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April 20, 2015

National Telecommunications and Information  
Administration  
U.S Department of Commerce  
1401 Constitution Avenue NW  
Room 4725, Attn: UAS RFC 2015  
Washington, DC 20230

**Re: Department of Commerce, National Telecommunications and Information  
Administration, [Docket No. 150224183-5183-01] RIN 0660-XC016, Privacy,  
Transparency, and Accountability Regarding Commercial and Private Use of  
Unmanned Aircraft Systems**

Dear Sir or Madam:

State Farm is the first insurance company to receive approval from the Federal Aviation Administration (“FAA”) to use Unmanned Aircraft Systems (“UAS”). As such, State Farm appreciates this opportunity to comment on the National Telecommunications and Information Administration’s (“NTIA”) efforts to establish a multi-stakeholder engagement process to develop and communicate best practices for privacy, accountability, and transparency issues regarding commercial and private use of UAS. State Farm is the recipient of two grants issued pursuant to Section 333 of the FAA Modernization and Reform Act of 2012 (Exemptions No. 11175 and No. 11188) allowing the organization to use UAS for insurance purposes. These grants allow State Farm to use UAS for roof inspections and research and development purposes, including catastrophe scene surveys. State Farm believes the use of UAS can benefit the well-being of its policyholders, employees, and the general public, and supports the need to develop clarity around issues the NTIA will be addressing in this process.

State Farm is the number 1 home and auto insurance company in the United States, and has over 27 million home and rental insurance policies and over 43 million automobile insurance policies in force. Over 65,000 employees and 18,000 agents provide service to State Farm policyholders in a number of different ways, including responding to catastrophe scenes and handling claims. Last year alone, State Farm adjusted nearly 12.8 million claims (approximately 35,000 claims a day). In order to provide the best possible service to its insureds, State Farm has been a champion of innovation since its founding in 1922. In using UAS technology, State Farm believes it can improve the lives and safety of its policyholders, employees, and the general public.

The following provides comments, as requested by the NTIA, regarding privacy, transparency, and accountability issues regarding commercial and private use of UAS. In addition to these comments, State Farm looks forward to participating in the multi-stakeholder process. State Farm has also communicated to the NTIA through its website that it will attend the public meetings of the multi-stakeholder process.

## **General**

1. *How should the group's work be structured? Should working address portions of the task?; and*
2. *Would it be helpful to establish three working groups with one focusing on privacy, one on transparency, and one on accountability? Should such groups work in serial or parallel?*

State Farm agrees that it would be helpful to establish three working groups, with one focusing on privacy, one on transparency, and one on accountability. Such groups should work in parallel as there are likely to be issues that overlap between the working groups. In relation to structuring the group's work, State Farm believes that it is essential to recognize the differences between the varying uses of UAS technology that will occur simply based on the type of the UAS operator's industry. For example, the use cases contemplated by State Farm may or may not trigger some of the same concerns raised by other potential UAS use cases. In addition, State Farm, and other insurers, are currently governed by a number of information and security laws addressing privacy, transparency, and accountability issues. By recognizing the distinctions between use cases and UAS operations, the NTIA process can best address the interplay between any UAS best practices it develops and existing laws impacting some of the possible stakeholders.

3. *Would it be helpful for stakeholders to distinguish between micro, small, and large UAS platforms (e.g., UAS under 4.4 lbs., UAS between 4.4 lbs., and 55 lbs., and UAS over 55 lbs.)?*

State Farm agrees that it would be helpful to distinguish between micro, small, and large UAS platforms. One reason for distinguishing between the platforms is that the FAA's proposed rules distinguish between large UAS (55 pounds and over) and small UAS (less than 55 pounds). In addition, the FAA is contemplating distinguishing micro UAS (less than 4.4 pounds) in its rulemaking. In order to best sync up the regulatory goals of the FAA with the best practice goals of the NTIA, it makes sense to align the micro, small, and large UAS platforms. From a practical perspective, there are likely to be issues regarding identification and markings that occur due to the UAS platform. For example, identification and markings best practices for large and small UAS may be impractical for micro UAS.

## **Privacy**

5. *UAS can be used for a wide variety of commercial and private purposes, including aerial photography, package delivery, farm management, and the provision of Internet service. Do some UAS-enabled commercial services raise unique or heightened privacy issues as compared to non-UAS platforms that provide the same services? For example, does*

*UAS-based aerial photography raise unique or heightened privacy issues compared to manned aerial photography? Does UAS-based Internet service raise unique or heightened privacy issues compared to wireline or ground-based wireless Internet service?*

UAS offer insurance companies a variety of ways to benefit policyholders and the general public while creating a safer and more effective work environment for their employees. State Farm's FAA approved exemption requests allow for it to conduct roof inspections and conduct research and development to address a number of potential use cases (claims handling, underwriting, and catastrophe scene surveys).

From State Farm's perspective, the UAS use cases will provide essentially the same services that it currently provides policyholders (claims handling, underwriting, catastrophe scene surveys) where it relies on non-UAS platforms to take photography. For example, claims adjusters will climb roofs and take pictures in order to assess weather related damage to the home. A UAS offers the opportunity for State Farm to utilize a UAS in order to take the same type of pictures, while allowing for a safer environment for its employees (as they may not have to climb a roof). As such, State Farm believes that its UAS use cases do not necessarily create heightened privacy concerns. In addition, State Farm, like other insurance and financial service companies, are already regulated under extensive information and data privacy security laws. Again, this position warrants further weight to the need for the stakeholder process to take into account the various use cases for UAS and their impact on privacy.

### **Transparency**

*8. Transparent UAS operation can include identifying the entities that operate particular UAS, the purposes of UAS flights, and the data practices associated with UAS operations. Is there other information that UAS operators should make public?*

State Farm is already governed under laws requiring it adhere to specific data practices related to collection, usage, sharing, and retention. In that regards, State Farm encourages the multi-stakeholder process to respect the interplay between proposed best practices and existing laws addressing these issues.

*11. What mechanisms can facilitate identification of commercial and private UAS by the public? Would standardized physical markings aid in identifying UAS when the aircraft are mobile or stationary? Can UAS be equipped with electronic identifiers or other technology to facilitate identification of UAS by the public?*

State Farm recognizes the importance of identification of commercial and private UAS. State Farm, however, encourages that whatever approach to identification recognizes the practical differences of marking the number of different sizes associated with UAS. For example, a small UAS weighting 20 pounds may have more area appropriate for marking than a micro UAS that is not able to be easily marked.

## **Conclusion**

State Farm appreciates the opportunity to provide these comments. UAS technology offers State Farm and the insurance industry the opportunity to champion innovation to benefit the well-being of its policyholders, employees and the general public. State Farm looks forward to continuing to be involved in the NTIA multi-stakeholder process.

If you have any questions or comments, please contact me at (309) 735-2809 or  
ryan.gammelgard.nd9v@statefarm.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Ryan D. Gammelgard".

Ryan D. Gammelgard, JD, CPCU

Counsel, State Farm Corporate Law Department