



CONNECTICUT
BUSINESS & INDUSTRY
ASSOCIATION

TESTIMONY BEFORE THE
GOVERNMENT ADMINISTRATION AND ELECTIONS COMMITTEE
LEGISLATIVE OFFICE BUILDING
MARCH 2, 2015

My name is Jennifer Herz and I am Assistant Counsel for the Connecticut Business and Industry Association (CBIA). CBIA has been representing Connecticut's employers for 200 years and our goal is to foster a dynamic business climate. Our members include businesses from across the state of all sizes and industry types and we are proud to say the vast majority of our members are small companies employing less than 50 people.

CBIA has some concerns with SB 949 An Act Concerning Data Security and Agency Effectiveness.

CBIA appreciates the concerns arising out of the recent data security incidents occurring around the country. It is a harsh reality that the IT systems of many companies are under attack by criminals seeking to steal personal information. CBIA's members certainly appreciate the importance of protecting their customer's personal information and take this responsibility very seriously.

While CBIA appreciates the goal of SB 949 – increased protections of consumer personal information – we have concerns with how some of the current language may impact Connecticut employers.

The additional reporting requirements to the Attorney General in the event of a breach raise concerns. First, if a company has to respond to a breach it is focused on confirming a breach, determining the source and stopping further damage. Delaying that time-sensitive process to file a report with the Attorney General will hamper the work of containing and addressing the breach. Further, such a report may be subject to Freedom of Information (FOI) requests and would make protected information public providing criminal hackers with even more tools for other attempts to steal information.

The current language also calls for a fine of \$1,000 per individual impacted in the event of a breach and the fine is assessed against the company that faced the criminal attack. It is important to keep in mind that a breach is due to the criminal act of an individual(s) not due to the company's actions. Therefore such a penalty seems somewhat misplaced.

Further, many companies already comply with federal reporting requirements under laws such as HIPAA and FERPA as referred to in Section 1 of the bill. Complying with differing sets of federal and state specific regulations is a challenge for many employers doing business in Connecticut especially considering the breadth of existing federal regulations.

Thank you for the opportunity to offer CBIA's comments. We look forward to the opportunity to work with the Committee on this very important issue.