

Press Release

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SCHAKOWSKY SAYS NOW IS THE TIME TO PASS BROAD LEGISLATION PROTECTING CONSUMERS' PRIVACY

Notes privacy threats have increased under digital economy/Bush Administration

WASHINGTON, DC - U.S. Representative Jan Schakowsky, ranking member on the Subcommittee on Commerce, Trade, and Consumer Protection, at a hearing before the Subcommittee today called for broad privacy legislation to protect the electronic records of consumers. Schakowsky said consumers' financial, commercial, and government records should be protected.

Schakowsky's opening statement is below:

As our committee knows all too well, the transition from shopping on Main Street to "e-commerce" has created new and unique challenges that make current laws inadequate to protect consumers' right to privacy. I am glad that we are exploring ways to close the gaps in the law that put consumers' sensitive information at greater risk.

Although most industrialized nations have comprehensive privacy protection laws, the United States has had a piecemeal approach, regulating by industry and products. Our Committee is guilty of perpetuating this haphazard approach. We regulate by headline, or problem of the day, be it spam, spyware, pretexting for phone records, or information brokers. To our credit, we have been trying to close loopholes, but, at the same time, we have pushed off the big question of establishing broad privacy principles for another day. I am glad that we are now moving forward to address this important issue.

The piecemeal approach is also perpetuated by financial, commercial, and other industries that have labeled even the minimal privacy protections we put forth as "too burdensome."

However, I am sure you all know the old adage that with great power comes great responsibility. The Internet and the advances in technology have given the industry great power

to reach consumers, sell their wares, and compile large databases of information. The expansion of their reach also means that industry also has a greater responsibility to protect consumers and their private personal information.

I am pleased to hear that a number of industry leaders have come together, along with Professor Peter Swire who has a long history of promoting consumer privacy, to start exploring broad legislation that would close the gaps in the law and set privacy principles that all industries should follow - both on- and off-line. Since we are just beginning these discussions, it is unclear whether we will be able to agree on a common product. Nonetheless, I am glad that some in industry are beginning to shift their thinking about personal consumer information and privacy.

However, we should not limit our scope to commercial practices. We should thoroughly examine government practices as well. Although we have one of the most secretive Administrations in our country's history, it simultaneously has been the most invasive into the public's privacy.

As I mentioned before, our committee unanimously passed legislation, the Prevention of Fraudulent Access to Phone Records Act, in order to better secure private phone records and put the control of personal calls back in consumers' hands. However, that bill appears to be the victim of extra-territorial rendition. Eight days after it was pulled from the floor schedule, USA Today broke the story that the National Security Administration was acquiring the public's phone records from three of the major carriers without subpoenas, warrants, or any approval from the courts. If true, it has occurred without consumers' knowledge or consent and with total disregard to the Privacy Act and other laws, like the Foreign Intelligence Surveillance Act (FISA), that govern how our intelligence agencies operate.

Chairman Stearns, as you may recall, I, along with every Democrat on our Committee sent a letter to Chairman Barton calling for a hearing on the allegations concerning the phone companies and the NSA. That letter was sent on May 11th, and we still have not received a response. If we are serious about privacy, about closing the loopholes, getting beyond patchwork legislation, then we can not turn a blind eye to what is happening in our own backyard and the total disregard for privacy laws on the books by the Administration.

Additionally, I think we need to look into the strong-arm tactics the Administration is employing to stop investigations into its anti-privacy practices. New Jersey and other states have been exploring whether the phone companies' sharing of records is in violation of their privacy laws. In retaliation, on June 15th, the Justice Department brought a suit against the New Jersey Attorney General, Zulima Farber, to stop him from seeking information about telephone companies' cooperation with the NSA. Throwing out the disclaimer that it is in the "interest of national security" does not give the Administration a free pass to trample on Civil Liberties and states' rights- and sue those who are trying to protect the American public from privacy invasions.