



## STATEMENT OF AT&T CONNECTICUT

### Regarding Senate Bill 30 An Act Concerning Consumer Privacy and Identity Theft Before the Committee on General Law February 26, 2008

#### Proposal:

Senate Bill 30 would strengthen consumer privacy protection by placing additional restrictions on the use of personally identifiable information and would further enhance measures designed both to prevent identity theft and to decrease damage should identity theft occur.

#### Comments:

AT&T appreciates legislative efforts such as Senate Bill 30 which seek to address the problem of identity theft, a problem which impacts both consumers and businesses. Thus AT&T supports the general intent of Senate Bill 30 although we oppose the bill as currently written, as AT&T believes that Section 8 of the bill would deprive consumers of valuable purchase and credit options.

Specifically, Section 8 (a) states that: "Notwithstanding any other provision of law, no business entity or nonprofit group shall request or require, as a condition of obtaining any goods, services, or retailer discount cards, that an individual provide a Social Security number." Unfortunately, this well intended, but overly broad prohibition, fails to consider that for a large number of transactions, verifying the customer's credit standing is a critical part of the purchase. Very simply, use of the customer's Social Security Number is the most efficient, and often only means by which a business can establish the customer's credit profile, and thereby offer that customer the most varied and beneficial payment and credit terms. In the absence of verifying credit, a prudent business, in order to limit its own risk, may be forced to take precautions such as limiting the availability of certain expensive products and services, limiting the amount of purchase or the duration of a payment plan, or requiring a substantial deposit. Customers should be given the choice of providing their Social Security numbers under these circumstances, or not.

Allowing a customer to voluntarily provide a Social Security number to a business entity that has a policy in place for the protection of personally identifiable information, in order to facilitate greater purchase options, provides maximum benefit and choice to the customer. The customer can choose, as circumstances warrant, to pay in cash, to pay by means of an existing credit card, or to establish new payment terms directly with the business. AT&T believes that amending the language of Section 8 is in the best interest of consumers.

In reviewing the language of Section 8 in its entirety, it is also important to clarify that business entities, based on appropriate privacy protections, may in certain situations, need to share personally identifiable information including Social Security Numbers with agents, for example, collection agencies and employee benefits administrators. In short, in drafting

Customer Privacy protection like Senate Bill 30, it is critical to keep the need for careful and legitimate use of information in mind.

As noted above, AT&T understands the intent of Senate Bill 30. However, certain of the provisions require modification. AT&T would welcome an opportunity to work with the committee to address these concerns.

**Conclusion:**

AT&T opposes Section 8 of Senate Bill 30 insofar as it prohibits a business entity from requesting, not requiring, that an individual provide a Social Security number. A customer's voluntary provision of a Social Security number, under appropriate circumstances and protections, represents the most efficient, and sometimes only, means for a business entity to verify a customer's credit standing. If a customer is unable to establish credit, the customer may be precluded from making purchases or may be forced to accept more stringent credit terms, such as deposit requirements or advance payments. In addition, AT&T believes that the bill should be clarified to allow for the appropriate use of information by third party agents.

In summary, AT&T believes that the language of the bill should be revised to avoid unnecessarily restricting a customer's ability to make purchases under the most favorable credit terms and to avoid unnecessarily limiting a business entity's ability to perform necessary functions, such as collect debt or provide employee benefits. Should the committee decide to move forward with the bill, AT&T would appreciate the opportunity to consult with the committee to address its concerns.