



February 8, 2007

The Honorable John Dingell
Chairman, House Energy and Commerce Committee
U.S. House of Representatives
Washington, DC 20515

The Honorable Joe Barton
House Energy and Commerce Committee
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman and Representative Barton:

We are writing to support the bi-partisan legislation that members of the House Energy and Commerce Committee are introducing today to address the growing problem of identity theft.

In the past two years, security breaches have been announced involving over one hundred million records containing sensitive information about individuals, exposing millions of people to the possibility that their information will be used by thieves. The legislation being introduced today, which is identical to a bill voted unanimously out of your Committee last year, represents a reasonable approach to this alarming problem that will provide consumers with significant protections from the harms that can arise from preventable data breaches.

The bill's provision regarding when a business must notify individuals of a breach of their personal information is reasonable and appropriate. It provides an incentive for companies to keep consumers' information secure and allows consumers to know when their personal information has been compromised so that they can take reasonable steps to prevent becoming victims. For example, individuals who receive a notice of breach letter might monitor their credit closely, check their financial statements frequently, and possibly place a security freeze on their consumer credit files if they live in a state that allows it. This lets individuals stay one step ahead of potential identity thieves.

The bill includes compromise language in which a company can be excepted from the individual notification requirement of a breach if it determines that there is no reasonable risk of harm to individuals. This approach should ensure that uncertainty about the circumstances surrounding a security breach does not become an excuse for failing to notify individuals about the breach. The bill also would allow state Attorneys General to bring enforcement actions. This is critical, because a strong enforcement mechanism is necessary to ensure that covered entities have incentives to comply with the law.

We appreciate your desire to move legislation that will help address the alarming problem of identity theft and data privacy. We look forward to working with you in the months ahead to help enact legislation that will ensure that consumers have effective data privacy and security.

Sincerely,

Ellen Bloom
Director of Federal Policy
Consumers Union

Travis Plunkett
Legislative Director
Consumer Federation of America
& Technology

cc: House Energy and Commerce Committee