively prevent unauthorized access to financial customers, financial information, financial transactions, and financial assets. For these reasons, IBIA recommends that the final regulations explicitly sanction all biometric technologies as safeguards for all statutory purposes.

To promote a better understanding of biometrics and learn more about the issues you are dealing with, we would welcome the opportunity to meet with you and

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other appropriate officials responsible for regulations to implement the Financial Services Modernization Act.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard E. Norton". The signature is written in a cursive style with a large, stylized initial "R".

Richard E. Norton  
Executive Director