

1 TO THE HONORABLE SENATE:

2 The Committee on Finance to which was referred Senate Bill No. 72  
3 entitled “An act relating to requiring telemarketers to provide accurate caller  
4 identification information” respectfully reports that it has considered the same  
5 and recommends that the Senate concur in the House proposal of amendment  
6 with the following proposal of amendment thereto: By striking out Sec. 2 and  
7 the accompanying reader assistance (data brokers) in their entirety and by  
8 inserting in lieu thereof a new Sec. 2 and reader assistance to read as follows:

9 \* \* \* AG Recommendations; Data Brokers; Privacy Rules for Internet Service

10 Providers and Edge Providers \* \* \*

11 Sec. 2. ATTORNEY GENERAL; CONSUMER PROTECTION;

12 RECOMMENDATIONS; DATA BROKERS; INTERNET SERVICE

13 PROVIDERS AND EDGE PROVIDERS

14 (a)(1) Data broker findings. The General Assembly finds that:

15 (A) The data broker industry brings benefits to society by:

16 (i) providing data necessary for the operation of both the public  
17 and private sectors;

18 (ii) supporting the critical flow of information for interstate and  
19 intrastate commerce; and

20 (iii) aiding in securing and protecting consumer identities.

1           (B) Despite these benefits, concerns have arisen about the data  
2 broker industry, including:

3           (i) how the data broker industry or persons accessing the industry  
4 may directly or indirectly harm vulnerable populations;

5           (ii) the use of the data broker industry by those who harass, stalk,  
6 and otherwise harm others;

7           (iii) whether appropriate safeguards are in place to ensure that our  
8 most sensitive information is not sold to identity thieves, scammers, and other  
9 criminals; and

10           (iv) the impact of the data broker industry on the privacy, dignity,  
11 and well-being of the people of Vermont.

12           (2) Data broker recommendation. On or before December 15, 2017,  
13 the Commissioner of Financial Regulation and the Attorney General, in  
14 consultation with industry and consumer stakeholders, shall submit a  
15 recommendation or draft legislation to the House Committee on Commerce  
16 and Economic Development and the Senate Committee on Economic  
17 Development, Housing and General Affairs reflecting:

18           (A) an appropriate definition of the term “data broker”;

19           (B) whether and, if so, to what extent the data broker industry  
20 should be regulated by the Commissioner of Financial Regulation or the  
21 Attorney General;

1           (C) additional consumer protections that data broker legislation  
2           should seek to include that are not addressed within the framework of  
3           existing federal and State consumer protection laws; and

4           (D) proposed courses of action that balance the benefits to society  
5           that the data broker industry brings with actual and potential harms the  
6           industry may pose to consumers.

7           (b)(1) Telecommunications privacy rule recommendation. On or before  
8           December 15, 2018, the Attorney General, in consultation with the  
9           Commissioner of Public Service, and in consultation with industry and  
10           consumer stakeholders, shall submit a recommendation or draft legislation to  
11           the Senate Committees on Finance and on Economic Development, Housing  
12           and General Affairs and the House Committees on Commerce and Economic  
13           Development and on Energy and Technology reflecting whether and to what  
14           extent the State should adopt privacy and data security rules applicable to  
15           telecommunications service providers subject to the jurisdiction of the Public  
16           Service Board under 30 V.S.A. § 203(5), including

17           (A) broadband Internet access service providers; and

18           (B) to the extent permitted by federal law, “edge providers,” which  
19           shall include any individual or entity that provides any content, application, or  
20           service over the Internet, and any individual or entity that provides a device  
21           used for accessing any content, application, or service over the Internet.

1           (2) In making the recommendation, the Attorney General shall consider  
2 the following:

3           (A) Whether any proposed rules should be modeled after the Federal  
4 Communications Commission’s 2016 Privacy Order, WC Docket No. 16-106,  
5 FCC 16-148, adopted October 27, 2016 and released November 2, 2016.

6           (B) Whether any rules should include:

7           (i) disclosure requirements pertaining to a provider’s privacy  
8 policies;

9           (ii) opt-in or opt-out procedures for obtaining customer approval  
10 to use and share sensitive or nonsensitive customer proprietary information,  
11 respectively; and

12           (iii) data security and data breach notification requirements.

13           (C) Proposed courses of action that balance the benefits to society  
14 that the telecommunications industry brings with actual and potential harms  
15 the industry may pose to consumers.

16           (D) Such other factors and considerations the Attorney General  
17 deems relevant to making recommendations pursuant to this section.

18           (3) Working group coordination. The Attorney General in consultation  
19 with the Commissioner of Public Service, at their discretion, may consult with  
20 or otherwise incorporate this review into the working group process  
21 established in subsection (a) of this section.

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3 (Committee vote: \_\_\_\_\_)

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Representative \_\_\_\_\_

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FOR THE COMMITTEE