



November 21, 2016

Federal Trade Commission
Office of the Secretary
600 Pennsylvania Avenue, N.W.
Suite CC-5610 (Annex B)
Washington, DC 20024

Re: Disposal Rule, 16 CFR 682, Project No. P165410

Submitted Electronically at <https://ftcpublic.commentworks.com/ftc/disposalrule>

The National Automobile Dealers Association (“NADA”) submits the following comments to the Federal Trade Commission (“FTC” or “Commission”) regarding the Commission’s request for comment (“Request”) on its rule regarding Disposal of Consumer Report Information and Records (“Disposal Rule” or “Rule”).

NADA represents over 16,000 franchised dealers in all 50 states who (i) sell new and used cars and trucks; (ii) extend vehicle financing and leases to consumers that routinely are assigned to third-party finance sources; and (iii) engage in service, repair, and parts sales. Our members collectively employ over 1 million people nationwide. Most of our members are small businesses as defined by the Small Business Administration.

NADA believes that the Disposal Rule is well-established and working effectively and we do not believe it needs to be changed or amended in any significant way. However, in response to the specific question in the Request asking: “*Should the Rule be modified to delete any of the existing examples or include additional examples to illustrate proper methods for disposing of consumer information?*” – we note that further examples regarding the proper disposal of electronic data as detailed in 16 CFR 682.3(b)(2)¹ would be helpful. It is not always easy for smaller companies that do not have an internal IT infrastructure or extensive IT expertise to conduct the requisite due diligence and to adequately audit the proper disposal of electronic media containing consumer information by third parties. In addition, technology has changed sufficiently since

¹ Which states: “*Implementing and monitoring compliance with policies and procedures that require the destruction or erasure of electronic media containing consumer information so that the information cannot practicably be read or reconstructed.*”

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the Rule was implemented so that there are now many ways of ensuring the destruction or erasure of such electronic information, while at the same time, technology to be able to “reconstitute” or reconstruct “erased” data has increased the risks associated with such destruction. It would be helpful to have examples of objective procedures that would be adequate under the Rule, and that could then be implemented or required by contract.

Thank you for your consideration of our comments.

Sincerely,

/s/

Bradley Miller
Director, Legal and Regulatory Affairs
National Automobile Dealers Association