

## Talking points for Principals meeting

- One of the issues that the NEC and the DPC have been working on over the last several months at the Deputies level is privacy.
- We think this is an important issue because Americans increasingly feel that they have lost all control over how personal information about them is circulated and used by companies.
- The Vice President has given a commencement address on privacy earlier this year - the President would like to have an event on this on July 31st.
- New technologies have made it easier to create, manipulate, store, transmit, and link digital personally identifiable information. People may disclose personal information about themselves as they travel, fill a prescription at the drug store, visit a Web site, call a 1-800 number, send an e-mail, use a credit card, or purchase groceries using a discount card. Information about these individual transactions may be bought and sold - and companies are now assembling giant "data warehouses" that contain electronic dossiers on the needs, lifestyles, and spending habits of millions of Americans.
- However, privacy concerns often have to be balanced with competing values - such law enforcement, cracking down on "deadbeat dads," free expression, and an investigatory press.
- We have been working on a package of privacy policies that we believe has broad support.
  - It includes both "cross-cutting" issues that affect a range of privacy concerns and targeting sectors or users that are particularly sensitive.
  - It addresses both "offline" and "online" privacy;
  - It encourages self-regulation where possible and identify the need for legislation where necessary; and
  - We think it maintains a balanced approach that recognizes the values associated with the free flow of information and with giving individuals greater control over their personally identifiable information

- ✓ 1. **Privacy coordination:** Désignate OMB to increase coordination on privacy issues.
- ✓ 2. **On-line Collection of Information Generally:** Continue to press for industry self-regulation - with the option for a legislative solution if self-regulation proves to be inadequate.//
- ✓ 3. **On-Line Collection of Information from Children:** Call for legislation that would specify a set of fair information principles applicable to the collection of data from children (e.g. no collection of data from children under 13 without prior parental consent).
- ✓ 4. **Government Information – privacy dialogue with state and local governments:** Initiate a “privacy dialogue” with state and local governments about the privacy of personal information collected by governments.
- ✓ 5. **Medical records:** Call for legislation on privacy of medical records consistent with HHS report. [Note: we need some steps the President can take through Administrative action.]
6. **Financial records:**
  - ✓ Call for regulators to issue regs to make FCRA “opt-out” options more evident to consumers. *for size*
  - Call for amendments to Fair Credit Reporting Act to limit the “affiliate sharing exception.” Businesses could share consumer information for marketing purposes, but not for business decisions. For example, consumer information provided to an insurance affiliate could not be used to deny a person a loan without FCRA protection. [Treasury opposed]
  - Give regulators ability to write rules to enforce FCRA. [Treasury and Commerce disagree whether this job should go exclusively to the Fed or joint Fed/FTC.]
  - ✓ Study of effectiveness of FCRA.
  - Review whether reg. Review process for mergers should include a consumer protection analysis [Treasury opposed.]
7. **Profiling:** Encourage other companies that engage in profiling to adopt self-regulatory principles similar to Individual Reference Services Group. [Note: Commerce dropped the legislative proposal here -- we may wish to put it back on the table.]

*Examine practices*

8. **Identity theft/theft of personal information:** Fraudulent use of another person's identity to facilitate the commission of a crime.

- Endorse the Kyl bill.
- Make it illegal to record social security numbers on checks. [This may be too small.]
- Target those situations in which an offender obtains information illegally but then uses it for a legal purpose (pretends to be a bank customer but sells the information to a private investigator).

✓ 9. **Protection of new types of information:** Study on new types of personal information -- such as biometrics.

10. **Public education:** Work with the private sector and non-profits to develop an advertising campaign to inform individuals about how to exercise choice with respect to the collection and dissemination of their personally identifiable information.