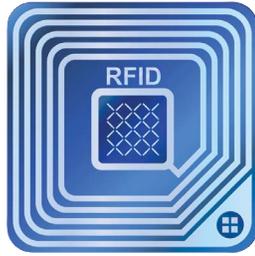


RADIO FREQUENCY IDENTIFICATION

WHAT IS RFID?

Radio Frequency Identification (RFID) is an automatic identification method that relies on storing and remotely retrieving data-using devices called RFID tags, or transponders. An RFID tag is an object that can be attached to or incorporated into a product, animal or person for the purpose of identification using radio waves. Each tag contains a uniquely encoded digital memory chip that can store a host of information about the product that is transmitted by a short burst of radio waves when activated by an RFID reader. An example of an RFID application is the device mounted on a vehicle's windshield that allows a driver to pay a toll without stopping at the toll plaza to hand over money. There are many other examples consumers already encounter, sometimes unwittingly, while shopping. RFID tags are already attached to common consumer products like clothing, books and prescription drugs as well as personal identification such as credit cards and passports.



WHAT ARE THE BENEFITS OF RFID?

RFID technology allows manufacturers and retailers to better track and control product inventory as it moves through the supply chain to the consumer. RFID tags can also help to prevent shoplifting. This rapidly developing technology allows businesses to realize significant inventory and labor cost savings. The savings translate into lower prices and better inventory availability for consumers.

DOES RFID POSE PRIVACY CONCERNS FOR CONSUMERS?

Yes. RFID technology, especially when applied at the individual product level, could be used to collect personal information about the consumer, especially if the consumer's identity is provided to the merchant when the product is purchased. For example, a consumer's

identity could be disclosed when paying by credit card. In addition to using the data to reorder products and streamline inventory controls, merchants can use this information for many other business purposes, including identifying a consumer's spending and purchasing habits and preferences.

When purchasing a firearm from the retailer, who must be licensed by the federal government, the consumer is required by law to complete a Firearms Transaction Record (called a Form 4473), to check the consumer's identity through government-issued identification, and to conduct a background check that ensures the purchaser is not prohibited by law from purchasing the firearm. Firearms are unique in that they are the only consumer product in America that requires a government background check prior to purchase. Due to privacy concerns of law-abiding firearm owners, current federal law prohibits the federal government from collecting or maintaining a database of firearms owners. The requirement that retailers record the identity of ammunition purchasers was long ago removed from the law due to privacy concerns. In addition, federal law mandates records of background checks of law-abiding citizens must be removed from the system within 24 hours in order to preserve the purchaser's privacy.

The firearm and ammunition industry understands and appreciates consumers' privacy concerns. The industry supports the following measures because they help protect consumers' privacy.

The use of RFID technology when applied to individual firearm and ammunition products must be implemented in a manner that takes into consideration the legitimate privacy concerns of law-abiding consumers of firearm and ammunition products. At the same time, the realities of the market and the need for businesses to control costs, which benefits consumers through lower prices, cannot be ignored.

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THE FIREARM INDUSTRY'S POSITION ON RFID

Our position can be summarized simply as *“Turn It Off, Take It Off at the Checkout Counter.”* No personal information about the consumer purchasing a firearm or ammunition product should be electronically retained or stored by the merchant through the use of an RFID device affixed to the product or its packaging.

Based on a knowledge and understanding of its consumers, the firearm and ammunition industry believes that this is the only acceptable solution to mitigate the potential invasion of privacy. The simple action of “turning off” the RFID tag coupled with physically “taking it off” the product at the point of sale is essential to ensure consumers’ rights.

The National Shooting Sports Foundation (NSSF) endorses the following guidelines applicable to any firearm or ammunition product tagged with RFID at the level of individual units:

- Personal identifying data about the consumer should not be electronically collected, cross-referenced, linked or stored through the use of an RFID device.
- Consumers should be given clear notice of the presence of RFID on products or packaging and informed of the use of such technology. This notice may be given through the use of an RFID logo or identifier on the products or packaging, and signage accompanying the product display.
- The RFID device must be placed on the exterior surface of the product or packaging and be readily visible and identifiable so the merchant can deactivate the device, or the merchant or consumer can physically remove the device at or after the time of purchase.

- If the consumer so requests, the retailer must deactivate and physically remove the RFID tag from the product or packaging at the point-of-sale before the sale is completed.

CONCLUSION

The firearm and ammunition industry believes the proper balance between controlling inventory and lowering costs and respecting consumer privacy is best achieved by retailers voluntarily adopting the *“Turn It Off, Take It Off”* guidelines.

Although NSSF supports voluntary efforts to implement these guidelines, it would consider supporting consumer privacy legislation at the state and federal level should it become necessary.

