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RFID: Why we need a European policy

*Check Against Delivery
Seul le texte prononcé fait foi
Es gilt das gesprochene Wort*

EU RFID 2006 Conference: Heading for the Future

Brussels, 16 October 2006

Ladies and Gentlemen,

It's a privilege for me to be here this morning with so many active participants in the debate on the Radio Frequency Identification (RFID).

It is my privilege to offer a warm welcome to all participants, in particular the three Members of the European Parliament – Jorgo Chatzimarkakis, Edit Herczog and Catherine Trautmann – as well as our international guests – Dan Caprio, Robert Cresanti, Ryo Imura and Zhiwen Zhang.

Let me say it is a pleasure to see that the public debate I launched at CeBIT seven months ago has found such a large response in the press and media.

I launched this consultation process to give all stakeholders a chance to express their concerns. This will help us to decide on the steps that we must take to both to seize the opportunities offered by RFID and to address the complex issues of security and privacy that surround it.

The online public consultation has caught the attention of many citizens and organisations, 2190 respondents submitted the questionnaire, something of a record.

The consultation closed just two weeks ago and we have not yet fully analysed all the results. I am therefore still to a large extent in listening and analysing mode. But this conference signals the start of the period of internal reflection, before the official Commission position is adopted at the end of the year.

I do though have some preliminary conclusions to share with you.

First of all, the large response to the consultation represents an example of European democracy in action. That is why I am so grateful that my colleagues in the European Parliament are actively present today. But the success of the consultation puts the responsibility on us to formulate an adequate response.

The overriding message that comes out of the consultation is that citizens have concerns over privacy issues. The large majority are willing to be convinced that RFID can bring benefits but they want to be reassured that it will not compromise their privacy. This is the deal that we have to strike if we want RFID to be accepted and widely taken up. This is the deal I am looking to make.

I take this message from the consultation very seriously, because I want to see the benefits of RFID in terms of better services and productivity gains. But, there has to be a clear win-win, with the citizens on board.

What are the possible fields of action?

Clearly technological solutions are important. Privacy enhancing technologies should be given a higher prominence where the risks demand it, 70% of respondents to this question thought this important. For example, clear labelling of tags or the option to disable or destroy them electronically will be an important part of our protective armour.

An awareness and understanding of the risks and opportunities was seen as crucial in 67% of answers. Clearly, with a new technology, which has a wide and potentially deep impact on our lives there is a strong desire for transparency.

Technologists tell me that many of the privacy concerns are unfounded. Fine! If this is the case then I am sure that we can win over public opinion by explaining where there are risks and where there are not.

In other cases, I am told that there may be risks but these are worthwhile because of the benefits. Again, fine! But, a clear case has to be made and transparency has to be maintained. The consultation shows that people are mainly afraid of losing control; of not being able to choose when and how they are exposed to risks.

It is remarkable that only about 15% of the respondents thought that self-regulatory efforts by themselves will be adequate. Whereas, 55% of the respondents think that we will have to update our legal frameworks to take account of the emergence of RFID. This lays down a clear challenge. We, the policy makers will have to set the ground rules for ensuring the protection of citizens' interests and for guaranteeing them a fair share of the benefits that RFID can bring.

Why do we have to act now?

We have to act now because the RFID technology is about to become very widely used. And there are tremendous potential benefits both for economy and society, in particular in Europe where we have a strong RFID potential if we manage to create the playing field and clear rules of the game. If this requires an updating of the legal framework then I am prepared to act.

In fact, RFID technology as we know it today could evolve and reach unprecedented levels of functionality. In the near future, we could see a breakdown of the boundary between the physical world and the digital world. It is estimated that by 2015 there will be 1 trillion sensors linking the physical and digital worlds. These two worlds will merge to become an "Internet of Things". The applications are numerous; the list is limited only by our imagination.

Industry is driving development, with the first applications emerging in logistics with the tracking and tracing of shipments and goods. The key feature of RFID is that provides spatial and temporal tagging for a unique identity. This adds substantial power to a broad range of applications, such as: livestock management; 24 hour patient monitoring; authentication of pharmaceuticals; tracking consignments in a supply chain; remote monitoring of safety critical components in aircraft; monitoring the safety of perishable food.

Moreover, several pilot implementations of RFID technology have proved that its benefits for both the economy and the society are tremendous. For example, safer hospitals environment by automatic checks on patient medications, the cleanliness (sterilisation) of surgical equipment; or helping visually impaired people to navigate buildings or shopping centres.

This means that we must strengthen research and bring progress to the search for new RFID applications that become affordable and available to all of our citizens. Europe will foster collaborative research in the field of RFID – the upcoming Seventh Framework Programme will be instrumental in this regard – and will support the development of pilot projects to test innovative applications of RFID technology, for instance in property management, import/export logistics, air baggage tracking and control, infectious waste management and so on.

The governance of RFID identities

But, as the "Internet of Things" will also be an "Internet of People", the governance of identities will raise tremendous challenges for sovereignty, individual liberties and economic independence. It will be necessary that citizens keep control of how the information concerning them is utilised and updated and how the tags can be deactivated.

This will be our biggest challenge. I have heard the message from the consultation and I intend to act, both in the interests of a strong European industry AND the European model of society. But I will not act precipitously. In the Communication that I will put before the Commission for adoption at the end of this year will outline the main options for action and a roadmap for putting a solid legal framework for the "Internet of people" and the Internet of things".

Other major challenges

Let me close by pointing out that the aim of the consultation was not just to address the privacy issues, but also to treat several other important challenges especially those relating to international standards and frequency management.

We are already taking these issues up in our on-going work in the framework of the i2010 strategy. For example, on **frequency management** the European Commission is looking to establish global harmonisation in order to permit the full functionality of RFIDs to be exploited. On **standards**, we are taking an active position on the harmonisation of existing EU standards and non-EU standards: the flow of RFID-based products does not stop at the European frontier.

Conclusion

So in our first analysis of the results of the public consultation the challenges are much clearer:

- 1) If we want to capture the advantages of RFID: we will have to make sure that we have the right set of European rules for a safe and secure development of the "Internet of things" and "of people", based on transparency and choice.
- 2) We need to make considerably greater efforts to explain the risks and benefits of RFID to the wider public. It is no longer just a playground for technologists and lawyers!
- 3) We have to reinforce our efforts to make sure that privacy enhancing technologies are deployed when they are needed and to continue our research efforts to bring into play the next generation of secure, low-cost RFID systems.

I am hoping that this conference will provide a forum for informed and focused discussion and reflection among all key stakeholders regarding these critical issues. It should give us a springboard for action.

And let me stress that we need to do this not just on a European but on a global scale. The debate has strengthened my conviction that a concerted action at the international level is both necessary and timely. In the age of instant global communication, the need of nations to work together is greater than ever.

Therefore, I renew here my commitment and dedication to strengthen the international dialogue on RFID.

That is why it is now my particular pleasure to introduce the next keynote speaker, Mr. Robert Cresanti, the United States, Under Secretary of Commerce for Technology. Mr. Cresanti is my special guest today. He may not be interested in titles, rituals or hierarchy, but I would like that he be given a round of applause as a man who embraces some of the greatest public policy issues raised by new technologies.

For further information see [MEMO/06/378](#)