



COMMITTEE ON
ENERGY & COMMERCE
DEMOCRATS
RANKING MEMBER FRANK PALLONE, JR.

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Pallone Remarks at Communications Privacy Hearing

Washington, D.C. – *Energy and Commerce Ranking Member Frank Pallone, Jr. (D-NJ) delivered the following opening remarks today at a Subcommittee on Communications and Technology hearing on “Protecting Customer Proprietary Network Information in the Internet Age:”*

Privacy is a deeply held American value. Today, location data is collected not only by phone companies, but by apps and phone operating systems. According to a recent Harris poll, 78 percent of people believe that a company’s ability to protect their privacy is “extremely important,” but only 20 percent “completely trust” companies to maintain the privacy of their data. This is not surprising considering all of the recent privacy breaches, including the Cambridge Analytica scandal. That is why I called for hearings so we can directly question executives from tech companies, internet service providers, data brokers and other companies that collect our information.

Unfortunately, as Americans were demanding greater privacy protections, Republicans eliminated existing privacy rules and they continue to show little appetite for meaningful reform. Two years ago, the FCC adopted strong privacy rules for internet service providers under Section 222 of the Communications Act. Instead of embracing those rules, one of the first acts of the Republican Congress and the Trump Administration was to repeal them. Consumers need strong privacy protection across the entire Internet ecosphere, which is broader than just ISPs, but eliminating ISP privacy protections just left Americans less safe and angry.

It was only after a huge public uproar and protests back in their districts that Republicans put forward a weak and unacceptable alternative. Ms. Blackburn’s bill lacks basic protections such as rulemaking authority and significant civil penalties. And even this watered-down proposal has garnered little support from Republicans. It’s no wonder that states like California are stepping in to fill the void left by the repeal of these privacy rules.

And now that Republicans have rolled back not only online privacy protections, but also net neutrality, the FCC is left with limited authority to protect privacy. For telecommunications companies, the CPNI rules do remain. These rules require providers to protect information like

a caller's name, location, who they called, and for how long. These are strong rules, but they are only effective if the FCC aggressively enforces them, which Chairman Pai has not.

According to recent news reports, third-party data aggregators, such as LocationSmart and Securus, obtained real-time location data from wireless carriers and allowed access to that data in ways that appear to violate the CPNI rules. This appeared to be happening for a long time. Fortunately, the FCC opened an investigation into LocationSmart, but why did it take so long? Why did it take a Canadian security researcher to identify the problem? And what is the FCC doing to proactively identify potential violations of its CPNI rules? These questions deserve answers, and that's why I've called for a hearing on this incident.

In another move that puts companies before consumers, tomorrow, the FCC is considering eliminating the agency's traditional role in helping consumers resolve informal complaints.

Currently, the informal complaint process is a free and easy way for consumers to use the FCC's help resolving everyday problems with communications companies.

Chairman Pai is proposing that the FCC now just simply pass the consumer's complaint to the company. And then if the customer is unsatisfied, they will be encouraged to file a \$225 formal complaint.

This is simply not right. The FCC should work for consumers, not make life harder for them. That's why Ranking Member Doyle and I sent a letter to the Commissioners yesterday urging them not to limit the ability of FCC staff to help resolve consumers' complaints. At a time when every dollar matters to working class families, it should be among the Commission's highest priorities to help consumers on the losing end of a growing imbalance of power.

With that, I yield the balance of my time.

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