

ONE HUNDRED TWELFTH CONGRESS
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House of Representatives
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Opening Statement of Rep. Henry A. Waxman
Ranking Member, Committee on Energy and Commerce
Hearing on “The Threat of Data Theft to American Consumers”
Subcommittee on Commerce, Manufacturing, and Trade
May 4, 2011

I would like to thank Chairman Bono Mack for holding this most timely and important hearing.

In the last month, we have seen some serious private sector data breaches that have affected millions of Americans. Just last week, Sony revealed that information connected to 77 million customer accounts had been compromised. Then on Monday, Sony announced that even more consumer information was breached.

Data breaches threaten the financial well-being of individuals whose personal information is exploited to commit identity theft or fraud. There is no one solution to these threats. Criminal hackers are targeting us every minute.

Today we will hear how federal law enforcement is attacking this problem. However, the private sector also must step up to the plate.

The private sector can, and must, do a better job of safeguarding sensitive personal information. Information is the currency of the digital economy and it must be secured. Just as a bank would not leave its vault unlocked and open to thieves, companies must secure information and keep it out of the hands of identity thieves and other criminals.

And when personal information is compromised, companies have an obligation to inform those individuals whose information was lost or stolen so that they can take steps to detect and prevent identity theft or other harm.

I am hopeful that this Committee can again in a bipartisan fashion pass the Data Accountability and Trust Act and work as a team to get the Senate to follow suit. The data bill, as passed by the House last Congress, creates two major security requirements: (1) an entity holding data containing personal information must adopt reasonable and appropriate security measures to protect such data; and (2) that same entity must notify affected consumers in the

event of breach unless the entity determines there is “no reasonable risk of identity theft, fraud, or other unlawful conduct.”

I look forward to today’s hearing and to working together to quickly re-pass the Data Accountability and Trust Act.