



## STATEMENT OF AT&T CONNECTICUT

### Regarding Raised House Bill 5783 An Act Concerning the Privacy of Telephone Records

Before the Judiciary Committee

March 14, 2006

#### **Proposal:**

RHB 5783 would impose further restrictions on communications between telecommunications companies and their customers; require new measures to prevent unauthorized disclosure of telephone records; and add "individually identifiable consumer information" to the types of information protected under the "identity theft" provisions of the statutes. The bill also increases the minimum damages awarded in a civil action for identity theft.

#### **Comments:**

AT&T Connecticut commends the Committee for focusing on the issue of customer calling records abuse. AT&T supports narrowly tailored legislation designed to halt the illicit activities of unscrupulous data brokers who obtain and sell calling records without the customer's consent. However, as RHB 5783 is drafted, AT&T does not support the legislation.

AT&T recognizes the gravity of the privacy issues implicated by these practices and fully supports legislative efforts to halt such conduct. AT&T also stands ready lawfully to assist with enforcement efforts designed to pursue data brokers and/or other wrongdoers who traffic in such records. Through the adoption of clear, focused laws and through vigilant enforcement, AT&T believes the vast majority of calling record abuse can be eradicated. We welcome the opportunity to work toward that goal with the Committee, federal and state lawmakers and regulators, as well as law enforcement officials.

AT&T does not intentionally or knowingly disclose or offer its records for sale. Indeed, AT&T's policy, supported by employee training and stringently enforced code of conduct requirements, is that it will not sell or otherwise provide such records to third parties for their use, except at a customer's explicit direction. AT&T also maintains procedures to verify a customer's identity to prevent the release of information to unauthorized individuals. This is not just in response to legal requirements: AT&T has every incentive to protect the privacy of customers – if for no other reason than building and maintaining customer good will.

AT&T cautions that the overly broad approach of HB 5783 may result in unintended and undesirable consequences. For example, telecommunications companies, including AT&T, are subject to confidentiality obligations under federal law concerning the use and disclosure of customer proprietary network information, referred to as CPNI. AT&T employs stringent security measures beyond federal requirements in its efforts to protect CPNI. Section 1 of RHB 5783 however, would create a different term: individually

identifiable customer information. Telecommunications companies have extensive rules, policies and procedures for the confidentiality of CPNI. It is not clear how this new term will be applied, or whether its application might conflict with existing CPNI procedures.

RHB 5783 also would impose new restrictions governing customer communications. Any service provider must balance the need to safeguard information with the need to utilize such information to serve its customers. If information could simply be locked away in a vault, all problems would be solved. But AT&T receives hundreds of thousands of customer service calls in Connecticut each year, ranging from sales to maintenance to repair issues. If the information sought by customers, or information needed to provide answers to customers, is not reasonably accessible, the result is a million unhappy Connecticut customers. Thus, there is a balance to be struck – one that is not always easily defined. The imposition of a Personal Identification Number (PIN) system as proposed in Section 3 would be expensive, burdensome, and likely to significantly impair the level of service customers expect from AT&T.

Finally, RHB 5783 would only apply to a subset of companies providing telephone services in Connecticut, as it would apply only to “telecommunications companies” as defined in section 16-1. This term does not include Voice over Internet Protocol (VoIP), satellite and broadband providers.

The General Law Committee of this General Assembly is already addressing this issue in similar, but more focused, legislation, RHB 5669, *AAC Cellular Mobile Telephone Records*. AT&T is participating in discussions regarding substitute language for this bill. Furthermore, Congress has recently introduced fast-tracked federal legislation that would address these issues in a comprehensive manner. This is a national issue; a national approach would be preferable to piecemeal, state-by-state regulation.

**Conclusion:**

AT&T opposes RHB 5783 because it does not apply to all telephone service providers; it creates new standards that are inconsistent with federal rules governing confidentiality of private information by telecommunications providers; and its requirements are unduly burdensome when federal obligations and procedures for protecting consumer information are already in place.