

Legislative and Regulatory Issue Matrix

Issue	Background	Status	States Affected
File Freezing	Bills with file freezing requirements would allow consumers to place a Security Freeze on their file. Doing so prohibits consumer reporting agencies from releasing information contained in the credit file without the consumer's express authorization or a legally permissible exempted use.	Nine state "file freezing" bills this year to date, each based on California's law: Connecticut HB 6645 (failed to meet legislative deadlines for passage), Massachusetts HB 2921 and SB 57, Nevada SB 379 (adjourned – did not pass), New Mexico SB 227 (defeated – adjourned), New Jersey SB 1533, New York AB 7419, Vermont HB 327 (file freezing language taken out of bill and the subsequent measure did not pass this year; legislature has adjourned), and Texas SB 473 (signed into law – effective September 1, 2003).	Connecticut, Massachusetts, Nevada, New Mexico New Jersey, New York, Texas, and Vermont. Already law in a number of states, such as California and Texas.
Address Verification	Address verification bills would require either the credit reporting agency or user of credit reports to verify a consumer's address when the two have different addresses on file.	<p>California AB 1610 (now law), Illinois HB 2187 (legislature has adjourned), Massachusetts HB 2921 and SB 57, New Jersey SB 54, South Carolina SB 43 and SB 222 (general assembly has adjourned and neither bill was enacted), Texas SB 405 (did not pass – legislature has adjourned) and Vermont HB 327 (did not pass this year but remains eligible for consideration in 2004 – legislature has since adjourned).</p> <p>All of the "file freezing" bills described include provisions that require credit reporting agencies to confirm address changes by notifying the consumer at both the old and new address. California AB 1610, which requires users of credit reports "who discover" differences between an application address, name or Social Security number and the corresponding information on file with the credit reporting agency must verify the identity of the individual.</p> <p>Related: California AB 800 expands the obligations of data furnishers during the reinvestigation of information provided to a credit reporting agency and disputed by a consumer. The bill did not pass the Assembly but remains eligible next year.</p>	California, Connecticut, Illinois, Massachusetts, Nevada, New Mexico, New Jersey, New York, South Carolina, Texas, and Vermont.
ID Match (before file deliver and POS)	Identity matching bills would require each credit grantor to include requirements that consumers furnish sufficient identification that matches information in the consumer's credit file before 'instant credit' can be offered by retailers.	Illinois HB 2378 (general assembly has adjourned bill was not enacted) and New Jersey SB 54 each included requirements that consumers furnish sufficient identification that matches information in the consumer's credit file before 'instant credit' can be offered by retailers. Massachusetts SB 57 (under consideration) , New York (under consideration) AB 8134 and Texas SB 405 (failed to pass before the legislature adjourned) would require four matches by all users of credit reports, not just point-of-sale retail.	Illinois, Massachusetts, New Jersey, New York, and Texas.
Security Alerts	Security alert bills would require consumer reporting agencies to accept a notice placed on a consumer's credit report stating that the consumer's identity may have been used without their consent to fraudulently obtain goods and services in their name. There is usually a provision which includes the term of the alert, option for renewing the alert, and for consumers to receive a free copy of their credit report while the alert is in effect.	Connecticut HB 6645 (no committee action), Massachusetts HB 2921 and SB 57 (pending), Nevada SB 379 (adjourned – was not adopted), New Mexico SB 227 (defeated – legislature has since adjourned), New Jersey SB 1533, New York AB 7419 (in committee – no recent legislative action), Texas SB 473 (passed – effective September 1, 2003) and Vermont HB 327 (freeze amended out but the amended version of the bill did not pass this year; legislature has adjourned).	Connecticut, Massachusetts, Nevada, New Mexico New Jersey, New York, Texas, and Vermont. Already law in a number of states, such as California and Texas.

Score Disclosure to Consumers	Score disclosure bills would require companies to offer credit and/or insurance scores to consumers for free or for a reasonable fee.	Delaware HB 169 (withdrawn), Illinois HB 2344 and HB 2378 (bills did not pass – legislature has adjourned), Maryland HB 226 and SB 327 (defeated and legislature has adjourned regular session), Massachusetts HB 1049, SB 33 and SB 57 (all pending), New Jersey AB 3733 and SB 2580 (both pending), Pennsylvania SB 446 (pending), Rhode Island HB 5281 (adjourned, did not pass) and Vermont SB 77 (did not pass and regular session has adjourned).	Delaware, Illinois, Maryland, Massachusetts, New Jersey, Pennsylvania, Rhode Island, and Vermont. Also, U.S. Law in California and Colorado.
Restrictions on commercial use of SSN	Bills have been filed in Florida and in the U.S. Congress to limit the ability of business to collect Social Security numbers. Some bills have stated that a merchant or business may not condition a sale or provision of a service on the consumer's willingness to give their Social Security number.	California SB 590 is a related measure that limits, with some exceptions, the collection or disclosure of personal information by business to that which is "required ... to carry out a transaction with the customer or to conduct business of which the transaction is a part."	Florida, California, U.S.
Tradeline Blocking	Tradeline blocking bills would require consumer reporting agencies to block the reporting of any information that the consumer alleges appears on his credit report as a result of the identity fraud, within 30 days of receipt of a valid police report submitted by the consumer. Under these laws, consumer reporting agencies must promptly notify the furnisher of the information that a police report has been filed, that a block of the tradeline has been requested, and the effective date of the block.	States considering this in 2003 include: Connecticut SB 688 (signed into law by the governor), Illinois HB 2378 (adjourned), New Jersey SB 54 (pending), South Carolina SB 43 and SB 222 (adjourned, did not pass), Tennessee HB 54 (adjourned, did not pass), Vermont HB 327 (tradeline blocking or file freezing amended out – did not pass and legislature has adjourned) and Virginia SB 979 and HB 2175 (signed into law by governor).	Connecticut, Illinois, New Jersey, South Carolina, Tennessee, Vermont and Virginia. Also, U.S. Already law in Alabama, California, Idaho and Washington state.
Colorado Notice	Colorado notice bills are modeled on existing Colorado law, which requires credit reporting agencies to write consumers once in any 12-month period when derogatory information is posted to the file or a certain number of inquiries are made of a consumer's file.	North Carolina HB 1088 and Tennessee HB 1445 and SB 1713 are dead for this year as both states have adjourned.	North Carolina and Tennessee.
Free Consumer Disclosure	Twenty-three (23) states debated legislation this year to entitle their citizens to annual free disclosure of their credit file.	Maine enacted a free report bill, which amended its law to change from \$2 to free. California Senate Bill 1239, which passed the legislature last year, became effective on July 1, 2003. This new law entitles victims of identity theft who provide credit reporting agencies with a copy of a valid police report related to the crime to free disclosure once a month for twelve months on request. Pending free disclosure bills in Massachusetts, New Jersey, New York, Pennsylvania and Wisconsin.	Alaska, California, Connecticut, Delaware, Florida, Hawaii, Illinois, Iowa, Louisiana, Maine, Massachusetts, Mississippi, Nevada, New Jersey, New Mexico, New York, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Vermont and Wisconsin. Already law in Colorado, Georgia, Maryland, Massachusetts, New Jersey and Vermont.
Limits on use of credit by insurers	The use of credit-based "insurance scores" has become increasingly prevalent in evaluating and/or rating personal auto and homeowners risks over the last few years. Insurance scores use information from a consumer's credit report (such as payment history, bankruptcies, collections, and outstanding debt) to predict how often an individual will file a claim and/or how expensive those claims will be. Most states are addressing, and adopting, NCOIL Model Act-like legislation.	Virtually every state has considered and many have passed legislation to regulate the use of credit information by insurers.	All states.

Public Records Access	States are trying to find the right balance between open access to public records that serves many valuable purposes, ranging from providing the public with the information it needs to select and oversee the government to providing the critical infrastructure of our information economy, and restrictions on the use of public records.	Virtually every state has taken up legislation to restrict public access to government records and, in some cases, court records.	All states.
Federal Bankruptcy court rules requiring truncating SSN	SSN truncation bills would truncate Social Security numbers in federal bankruptcy court records to the last four digits.	On March 27, 2003, the U.S. Supreme Court forwarded to Speaker Hastert and Senate President Cheney, amendments to the Federal Rules of Bankruptcy Procedure that would truncate Social Security numbers in federal bankruptcy court records to the last four digits. The U.S. Supreme Court approved the rule changes on March 27, 2003 and forwarded those changes to Congress. Under federal law, Congress has until December 1, 2003 to reject these federal bankruptcy court rule changes. No affirmative action is required for the proposed rules to take effect.	Federal issue.
Do not call/Do no email registries	Do Not Call / Email bills seek to restrict to regulate or restrict telemarketing activities.	More than 30 states have addressed and / or enacted DNC bills. The FTC has compiled a DNC registry and President Bush signed a DNC bill on 9/29/03.	All states.
Commercial email labeling	SPAM bills some cases requiring the labeling ("ADV") of unsolicited commercial email, prohibiting "falsification" of email addresses and header information, and giving consumers the right to opt-out of the receipt of future emails.	Dozens of states have enacted "anti-SPAM" legislation. Recently enacted legislation in California, SB 186, provides for penalties of up to \$1 million.	All states.
State "GLB" financial privacy (opt in/opt-out)	GLB-like financial privacy bills attempt to establish an opt-in for the sharing of non-public personal information with third parties and an opt-out for affiliate sharing.	California SB 1, effective July 1, 2004, enacted the California Financial Information Privacy Act. Requires a financial institution to obtain a consumer's consent before the financial institution may disclose or share the consumer's nonpublic personal information with a nonaffiliated third party. Sets requirements for the form a financial institution must use to obtain consumer consent. Financial institutions in California came to an agreement with the sponsor of SB 1 that avoids the possibility of a proposed statewide referendum. A ballot initiative campaign that would have cost tens of millions of dollars and very well might have passed.	California.
Database security (breach notification)	Security breach bills would have state government agencies, as well as companies and nonprofit organizations regardless of geographic location, notify customers if personal information maintained in computerized data files have been compromised by unauthorized access.	California SB 1386, effective July 1, 2003, requires that California consumers must be notified when their name is illegitimately obtained from a server or database with other personal information such as their Social Security number, driver's license number, account number, credit or debit card number, or security code or password for accessing their financial account. Also, Pennsylvania SB 890 was filed on August 8 and assigned to the Senate Communication and Technology Committee. The bill establishes database ownership and restrictions for unauthorized commercial use of databases, similar to legislation debated the past two years in Georgia and opposed by the White Pages Coalition.	California and Pennsylvania.

Call Center Legislation	Call center bills would have call centers located outside of the United States give consumers the option to transfer to a locale inside of the United States. They also would provide that an employee at an inbound call center operating in a foreign country shall not solicit any personal information, whether by telephone or by an electronic mail message unless the employee first informs the caller that disclosing that information to the employee is optional, and receives the affirmative consent of the caller to whom the information relates.	New Jersey AB 3529 and North Carolina SB 991 (did not pass).	New Jersey and North Carolina.
CA User Bill of Rights	The consumer protection safeguards detailed in the Bill of Rights include such issues as carrier disclosure; marketing practices; service initiation and changes; prepaid calling cards and services; deposits to establish or reestablish service; billing; billing disputes; late-payment penalties, back billing and prorating; tariff changes, contract changes, transfers, withdrawals and notices; service termination; privacy; PUC Consumer Affairs Branch requests for information; and Emergency 911 service. The rules apply to all forms of telecommunications service: local and long-distance, wire line and wireless, and prepaid phone cards.	Filed comments pointing out any factual, legal, or technical errors in the draft decision were due by Aug. 24, 2003. Replies were due Sept. 4, 2003. The California Public Utilities Commission postponed a vote set for Sept. 18, 2003. The vote is rescheduled for October 2, 2003.	California
WLNP	A FCC mandate on July 2, 1996, required all wireless providers to allow customers to keep their existing phone number when changing carriers. This allows the wireless customer the ability to keep the same phone number when switching to another carrier or changing locations. In July 2002, the FCC extended the WLNP start date by one year to 11-24-03. On 12-23-02 Verizon Wireless and CTIA filed a brief with the U.S. Court of Appeals for the D.C. Circuit to overturn the FCC's July 2002 ruling. On 6-6-03, the U.S. Court of Appeals for the DC Circuit dismissed the industry's attempt to overturn the FCC's WLNP order. On 6-24-03, Verizon Wireless announced they were no longer fighting WLNP and are making plans for implementation.	Consumer advocates are stating the WLNP will promote competition and give customers greater choice and freedom to choose the wireless telephone service they want. Conclusions that are being drawn are that WLNP will significantly increase the number of subscribers who would churn from their current carriers if given the opportunity to port their wireless telephone number.	All States.

<p>UNE-P Telric Pricing FCC Reform</p>	<p>On December 12, 2001, the Federal Communications Commission (FCC) initiated its first triennial review of its policies on unbundled network elements (UNEs), as specified in the FCC's UNE Remand Order in 1999. UNEs are the portions of the phone networks that incumbent local exchange carriers (LECs) must make available to competing carriers seeking to provide telecommunications services. Recognizing that incumbent LECs control some facilities, Congress adopted section 251 of the 1996 Act to overcome the obstacles posed by that control. On August 21, 2003, the FCC's triennial review order was released in which the Commission adopted new network unbundling requirements pursuant to section 251 of the Communications Act of 1934, as amended, and initiating an inquire regarding proposed modifications to the Commission's existing rules implementing section 252(i) which requires local exchange carriers (LECs) to make available to other telecommunications carriers interconnection agreements approved under section 252.</p>	<p>The new framework provides incentives for carriers to invest in broadband network facilities, brings the benefits of competitive alternatives to all consumers, and provides for a significant state role in implement these rules. The order will take effect (absent a stay) on October 2, 2003. States will have until December 30, 2003 (90 days from order effective date) to determine if CLECs' abilities to compete in the enterprise market is "impaired" by making particular UNEs unavailable to them and June 20, 2004 (9 months post-order effective date) to complete the "impairment" analysis for the consumer and small business markets.</p>	<p>All States.</p>
<p>E 911</p>	<p>The legislation creates a \$500 million annual grant program to encourage better nationwide emergency communications. The bill also would attempt to force states to refrain from raiding E911 accounts by denying these new funds to states that did so.</p>	<p>S.1250 was unanimously approved by the Senate Commerce Committee on 7-17-03. H.R. 2898 was introduced on 7-25-03.</p>	<p>All States.</p>
<p>Selective Blocking</p>	<p>Since late 1999 Virginia State Corporation Commission (SCC) rules have prohibited local exchange carriers from globally blocking a customer's access to local toll/long distance services for non-payment. Instead, SCC rules only allow the particular long distance carrier(s) to whom payment is owed to selectively block the non-paying customer's long distance service. This raises the possibility of a customer jumping from long distance carrier to long distance carrier leaving behind a string of unpaid bills.</p>	<p>Some TRMA members are gearing up to file petitions with VA commission to reverse Selective Blocking.</p>	<p>Virginia and Vermont.</p>
<p>Homeland Security</p>	<p>Legislation threatens to eliminate Freedom of Information Act (FOIA) protection for voluntarily shared, sensitive information as enacted in the Homeland Security Act.</p>	<p>Legislation has been referred to the Senate Judiciary Committee.</p>	<p>All States.</p>
<p>FCC Reauthorization</p>	<p>This legislation makes several procedural changes for the FCC, including: raising fines the FCC could levy for violations; preventing the use of bankruptcy to miss spectrum payment; initiating an investigation of the e-rate program; and preventing FCC officials from accepting private funding for travel. The bill initially included a "private right of action" section which would enable consumers to sue carriers for FCC violations. That language was stripped from the bill prior to the mark up on 6-26-03.</p>	<p>The bill was approved by the Commerce Committee on 6-26-03.</p>	<p>All States.</p>

Impact: Telcos &/or CRAs	Team Speaker
Telcos and CRAs	Eric
Telcos and CRAs	Eric
Telcos and CRAs	Eric
Telcos and CRAs	Eric

Telcos and CRAs	Joe
	Joe
Telcos and CRAs	Joe
CRAs	Joe
Telcos and CRAs	Eric
Telcos and CRAs	Eric

Telcos and CRAs	Eric
Telcos and CRAs	Joe
Telcos and CRAs	Joe
Telcos and CRAs	Joe
Telcos and CRAs	Joe
Telcos and CRAs	Joe

Telcos	Eric
Telcos	Brian
Telcos	Anita

Telcos	Barry w/audience support from Bruce Green from Sprint
Telcos	Anita
Telcos	Barry
Telcos and CRAs	Brian and Tony
Telcos	Anita and Barry