



TechNet

Senator Martin M. Looney
President Pro Tempore
Legislative Office Building
Room 3300
Hartford, CT 06106-1591

RE: SB 949 – OPPOSE UNLESS AMENDED

Dear Senator Looney:

I am writing to inform you that TechNet, (www.technet.org) which represents the nation's leading technology companies in the fields of information technology, high tech manufacturing, networking, clean energy, internet media, e-commerce, and venture finance have significant enough concerns with SB 949, that we must oppose it in its current form.

Clearly the intent of your bill is to ensure that sensitive information collected by the State, or its contractors, from the citizens of Connecticut, should be protected and notification should be given whenever those security measures have been breached.

While our members share the goals of the legislation, as written the bill is more expansive than it needs to be, contains ambiguous terminology and in certain scenarios, be impossible to act in conformity with the statute.

Scope

It appears that this bill is intended to cover confidential activity that has been obtained from the state under a services contract. This does not appear clear from the language of the bill so a clarification should be included.

Confidential Information

SB 949 defines confidential information as “any name, number or other information that may be used, alone or in conjunction with any other information, to identify a specific individual . . .”. The “may be used . . . in conjunction with” language effectively expands the definition to include

almost any information, since even mundane and innocuous information could be used in conjunction with more specific information to identify a specific individual. This expansive definition, in combination with the definition of confidential information breach will create exposure and obligations even when inconsequential information is obtained without prior written approval.

Standards

The bill flatly prohibits the use of certain technologies such as portable storage devices, removable hard drives, flash cards, while requiring others such as multi-level firewall protections and intrusion detection software. Our experience is that writing specific technological requirements into state law can hamper innovation, undermine security and usability and slow the effective implementation of technology.

The restriction of information sharing to employees only is also a significant hurdle that does not comport with standard industry practices where specialty services for processing; analytics, backups and other useful functions are better performed by third parties.

Timeframes

The notice requirements within the bill are extremely short, varying widely from almost all breach notification requirements across the state. The initial requirement of twenty-four hours followed by a three-day window is simply not enough time to effectively complete and breach investigation. In absence of sufficient time to determine the who, what, when and where of a data breach, a contractor will be forced to report on a potentially crippling number of "suspected" breaches to try not to run afoul of SB 949. Given that the bill would require immediate cessation of data use, this would likely interrupt all forms of government services.

Penalties.

It is not clear from the language who is given the authority to enforce the Act, but if enforcement is going to occur, it should be given to the Attorney General's Office. The \$1,000 per violation fine, in the modern era of computer databases would also produce extraordinary and unwarranted penalties for a company that was the victim of a criminal cyber attack with

no showing of misconduct or even negligence. If the Connecticut DMV file were breached, as an example, that vendor could be facing a \$1.7 billion dollar fine. Similarly, a five-year ban for a small educational services provider could doom a company that followed all of the rules included in SB 949.

Conclusion

We respectfully ask that you hold this bill, or consider amendments to deal with the problems addressed in this letter. TechNet and our member companies would be happy to work with you in either event.

Thanks in advance for your time and do not hesitate to call me at (916) 207-7852 or e-mail at jdoherty@technet.org.

Sincerely,

A handwritten signature in black ink, appearing to be 'JD' or 'John Doherty'.

John Doherty
Vice President and General Counsel
TechNet

cc: Senator Steve Cassano
Representative Ed Julita