

STATE PRIVACY AND SECURITY COALITION

March 5, 2020

Chairman Dereck Davis
House Economic Matters Committee
Room 231
House Office Building,
Annapolis, MD 21401

Vice Chair Kathleen M. Dumais
House Economic Matters Committee
Room 231
House Office Building
Annapolis, MD 21401

Re: MD HB 1065 (Oppose)

Dear Chairman Davis, Vice Chair Dumais, and Members of the Committee,

The State Privacy and Security Coalition, a coalition of 30 leading technology, media, payment card, retail, online security, and communications companies, as well as eight trade associations, writes in opposition to MD HB 1065.

Our coalition is aware of and working closely with members in both Chambers on privacy legislation this session, and ultimately believes that an interim study committee is the best forum to set the course for Maryland's privacy priorities. Moreover, HB 1065 has particular issues that are unworkable and that should prevent this bill from moving forward.

Federal Law Already Regulates Customer Proprietary Network Information

The federal Telecommunications Act and Federal Communications Commission (FCC) regulations already thoroughly address the proper handling of customer proprietary information. Attempting to impose state requirements in the same area is unnecessary, counterproductive, potentially confusing, and would only cover a small fraction of voice customers in the state.

47 U.S.C. § 222 imposes strict limitations on the handling and disclosure of customer proprietary information by telecommunications carriers. The FCC's regulations at 47 C.F.R. § 64.2001, et seq., implement that statute with detailed requirements that apply not only to traditional landline telephone companies, but also to wireless providers and interconnected Voice over Internet Protocol (VoIP) providers.

In light of federal law in this area, House Bill 1065 is unnecessary. The issue it attempts to address is already thoroughly covered by federal regulations for telephone companies. It would be counterproductive and confusing to customers and providers to craft potentially inconsistent

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state-specific requirements in an area already addressed uniformly for all states by federal law. Moreover, the telephone customers of services from “public service companies” in Maryland are only a small fraction of the voice customers in the state.

HB 1065 Fails to Recognize the Dynamics of the Online Ecosystem

HB 1065 fails to recognize that in the modern internet ecosystem, vendors play a key role in routine operational tasks such as billing, fulfilling customer service requests, and other transactions that a customer would expect to occur without making a written request.

For example, HB 1065 would not allow a business to transfer CPNI to accounting firms in order to report earnings and pay taxes. It would severely limit a business’s ability to provide information to cybersecurity firms in order to protect critical infrastructure, and it would prohibit the disclosure of customer information to credit bureaus in order to determine if a customer was likely to be able to pay their bill.

Again, the federal regime carefully balances protections for personal information against the need to allow helpful and beneficial use of information with the customer’s consent. HB 1065 would disturb that balance both by defining “personal information” too broadly and then by narrowly restricting a public service company’s and contractor’s collection of personal information to the information necessary for “provision of services” and “operation and administration,” which does not allow for the types of beneficial uses referenced above that the customer expects.

To reiterate, we believe that this coming interim period represents the best opportunity for Maryland to consider the types of privacy protections it wants to pursue, and that accordingly, HB 1065 should not move this session. We look forward to being partners in that effort.

Respectfully submitted,



Andrew Kingman
General Counsel
State Privacy and Security Coalition