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Comments of the General Electric Company

General Electric thanks the Federal Trade Commission for the opportunity to comment on The FTC Staff Draft Report “Protecting Consumer Privacy in an Era of Rapid Change: A Proposed Framework for Businesses and Policymakers” (December 1, 2010). This report is an important milestone in the policies and frameworks surrounding consumer privacy in the United States.

The report identifies the gaps that exist in the current framework and demonstrates sensitivity to the importance of informing, empowering, and protecting consumers, while simultaneously creating an environment in which businesses can innovate and employ new technologies for the benefit of consumers and the American economy.

As a leader in the adoption of responsible corporate privacy practices and programs, GE welcomes the opportunity to be a part of the dialogue informing the Commission’s ongoing work on privacy and information governance policies.

GE supports the development of privacy rules which promote consumer trust and promote innovation. A clearer, more prominent privacy framework and greater consumer understanding of information practices will promote increased protection for consumers and provide certainty to business. The protection of personal information and the prevention of information are essential to fostering trust.

I. Scope of the FTC Proposed Framework

The FTC report proposes that protections would apply to all consumer data that can be “reasonably linked to a specific consumer, computer, or other device.” This is a move away from the concept that data needs to be tied to an identified individual in order for there to be a privacy violation. GE supports this concept of consumer privacy with the caveat that there needs to be further clarification of the meaning of “reasonably linked” in order to avoid over-breadth. Specifically, this type of approach will be critical to widespread adoption of emerging technologies such as the Smart Grid.

II. Privacy by Design

GE supports the Commission’s recommendation that companies adopt “privacy by design,” which integrates privacy throughout a company’s activities, product design, and process implementation. This concept is critical for new technologies including mobile

device applications, Smart Grid technologies, and the “Internet of Things,” in which traditional written narrative privacy policies may prove difficult or impossible to provide and receive. Consumers must have confidence in the information governance practices of the companies with which they choose to do business; such confidence must be enabled by the companies, their policies, and their processes. Clearly defined rules that are embedded in the technological development and program operation of new businesses or technologies will enhance consumer confidence and new technology adoption.

III. Simplifying Consumer Choice

GE supports the Commission’s recommendations that consumer choice be simplified; GE supports the Commission’s suggestion that companies do not necessarily need to provide consumer choice before using consumer data for certain “commonly accepted practices,” but notes that such an exception needs to be defined with clarity so that the time when notice and choice are required are evident to consumers and businesses. The FTC lists these exceptions as: product and service fulfillment, internal operations, fraud prevention, legal compliance, and first-party marketing. The FTC raises questions about the scope of these exceptions, particularly first-party marketing with respect to sensitive data and data enhancement activities.

GE agrees that providing choice for such practices would be unnecessary, because the data use is obvious or necessary in the context of the transaction. GE supports the list of commonly accepted practices proposed in the Report and urges the Commission continue to provide specific guidance to companies on what the agency would consider commonly accepted uses.

IV. Increasing the Transparency of Data Practices

GE agrees with the FTC’s suggestions regarding increasing transparency for consumers. GE agrees that lengthy and complex privacy notices may not adequately inform consumers of a company’s uses and disclosures of their personal information. GE supports efforts to provide guidance on how to make these notices more accessible, clear and meaningful to consumers. It is critical to the success of emerging technologies that companies adopt appropriate privacy policies defining what data may be collected and their permissible uses, and must operationalize those policies.

GE believes that government-sanctioned uniform privacy notices provide the potential to protect consumer rights while at the same time creating certainty for businesses, and allow consumers to make “apples-to-apples” comparisons of business operations. We note however that lengthy, written narratives are not always meaningful notice, and may not even be viable notice in the context of the internet of things. We encourage the Commission to consider multiple forms and locations of notices, including symbolic notices and summary notices, more appropriate to certain mobile technologies or emerging technologies, in concert with longer notices given on a periodic basis, on a company’s website, or on paper upon request.

V. Global Data Flows

Most importantly, we encourage the Commission and Staff, while considering these important advancements, to continue collaboration with their peers around the globe. GE applauds the Commission's leadership and position as the United States' representative in the global regulatory community on privacy and data protection, and supports the Commission's continued dialogue with peers in other countries. As companies and service providers increasingly move to a "cloud" model, and as information security threats come in myriad locations and forms, the need for greater agility and alacrity in moving and securing data has never been greater. We ask the Commission to maintain a vigilant eye towards promoting technological innovation, information security, and international harmonization with the goal of continued advancement of both the innovation economy and privacy practices to protect personal information.

Respectfully submitted,

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