



Testimony of VPIRG Communications & Technology Director Zachary Tomanelli concerning H.764

Introduction

My name is Zachary Tomanelli and I am the Communications & Technology Director of VPIRG, the Vermont Public Interest Research Group. For over 45 years, VPIRG has advocated for the public interest in policy debates concerning the environment, health care, consumer protection, and democracy, and so I thank you for this opportunity to share our thoughts on H.764.

Like many across this state and across the country – we at VPIRG were dismayed by the revelation that Equifax, one of the nation’s largest credit reporting agencies, was subject to a data breach that compromised the important and sensitive information of millions of Americans.

VPIRG comprises more than 50,000 members and supporters – using the estimates provided by Equifax itself, that means it is likely that tens of thousands of VPIRG members and supporters’ data was compromised during last year’s massive breach. I’m writing on behalf of them – but also on behalf of the entirety of our membership – and as a voice for all Vermont consumers. Because it’s not really a matter of if another large data breach will occur, but when. This means that all of us are at risk of having our personal information exposed and used for nefarious purposes. Vermonters need better information and stronger protections when it comes to third party companies controlling and distributing their sensitive personal data.

It’s important to remember that – as concerning as the Equifax breach (and Equifax’s subsequent response) was – we only know that such a breach occurred and consumers only have some methods of recourse because regulations governing credit reporting agencies exist. No such regulations exist for data brokers – which means similar breaches could already be happening right now, and we might never know.

That is why VPIRG supports the version of H.764 as it passed the House.

This bill takes a look at a specific industry – the data broker industry – and asks what can we do in this area that gives Vermonters more information and better protections when it comes to this industry.

There has been various testimony suggesting that this bill is either overly broad or too narrow. That it sweeps up too many actors or that it won’t do enough to solve the issue of protecting Vermonters’ data.

It was never the intention of this bill to fix all the problems and issues that come with data security in the 21st century. But this bill does at least begin to move the needle toward giving Vermonters more control over their personal information.

Ultimately we need to ask: does this bill better protect consumers and do so in a way that’s going to allow for continued commerce, continued economic development?

VPIRG thinks the answer is yes – and we think this is best demonstrated by looking at the individual components of the bill, and simply exploring how they change the status quo – that is, how do they make things better for Vermont consumers:

- **Free credit freezes:** Right now, if a company like Equifax suffers a breach and I want to freeze my credit history to protect myself against identity theft, Equifax and the other companies can charge me a fee to make that freeze. This bill changes that status quo – it allows consumers to freeze their credit history for free. That's a measurable consumer good.
- **Make it illegal to acquire data for illegal purposes:** Right now, if someone acquires data and uses it to harass, stalk, etc. – the acquisition of that data for that purpose is not illegal. It's illegal to stalk and harass – but getting the data to do that is not illegal. This bill changes that. Again, this is a measurable good.
- **Create a clearing house with opt-out instructions:** Right now, say a domestic violence survivor wants to opt-out of data broker lists. That person needs to go through a byzantine process to find out who even has their data and then understand if they can opt out. This bill changes that. It creates a list of data brokers and lays out their opt-out processes. This radically simplifies things for a domestic violence survivor, or any other Vermonter for that matter, trying to get their arms around their personal data.
- **Require minimum data security standards:** Right now, under Vermont law at least, a data broker that potentially has our names, addresses, purchase histories, confidential documents, etc. does not have to adhere to any minimal security standards. Many probably are – but this bill changes the status quo. It requires these companies to adhere to some security standards. Again – this a measurable consumer good, to protect Vermonters.
- **Data security breach reporting:** Under current law, if a data broker loses my name and social security number together they *do* need to notify me. However, if they lose just my social security number and email address – or if they lose my name and address and purchase history, there is no requirement to report that breach. This bill changes that. It requires them to report those breaches that don't rise to the level of "Personally Identifiable Information" when they register for the clearing house. I, as a Vermont consumer, would want to have access to information about these breaches. This is another measurable consumer good contained in the bill.

So just circling back – the goal of this is not to solve all data problems. But that doesn't mean we do nothing. This body has the opportunity to do something tangibly good for Vermont consumers. So VPIRG and our membership would urge you to move forward with this bill and do just that.