
Location-Based Wireless Services Face Privacy Challenges

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Driven by ambitious federal government deadlines for implementing tracking technologies starting in October 2001, new wireless telecommunications services are raising unprecedented concerns about individual privacy. Wireless service providers hope to avoid the types of privacy controversies that have arisen in the e-commerce sector in recent years by adopting voluntary privacy guidelines.

To enhance the ability to respond to emergency calls placed from mobile devices, the Federal Communications Commission issued rules in 1996 that require wireless service providers to implement "Enhanced 911" technologies for tracking the physical locations of wireless devices such as mobile telephone handsets. By October 2001, these rules will require service providers to begin to introduce handset locating technologies that can pinpoint a caller's location to within 50 to 300 meters.

When location tracking capabilities are fully implemented, wireless service providers expect to introduce a wide range of "location-based" features and services, including handset tracking and navigation tools, geographical information services and targeted marketing programs. These mobile commerce, or "m-commerce," services may deliver information tailored to a subscriber's physical location. Recognizing the sensitivity of location data and the potential invasiveness of location-based services, in 1999 Congress enacted legislation which prohibits the use of location data for non-emergency purposes without the subscriber's "express prior authorization." The law also classified location information as "Customer Proprietary Network Information," or "CPNI," which must be protected by service providers. The FCC issued comprehensive rules requiring explicit "opt-in" consent for marketing uses of CPNI, but a federal court overturned the rules after finding that the FCC failed to justify the burden imposed on service providers. The FCC has not yet issued new rules responding to the court's concerns.

In the absence of clear federal standards, wireless industry organizations have proposed voluntary privacy guidelines that incorporate the widely-accepted "Fair Information Practice" principles of notice, choice, access and security, which were discussed in our [May 2, 2000 Internet Alert](#). The Cellular Telecommunications and Internet Association, an organization of m-commerce companies, has asked the FCC to adopt its guidelines as a formal standard for using and disclosing wireless location data. The Federal Trade Commission began to study wireless privacy issues by convening a [two-day public workshop](#) in December 2000.

[Barry Hurewitz](#) spoke about the fluid regulatory environment facing providers of emerging location-based wireless applications at a recent seminar in Reston, Virginia. Barry's presentation may be viewed by clicking [here](#).

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