TELECOMMUNICATIONS ACT OF 1996
CUSTOMER PROPRIETARY NETWORK INFORMATION
FCC DOCKET 96-115

SUMMARY OF POINTS MADE IN THE PRIVACY & LEGISLATIVE ASSOCIATES CPNI SUBMISSION

January 23, 1997

THREE FACTORS CUSTOMARILY ARE USED TO CLASSIFY THE SENSITIVITY OF PERSONAL INFORMATION.

The following three factors are customarily used to classify the sensitivity of personal information:

- The subject matter to which the information pertains;
- The relationship between the individual about whom the information is collected and the collector of the information ("relational interest"); and
- The actual and potential use of the information.

CPNI IS NOT A CATEGORY OF HIGHLY SENSITIVE PERSONAL INFORMATION.

- A "sensitivity analysis" of CPNI indicates that CPNI is not sensitive personal information.
- The unauthorized disclosure or use of CPNI is less likely to result in embarrassment, humiliation or stigma than is the unauthorized disclosure or use of medical or financial information.
- CPNI is not used, and has little potential for being used, to make decisions affecting an individual's access to employment, insurance, licenses or other entitlements or benefits.
- Personal information which is not in a highly sensitive category is customarily used and disclosed pursuant to an opt-out procedure.

MEMBERS OF THE PUBLIC CONSIDER THE SUBJECT MATTER OF THE INFORMATION WHEN EVALUATING THE THREAT POSED BY INFORMATION.

- In a 1994 survey conducted by Louis Harris and Associates and commissioned by Equifax with Alan Westin as academic advisor, the public ranked the following four types of personal information as most sensitive:
  - Health and medical information;
  - Banking and credit card information;
  - Insurance information; and
  - Credit reports.

OPT-OUT PROCEDURES ARE WIDELY USED TODAY TO OBTAIN CUSTOMER AUTHORIZATION FOR THE USE AND DISCLOSURE OF NON-SENSITIVE PERSONAL INFORMATION.

- Numerous privacy studies and commissions have endorsed the use of an opt-out procedure for non-sensitive personal information, particularly where it is used for marketing-only purposes.
- Numerous statutes provide for an opt-out:
  - The prescreening provisions of the Fair Credit Reporting Act (as amended by the Consumer Credit Reporting Reform Act of 1996);
  - The Uniform Health Care Information Act medical directory information provisions;
  - The Driver's Privacy Protection Act;
  - A variety of state statutes in the areas of telecommunications, financial services, Driver's Privacy Protection Act implementation, direct marketing, and health and medical record legislation (for "non-sensitive" types of medical record information); and
- The Direct Marketing Association's "Fair Information Practice Guidelines" include an opt-out.

DISCLOSURE OF PERSONAL INFORMATION WITHIN A CORPORATE FAMILY IS CUSTOMARILY ACCOMPLISHED PURSUANT TO FLEXIBLE PRIVACY STANDARDS, INCLUDING AN OPT-OUT PROCEDURE.

- Consumers have already established a relationship of trust with the corporation and public opinion surveys show that consumers are more comfortable with an affiliate obtaining their personal information than with an unrelated third party obtaining the information.

- An opt-out procedure is especially appropriate for affiliate sharing when the personal information is not highly sensitive and is being used for marketing and customer service-only purposes, as is the case with CPNI.