IoT: Understanding the Regulatory Framework

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Anna M. Gomez
agomez@wileyrein.com
202.719.7261
@AMG8697
What is the Internet of Things?

▪ “Devices or sensors—other than computers, smartphones, or tablets—that connect, communicate or transmit information with or between each other through the Internet.” FTC

▪ 50 billion devices predicted to be connected by 2020

▪ Major growth driver for innovation in many industry sectors
Industry Sectors

- Agriculture
- Automotive
- Health and Fitness
- Home Products
- Industrial/Shipping
- Retail
- Security
- Smart Cities/Buildings
- Unmanned Aircraft
- Utilities
The Policy Issues

- Privacy
- Security
- Interoperability
- Spectrum and equipment/device certification
- State and local jurisdiction
- And more
Regulatory Framework

▪ Very little U.S. IoT-specific regulation

▪ “Soft” vs. “Hard” Regulation
  • Reports and guidance vs. risk-based regulation
  • Enforcement (e.g., FTC)

▪ Even spectrum allocations are flexible allocations, not specific to IoT
Innovation Blurs Traditional Regulatory Responsibilities

- Connected cars: DoT/NHTSA, FTC, FCC, state regulators
- Wearable health monitors: FTC, FDA, FCC
- Consumer products: CPSC, FTC, FCC, state enforcement
- Smart meters: DoE, FCC, FTC, state public utility commissions
- Inventory tracking: FTC, DoD, FCC
- Unmanned aircraft: FAA, DHS, FCC, states
- Everything IoT: NTIA, NIST
Agency Examples

- Federal Trade Commission
  - Advocates consumer protection and developing codes of conduct
  - Staff report: *Internet of Things: Privacy and Security in an Interconnected World*
  - Power to pursue “unfair and deceptive” trade practices under the Federal Trade Commission Act
Agency Examples (cont’d)

- National Telecommunications and Information Administration
  - IoT Green Paper on Fostering the Advancement of the Internet of Things
  - Multistakeholder processes to develop codes of conduct and best practices

- National Institute of Standards & Technology
  - Cybersecurity Framework and Cyber Physical Systems guidelines
Agency Examples (cont’d)

- Federal Communications Commission
  - Assigns spectrum used by IoT products
  - Regulates devices that emit radio frequencies
- National Highway Traffic Safety Administration
  - Vehicle-to-vehicle communications rulemaking
- Federal Aviation Administration
  - Rules for unmanned aircraft systems