109TH CONGRESS 2D SESSION S. 2389

To amend the Communications Act of 1934 to prohibit the unlawful acquisition and use of confidential customer proprietary network information, and for other purposes.

IN THE SENATE OF THE UNITED STATES

March 8, 2006

Mr. ALLEN (for himself, Mr. STEVENS, Mr. INOUYE, Mr. BURNS, Mr. WAR-NER, Mr. SANTORUM, Mr. DORGAN, Mr. NELSON of Florida, Mr. VITTER, Mr. PRYOR, Mr. COLEMAN, Mr. TALENT, Mr. MARTINEZ, and Mr. THUNE) introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

April —, 2006

Reported by Mr. STEVENS with an amendment in the nature of a substitute

[Strike all after the enacting clause and insert the part printed in italic]

A BILL

- To amend the Communications Act of 1934 to prohibit the unlawful acquisition and use of confidential customer proprietary network information, and for other purposes.
 - 1 Be it enacted by the Senate and House of Representa-
- 2 tives of the United States of America in Congress assembled,

3 SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

- 4 (a) SHORT TITLE.—This Act may be eited as the
- 5 "Protecting Consumer Phone Records Act".

 $\mathbf{2}$

1 (b) TABLE OF CONTENTS.—The table of contents for

2 this Act is as follows:

See. 1. Short title; table of contents.

- Sec. 2. Unauthorized acquisition, use, or sale of confidential customer proprietary network telephone information.
- Sec. 3. Enhanced confidentiality procedures.
- Sec. 4. Penalties; extension of confidentiality requirements to other entities.
- See. 5. Enforcement by Federal Trade Commission.
- Sec. 6. Concurrent enforcement by Federal Communications Commission.
- See. 7. Enforcement by States.
- See. 8. Preemption of State law.
- Sec. 9. Consumer outreach and education.

	Sec. 5. Consumer outreach and concation.
3	SEC. 2. UNAUTHORIZED ACQUISITION, USE, OR SALE OF
4	CONFIDENTIAL CUSTOMER PROPRIETARY
5	NETWORK TELEPHONE INFORMATION.
6	(a) IN GENERAL.—It is unlawful for any person—
7	(1) to acquire or use the customer proprietary
8	network information of another person without that
9	person's affirmative written consent;
10	(2) to misrepresent that another person has
11	consented to the acquisition or use of such other
12	person's customer proprietary network information
13	in order to acquire such information;
14	(3) to obtain unauthorized access to the data
15	processing system or records of a telecommuni-
16	cations carrier or an IP-enabled voice service pro-
17	vider in order to acquire the customer proprietary
18	network information of 1 or more other persons;
19	(4) to sell, or offer for sale, customer propri-
20	

20 etary network information; or

1 (5) to request that another person obtain cus-2 tomer proprietary network information from a tele-3 communications carrier or IP-enabled voice service 4 provider, knowing that the other person will obtain 5 the information from such carrier or provider in any 6 manner that is unlawful under subsection (a).

7 (b) EXCEPTIONS.

8 (1) EXISTING PRACTICES PERMITTED.—Noth-9 ing in subsection (a) prohibits any practice per-10 mitted by section 222 of the Communications Act of 11 1934 (47 U.S.C. 222), or otherwise authorized by 12 law, as of the date of enactment of this Act.

13 (2) CALLER ID.—Nothing in subsection (a) pro14 hibits the use of caller identification services by any
15 person to identify the originator of telephone calls
16 received by that person.

17 (e) Private Right of Action for Providers.—

18 (1) IN GENERAL.—A telecommunications car19 rier or IP-enabled voice service provider may bring
20 a civil action in an appropriate State court, or in
21 any United States district court that meets applica22 ble requirements relating to venue under section
23 1391 of title 28, United States Code—

1 (A) based on a violation of this section or 2 the regulations prescribed under this section to 3 enjoin such violation;

4 (B) to recover for actual monetary loss
5 from such a violation, or to receive \$11,000 in
6 damages for each such violation, whichever is
7 greater; or

(C) both.

8

9 (2) TREBLE DAMAGES.—If the court finds that 10 the defendant willfully or knowingly violated this 11 section or the regulations prescribed under this sec-12 tion, the court may, in its discretion, increase the 13 amount of the award to an amount equal to not 14 more than 3 times the amount available under para-15 graph (1) of this subsection.

16 (3) INFLATION ADJUSTMENT.—The \$11,000
17 amount in paragraph (1)(B) shall be adjusted for in18 flation as if it were a civil monetary penalty, as de19 fined in section 3(2) of the Federal Civil Penalties
20 Inflation Adjustment Act of 1996 (28 U.S.C. 2461
21 note).

22 (d) CIVIL PENALTY.—

23 (1) IN GENERAL.—Any person who violates this
24 section shall be subject to a civil penalty of not more
25 than \$11,000 for each violation or each day of a

continuing violation, except that the amount as sessed for any continuing violation shall not exceed
 a total of \$11,000,000 for any single act or failure
 to act.

5 (2) SEPARATE VIOLATIONS.—A violation of this 6 section with respect to the customer proprietary net-7 work information of 1 person shall be treated as a 8 separate violation from a violation with respect to 9 the customer proprietary network information of any 10 other person.

(e) LIMITATION.—Nothing in this Act or section 222
of the Communications Act of 1934 (47 U.S.C. 222) authorizes a subscriber to bring a civil action against a telecommunications carrier or an IP-enabled voice service provider.

16 (f) DEFINITIONS.—In this section:

17 (1) CUSTOMER PROPRIETARY NETWORK INFOR18 MATION.—The term "customer proprietary network
19 information" has the meaning given that term by
20 section 222(i)(1) of the Communications Act of
21 1934 (47 U.S.C. 222(i)(1)).

(2) IP-ENABLED VOICE SERVICE.—The term
"IP-enabled voice service" has the meaning given
that term by section 222(i)(8) of the Communications Act of 1934 (47 U.S.C. 222(i)(8)).

1	(3) TELECOMMUNICATIONS CARRIER.—The
2	term "telecommunications carrier" has the meaning
3	given it by section 3(44) of the Communications Act
4	of 1934 (47 U.S.C. 3(44)).
5	SEC. 3. ENHANCED CONFIDENTIALITY PROCEDURES.
6	(a) IN GENERAL.—Within 180 days after the date
7	of enactment of this Act, the Federal Communications
8	Commission shall—
9	(1) revise or supplement its regulations, to the
10	extent the Commission determines it is necessary, to
11	require a telecommunications carrier or IP-enabled
12	voice service provider—
13	(Λ) to ensure the security and confiden-
14	tiality of customer proprietary network informa-
15	tion (as defined in section $222(i)(1)$ of the
16	Communications Act of 1934 (47 U.S.C.
17	222(i)(1))),
18	(B) to protect such customer proprietary
19	network information against threats or hazards
20	to its security or confidentiality; and
21	(C) to protect customer proprietary net-
22	work information from unauthorized access or
23	use that could result in substantial harm or in-

(2) ensure that any revised or supplemental
 regulations are similar in scope and structure to the
 Federal Trade Commission's regulations in part 314
 of title 16, Code of Federal Regulations, taking into
 consideration the differences between financial infor mation and customer proprietary network informa tion.

8 (b)COMPLIANCE CERTIFICATION.—Each tele-9 communications carrier and IP-enabled voice service pro-10 vider to which the regulations under subsection (a) and section 222 of the Communications Act of 1934 (47 11 U.S.C. 222) apply shall file with the Commission annually 12 a certification that, for the period covered by the filing, 13 it has been in compliance with those requirements. 14

15 SEC. 4. PENALTIES; EXTENSION OF CONFIDENTIALITY RE-

16

QUIREMENTS TO OTHER ENTITIES.

17 (a) PENALTIES.—Title V of the Communications Act
18 of 1934 (47 U.S.C. 501 et seq.) is amended by inserting
19 after section 508 the following:

20 "SEC. 509. PENALTIES FOR CONFIDENTIAL CUSTOMER PRO-

21 PRIETARY NETWORK INFORMATION VIOLA-

22 TIONS.

23 <u>"(a) CIVIL FORFEITURE.</u>

24 <u>"(1)</u> IN GENERAL.—Any telecommunications
25 carrier or IP-enabled voice service provider that is

1 determined by the Commission, in accordance with 2 paragraphs (3) and (4) of section 503(b), to have 3 violated section 222 of this Act shall be liable to the 4 United States for a forfeiture penalty. A forfeiture 5 penalty under this subsection shall be in addition to 6 any other penalty provided for by this Act. The 7 amount of the forfeiture penalty determined under this subsection shall not exceed \$30,000 for each 8 9 violation, or 3 times that amount for each day of a 10 continuing violation, except that the amount as-11 sessed for any continuing violation shall not exceed 12 a total of \$3,000,000 for any single act or failure to 13 act.

14 "(2) RECOVERY.—Any forfeiture penalty deter15 mined under paragraph (1) shall be recoverable pur16 suant to section 504(a) of this Act.

17 "(3) PROCEDURE.—No forfeiture liability shall
18 be determined under paragraph (1) against any per19 son unless such person receives the notice required
20 by section 503(b)(3) or section 503(b)(4) of this
21 Act.

22 <u>"(4)</u> 2-YEAR STATUTE OF LIMITATIONS.—No
23 forfeiture penalty shall be determined or imposed
24 against any person under paragraph (1) if the viola25 tion charged occurred more than 2 years prior to the

date of issuance of the required notice or notice or
 apparent liability.

3 "(b) CRIMINAL FINE.—Any person who willfully and 4 knowingly violates section 222 of this Act shall upon con-5 viction thereof be fined not more than \$30,000 for each violation, or 3 times that amount for each day of a con-6 7 tinuing violation, in lieu of the fine provided by section 8 501 for such a violation. This subsection does not super-9 sede the provisions of section 501 relating to imprison-10 ment or the imposition of a penalty of both fine and imprisonment.". 11

12 (b) EXTENSION OF CONFIDENTIALITY REQUIRE13 MENTS TO IP-ENABLED VOICE SERVICE PROVIDERS.
14 Section 222 of the Communications Act of 1934 (47)
15 U.S.C. 222) is amended—

16 (1) by inserting "or IP-enabled voice service
17 provider" after "telecommunications carrier" each
18 place it appears except in subsections (e) and (g);

19 (2) by inserting "or IP-enabled voice service
20 provider" after "exchange service" in subsection (g);
21 (3) by striking "telecommunication carriers"
22 each place it appears in subsection (a) and inserting
23 "telecommunications carriers or IP-enabled voice
24 service providers";

1	(4) by inserting "or provider" after "carrier" in
2	subsection $(d)(2)$, paragraphs $(1)(A)$ and (B) and
3	(3)(A) and (B) of subsection (i) (as redesignated);
4	(5) by inserting "or providers" after "carriers"
5	in subsection $(d)(2)$; and
6	(6) by inserting "AND IP-ENABLED VOICE
7	SERVICE PROVIDER" after "CARRIER" in the cap-
8	tion of subsection (c).
9	(c) DEFINITION.—Section 222(h) of the Communica-
10	tions Act of 1934 (47 U.S.C. 222(h)) is amended by add-
11	ing at the end the following:
12	"(8) IP-ENABLED VOICE SERVICE.—The term
13	'IP-enabled voice service' means the provision of
14	real-time 2-way voice communications offered to the
15	public, or such classes of users as to be effectively
16	available to the public, transmitted through cus-
17	tomer premises equipment using TCP/IP protocol,
18	or a successor protocol, for a fee (whether part of
19	a bundle of services or separately) with interconnec-
20	tion capability such that the service can originate
21	traffic to, or terminate traffic from, the public
22	switched telephone network.".
23	(d) Telecommunications Carrier and IP-En-

23 (d) TELECOMMUNICATIONS CARRIER AND IP-EN24 ABLED VOICE SERVICE PROVIDER NOTIFICATION RE-

QUIREMENT.—Section 222 of the Communications Act of
 1934 (47 U.S.C. 222), is further amended—

- 3 (1) by redesignating subsection (h) as sub-4 section (i); and
- 5 (2) by inserting after subsection (g) the fol6 lowing new subsection:

7 "(h) NOTICE OF VIOLATIONS.—The Commission 8 shall by regulation require each telecommunications car-9 rier or IP-enabled voice service provider to notify a cus-10 tomer within 14 calendar days of any incident of which such telecommunications carrier or IP-enabled voice serv-11 ice provider becomes or is made aware in which customer 12 proprietary network information relating to such customer 13 is disclosed to someone other than the customer in viola-14 15 tion of this section or section 2 of the Protecting Consumer Phone Records Act.". 16

17 SEC. 5. ENFORCEMENT BY FEDERAL TRADE COMMISSION.

(a) IN GENERAL.—Except as provided in sections 6
and 7 of this Act, section 2 of this Act shall be enforced
by the Federal Trade Commission.

(b) VIOLATION TREATED AS AN UNFAIR OR DECEPTIVE ACT OR PRACTICE.—Violation of section 2 shall be
treated as an unfair or deceptive act or practice proscribed
under a rule issued under section 18(a)(1)(B) of the Federal Trade Commission Act (15 U.S.C. 57a(a)(1)(B)).

1 (c) ACTIONS BY THE COMMISSION.—The Commission shall prevent any person from violating this Act in the 2 same manner, by the same means, and with the same ju-3 risdiction, powers, and duties as though all applicable 4 5 terms and provisions of the Federal Trade Commission Act (15 U.S.C. 41 et seq.) were incorporated into and 6 7 made a part of this Act. Any person that violates section 8 2 is subject to the penalties and entitled to the privileges 9 and immunities provided in the Federal Trade Commis-10 sion Act in the same manner, by the same means, and 11 with the same jurisdiction, powers, and duties as though 12 all applicable terms and provisions of the Federal Trade 13 Commission Act were incorporated into and made a part of this Act. 14

15 SEC. 6. CONCURRENT ENFORCEMENT BY FEDERAL COM-16 MUNICATIONS COMMISSION.

17 (a) IN GENERAL.—The Federal Communications
18 Commission shall have concurrent jurisdiction to enforce
19 section 2.

20 (b) PENALTY; PROCEDURE.—For purposes of en21 forcement of that section by the Commission—

22 (1) a violation of section 2 of this Act is
23 deemed to be a violation of a provision of the Com24 munications Act of 1934 (47 U.S.C. 151 et seq.)

rather than a violation of the Federal Trade Com mission Act; and

3 (2) the provisions of section 509(a)(2), (3), and
4 (4) of the Communications Act of 1934 shall apply
5 to the imposition and collection of the civil penalty
6 imposed by section 2 of this Act as if it were the
7 civil penalty imposed by section 509(a)(1) of that
8 Act.

9 SEC. 7. ENFORCEMENT BY STATES.

10 (a) IN GENERAL.—The chief legal officer of a State 11 may bring a civil action, as parens patriae, on behalf of 12 the residents of that State in an appropriate district court of the United States to enforce section 2 or to impose the 13 eivil penalties for violation of that section, whenever the 14 15 chief legal officer of the State has reason to believe that the interests of the residents of the State have been or 16 17 are being threatened or adversely affected by a violation of this Act or a regulation under this Act. 18

19 (b) NOTICE.—The chief legal officer of a State shall 20 serve written notice on the Federal Trade Commission and 21 the Federal Communications Commission of any civil ac-22 tion under subsection (a) prior to initiating such civil ac-23 tion. The notice shall include a copy of the complaint to 24 be filed to initiate such civil action, except that if it is 25 not feasible for the State to provide such prior notice, the

State shall provide such notice immediately upon insti tuting such civil action.

- 3 (c) AUTHORITY TO INTERVENE.—Upon receiving the
 4 notice required by subsection (b), either Commission may
 5 intervene in such civil action and upon intervening—
- 6 (1) be heard on all matters arising in such civil
 7 action; and
- 8 (2) file petitions for appeal of a decision in such
 9 eivil action.

10 (d) CONSTRUCTION.—For purposes of bringing any 11 eivil action under subsection (a), nothing in this section 12 shall prevent the chief legal officer of a State from exer-13 eising the powers conferred on that officer by the laws of 14 such State to conduct investigations or to administer oaths 15 or affirmations or to compel the attendance of witnesses 16 or the production of documentary and other evidence.

17 (e) VENUE; SERVICE OF PROCESS.

18 (1) VENUE. An action brought under sub19 section (a) shall be brought in a district court of the
20 United States that meets applicable requirements re21 lating to venue under section 1391 of title 28,
22 United States Code.

23 (2) SERVICE OF PROCESS.—In an action
24 brought under subsection (a)—

1(A) process may be served without regard2to the territorial limits of the district or of the3State in which the action is instituted; and

4 (B) a person who participated in an alleged violation that is being litigated in the civil
6 action may be joined in the civil action without
7 regard to the residence of the person.

8 (f) LIMITATION ON STATE ACTION WHILE FEDERAL ACTION IS PENDING.-If either Commission has insti-9 10 tuted an enforcement action or proceeding for violation of section 2 of this Act, the chief legal officer of the State 11 12 in which the violation occurred may not bring an action under this section during the pendency of the proceeding 13 14 against any person with respect to whom the Commission 15 has instituted the proceeding.

16 SEC. 8. PREEMPTION OF STATE LAW.

17 (a) PREEMPTION.—Section 2 and the regulations
18 prescribed pursuant to section 3 of this Act and section
19 222 of the Communications Act of 1934 (47 U.S.C. 222)
20 and the regulations prescribed thereunder preempt any—

(1) statute, regulation, or rule of any State or
political subdivision thereof that requires a telecommunications carrier or provider of IP-enabled
voice service to develop, implement, or maintain procedures for protecting the confidentiality of customer

proprietary network information (as defined in seetion 222(i)(1) of the Communications Act of 1934 (47 U.S.C. 222(i)(1))) held by that telecommunieations carrier or provider of IP-enabled voice service, or that restricts or regulates a carrier's or provider's ability to use, disclose, or permit access to such information; and

8 (2) any such statute, regulation, or rule, or ju-9 dicial precedent of any State court under which li-10 ability is imposed on a telecommunications carrier or 11 provider of IP-enabled voice service for failure to 12 comply with any statute, regulation, or rule de-13 scribed in paragraph (1) or with the requirements of 14 section 2 or the regulations prescribed pursuant to 15 section 3 of this Act or with section 222 of the Com-16 munications Act of 1934 or the regulations pre-17 scribed thereunder.

18 (b) LIMITATION ON PREEMPTION.—This Act shall
19 not be construed to preempt the applicability of—

20 (1) State laws that are not specific to the mat21 ters described in subsection (a), including State con22 tract or tort law; or

23 (2) other State laws to the extent those laws re24 late to acts of fraud or computer crime.

1 SEC. 9. CONSUMER OUTREACH AND EDUCATION.

2 (a) IN GENERAL.—Within 180 days after the date 3 of enactment of this Act, the Federal Trade Commission and Federal Communications Commission shall jointly es-4 5 tablish and implement a media and distribution campaign to teach the public about the protection afforded customer 6 7 proprietary network information under this Act, the Federal Trade Commission Act and the Communications Act 8 9 of 1934.

10 (b) CAMPAIGN REQUIREMENTS.—The campaign 11 shall—

12 (1) promote understanding of—

13 (A) the problem concerning the theft and
14 misuse of customer proprietary network infor15 mation;

16 (B) available methods for consumers to
 17 protect their customer proprietary network in 18 formation; and

19(C) efforts undertaken by the Federal20Trade Commission and the Federal Commu-21nications Commission to prevent the problem22and seek redress where a breach of security in-23volving customer proprietary network informa-24tion has occurred; and

25 (2) explore various distribution platforms to ac26 complish the goal set forth in paragraph (1).

	10
1	SECTION 1. SHORT TITLE; TABLE OF CONTENTS.
2	(a) SHORT TITLE.—This Act may be cited as the "Pro-
3	tecting Consumer Phone Records Act".
4	(b) TABLE OF CONTENTS.—The table of contents for
5	this Act is as follows:
	 Sec. 1. Short title; table of contents. Sec. 2. Unauthorized acquisition, use, or sale of confidential customer proprietary network telephone information. Sec. 3. Enhanced confidentiality procedures. Sec. 4. Penalties; extension of confidentiality requirements to other entities. Sec. 5. Enforcement by Federal Trade Commission. Sec. 6. Concurrent enforcement by Federal Communications Commission. Sec. 7. Enforcement by States. Sec. 8. Preemption of State law. Sec. 9. Consumer outreach and education.
6	SEC. 2. UNAUTHORIZED ACQUISITION, USE, OR SALE OF
7	CONFIDENTIAL CUSTOMER PROPRIETARY
8	NETWORK TELEPHONE INFORMATION.
9	(a) IN GENERAL.—It is unlawful for any person—
10	(1) to acquire or use the customer proprietary
11	network information of another person without that
12	person's affirmative written consent, which shall in-
13	clude electronic consent that meets the requirements of
14	the Electronic Signatures in Global and National
15	Commerce Act (15 U.S.C. 7001 et seq.);
16	(2) to misrepresent that another person has con-
17	sented to the acquisition or use of such other person's
18	customer proprietary network information in order to
19	acquire such information;
20	(3) to obtain unauthorized access to the data
21	processing system or records of a telecommunications

1	carrier or an IP-enabled voice service provider in
2	order to acquire the customer proprietary network in-
3	formation of 1 or more other persons;
4	(4) to sell, or offer for sale, customer proprietary
5	network information; or
6	(5) to request that another person obtain cus-
7	tomer proprietary network information from a tele-
8	communications carrier or IP-enabled voice service
9	provider, knowing that the other person will obtain
10	the information from such carrier or provider in any
11	manner that is unlawful under subsection (a).
12	(b) Exceptions.—
13	(1) Application with section 222 of Commu-
14	NICATIONS ACT OF 1934.—This Act does not prohibit
15	a telecommunications carrier or an IP-enabled voice
16	service provider or any third party that lawfully ob-
17	tains such information from a carrier or provider
18	from engaging in any act or practice that was not
19	prohibited by section 222 of the Communications Act
20	of 1934 (47 U.S.C. 222) or regulations that are con-
21	sistent with the provisions of section 222, as that sec-
22	tion and those regulations were in effect on the day
23	before the date of enactment of this Act.
24	(2) Application of other laws.—This Act

25 does not prohibit any act or practice otherwise au-

1	thorized by law, including any lawfully authorized
2	investigative, protective, or intelligence activity of a
3	law enforcement agency or the United States, a State,
4	or a political subdivision of a State, or an intel-
5	ligence agency of the United States.
6	(3) TREATMENT OF IP-ENABLED VOICE SERVICE
7	PROVIDERS.—For purposes of this section, an IP-en-
8	abled voice service provider shall be treated as if it
9	were a telecommunications carrier covered by section
10	222 of the Communications Act of 1934 (47 U.S.C.
11	222) before the date of enactment of this Act.
12	(4) CALLER ID.—Nothing in this Act prohibits
13	the use of caller identification services by any person
14	to identify the originator of telephone calls received by
15	that person.
16	(c) Private Right of Action for Providers.—
17	(1) IN GENERAL.—A telecommunications carrier
18	or IP-enabled voice service provider may bring a civil
19	action in an appropriate State court, or in any
20	United States district court that meets applicable re-
21	quirements relating to venue under section 1391 of
22	title 28, United States Code, or for any judicial dis-
23	trict in which the carrier or service provider resides
24	or conducts business—

1	(A) based on a violation of this section or
2	the regulations prescribed under this section to
3	enjoin such violation;
4	(B) to recover for actual monetary loss from
5	such a violation, or to receive \$11,000 in dam-
6	ages for each such violation, whichever is greater;
7	01*
8	(C) both.
9	(2) TREBLE DAMAGES.—If the court finds that
10	the defendant willfully or knowingly violated this sec-
11	tion or the regulations prescribed under this section,
12	the court may, in its discretion, increase the amount
13	of the award to an amount equal to not more than
14	3 times the amount available under paragraph (1) of
15	this subsection.
16	(3) INFLATION ADJUSTMENT.—The \$11,000
17	amount in paragraph $(1)(B)$ shall be adjusted for in-
18	flation as if it were a civil monetary penalty, as de-
19	fined in section 3(2) of the Federal Civil Penalties In-
20	flation Adjustment Act of 1996 (28 U.S.C. 2461 note).
21	(d) Private Right of Action for Consumers.—
22	(1) IN GENERAL.—An individual who has been
23	caused harm as a result of their confidential propri-
24	etary network information being obtained, used, or
25	sold in violation of this section may file a civil action

in any court of competent jurisdiction against the
 person who caused the harm as a result of a violation
 of this section.

4 (2) REMEDIES.—A court in which such civil ac-5 tion has been brought may award damages of not 6 more than \$11,000 for each violation of this section 7 with respect to the plaintiff's customer proprietary 8 network information and provide such additional re-9 lief as the court deems appropriate, including the 10 award of court costs, investigative costs, and reason-11 able attorney's fees.

(3) TREBLE DAMAGES.—If the court finds that
the defendant willfully or knowingly violated this section or the regulations prescribed under this section,
the court may, in its discretion, increase the amount
of the award to not more than 3 times the damages
determined by the court under paragraph (2).

18 (4) INFLATION ADJUSTMENT.—The \$11,000
19 amount in paragraph (2) shall be adjusted for infla20 tion as if it were a civil monetary penalty, as defined
21 in section 3 (2) of the Federal Civil Penalties Infla22 tion Adjustment Act of 1996 (28 USC 2461 note).

23 (e) CIVIL PENALTY.—

24 (1) IN GENERAL.—Any person who violates this
25 section shall be subject to a civil penalty of not more

than \$11,000 for each violation or each day of a con tinuing violation, except that the amount assessed for
 any continuing violation shall not exceed a total of
 \$11,000,000 for any single act or failure to act.

5 (2) SEPARATE VIOLATIONS.—A violation of this 6 section with respect to the customer proprietary net-7 work information of 1 person shall be treated as a 8 separate violation from a violation with respect to the 9 customer proprietary network information of any 10 other person.

(f) LIMITATION.—Nothing in this Act or section 222
of the Communications Act of 1934 (47 U.S.C. 222) authorizes a subscriber to bring a civil action against a telecommunications carrier or an IP-enabled voice service provider.

16 (g) DEFINITIONS.—In this section:

17 (1) CUSTOMER PROPRIETARY NETWORK INFOR18 MATION.—The term "customer proprietary network
19 information" has the meaning given that term by sec20 tion 222(i)(1) of the Communications Act of 1934 (47)
21 U.S.C. 222(i)(1)).

(2) IP-ENABLED VOICE SERVICE.—The term "IPenabled voice service" has the meaning given that
term by section 222(i)(8) of the Communications Act
of 1934 (47 U.S.C. 222(i)(8)).

1	(3) Telecommunications carrier.—The term
2	"telecommunications carrier" has the meaning given
3	it by section 3(44) of the Communications Act of 1934
4	(47 U.S.C. 3(44)).
5	SEC. 3. ENHANCED CONFIDENTIALITY PROCEDURES.
6	(a) IN GENERAL.—Within 180 days after the date of
7	enactment of this Act, the Federal Communications Com-
8	mission shall—
9	(1) revise or supplement its regulations, to the
10	extent the Commission determines it is necessary, to
11	require a telecommunications carrier or IP-enabled
12	voice service provider to protect—
13	(A) the security and confidentiality of cus-
14	tomer proprietary network information (as de-
15	fined in section $222(i)(1)$ of the Communications
16	Act of 1934 (47 U.S.C. 222(i)(1))), and
17	(B) customer proprietary network informa-
18	tion against any anticipated threats or hazards
19	to its security or confidentiality; and
20	(C) customer proprietary network informa-
21	tion from unauthorized access or use that could
22	result in substantial harm or inconvenience to
23	its customers, and
24	(2) ensure that any revised or supplemental reg-
25	ulations are similar in scope and structure to the

Federal Trade Commission's regulations in part 314
 of title 16, Code of Federal Regulations, as such regu lations are in effect on the date of enactment of this
 Act, taking into consideration the differences between
 financial information and customer proprietary net work information.

7 (b) COMPLIANCE CERTIFICATION.—Each telecommuni8 cations carrier and IP-enabled voice service provider to
9 which the regulations under subsection (a) and section 222
10 of the Communications Act of 1934 (47 U.S.C. 222) apply
11 shall file with the Commission annually a certification that,
12 for the period covered by the filing, it has been in compli13 ance with those requirements.

14 SEC. 4. PENALTIES; EXTENSION OF CONFIDENTIALITY RE15 QUIREMENTS TO OTHER ENTITIES.

16 (a) PENALTIES.—Title V of the Communications Act
17 of 1934 (47 U.S.C. 501 et seq.) is amended by inserting
18 after section 508 the following:

19 "SEC. 509. PENALTIES FOR CONFIDENTIAL CUSTOMER PRO-

20

PRIETARY NETWORK INFORMATION VIOLA-

- 21 **TIONS.**
- 22 "(a) CIVIL FORFEITURE.—

23 "(1) IN GENERAL.—Any person determined by
24 the Commission, in accordance with paragraphs (3)

25 and (4) of section 503(b), to have violated section 2

1	of the Protecting Consumer Phone Records Act shall
2	be liable to the United States for a forfeiture penalty.
3	A forfeiture penalty under this subsection shall be in
4	addition to any other penalty provided for by this
5	Act. The amount of the forfeiture penalty determined
6	under this subsection shall not exceed \$30,000 for each
7	violation, or 3 times that amount for each day of a
8	continuing violation, except that the amount assessed
9	for any continuing violation shall not exceed a total
10	of \$3,000,000 for any single act or failure to act.
11	"(2) RECOVERY.—Any forfeiture penalty deter-
12	mined under paragraph (1) shall be recoverable pur-
13	suant to section 504(a) of this Act.
14	"(3) PROCEDURE.—No forfeiture liability shall
15	be determined under paragraph (1) against any per-
16	son unless such person receives the notice required by
17	section $503(b)(3)$ or section $503(b)(4)$ of this Act.
18	"(4) 2-year statute of limitations.—No for-
19	feiture penalty shall be determined or imposed
20	against any person under paragraph (1) if the viola-
21	tion charged occurred more than 2 years prior to the
22	date of issuance of the required notice or notice or ap-
23	parent liability.
24	"(b) CRIMINAL FINE.—Any person who willfully and
25	knowingly violates section 2 of the Protecting Consumer

Phone Records Act shall upon conviction thereof be fined
 not more than \$30,000 for each violation, or 3 times that
 amount for each day of a continuing violation, in lieu of
 the fine provided by section 501 for such a violation. This
 subsection does not supersede the provisions of section 501
 relating to imprisonment or the imposition of a penalty
 of both fine and imprisonment.".

8 (b) EXTENSION OF CONFIDENTIALITY REQUIREMENTS
9 TO IP-ENABLED VOICE SERVICE PROVIDERS.—Section 222
10 of the Communications Act of 1934 (47 U.S.C. 222) is
11 amended—

(1) by inserting "or IP-enabled voice service provider" after "telecommunications carrier" each place
it appears except in subsections (e) and (g);

(2) by inserting "or IP-enabled voice service provider" after "exchange service" in subsection (g);

17 (3) by striking "telecommunication carriers"
18 each place it appears in subsection (a) and inserting
19 "telecommunications carriers or IP-enabled voice
20 service providers";

21 (4) by inserting "or provider" after "carrier" in
22 subsection (d)(2), paragraphs (1)(A) and (B) and
23 (3)(A) and (B) of subsection (h);

24 (5) by inserting "or providers" after "carriers"
25 in subsection (d)(2);

(6) by inserting "AND IP-ENABLED VOICE SERV ICE PROVIDER" after "CARRIER" in the caption of
 subsection (b);

4 (7) by inserting "or IP-enabled voice service"
5 after "service" in subsection (h)(1)(A); and

6 (8) by striking "telephone exchange service or
7 telephone toll service" in subsection (h)(1)(B) and in8 serting "telephone exchange service, telephone toll
9 service, or IP-enabled voice service".

10 (c) DEFINITION.—Section 222(h) of the Communica11 tions Act of 1934 (47 U.S.C. 222(h)) is amended by adding
12 at the end the following:

13 "(8) IP-ENABLED VOICE SERVICE.—The term 14 'IP-enabled voice service' means the provision of real-15 time 2-way voice communications offered to the pub-16 lic, or such classes of users as to be effectively avail-17 able to the public, transmitted through customer 18 premises equipment using TCP/IP protocol, or a suc-19 cessor protocol, for a fee (whether part of a bundle of 20 services or separately) with interconnection capability 21 such that the service can originate traffic to, or termi-22 nate traffic from, the public switched telephone net-23 work.".

24 (d) TELECOMMUNICATIONS CARRIER AND IP-ENABLED
25 VOICE SERVICE PROVIDER NOTIFICATION REQUIRE-

	29
1	MENT.—Section 222 of the Communications Act of 1934 (47
2	U.S.C. 222), is further amended—
3	(1) by redesignating subsection (h) as subsection
4	(i);
5	(2) by inserting after subsection (g) the following
6	new subsection:
7	"(h) Notice of Violations.—
8	"(1) IN GENERAL.—The Commission shall by
9	regulation require each telecommunications carrier or
10	IP-enabled voice service provider to notify a customer
11	within 14 calendar days after the carrier or provider
12	is notified of, or becomes aware of, an incident in
13	which customer proprietary network information re-
14	lating to such customer was disclosed to someone other
15	than the customer in violation of this section or sec-
16	tion 2 of the Protecting Consumer Phone Records Act.
17	"(2) LAW ENFORCEMENT AND HOMELAND SECU-
18	RITY RELATED DELAYS.—Notwithstanding paragraph
19	(1), a telecommunications carrier or IP-enabled voice
20	service provider may delay the required notification
21	for a reasonable period of time if—
22	"(A) a Federal or State law enforcement
23	agency determines that giving notice within the
24	14-day period would materially impede a civil
25	or criminal investigation; or

1	"(B) a Federal national security agency or
2	the Department of Homeland Security deter-
3	mines that giving notice within the 14-day pe-
4	riod would threaten national or homeland secu-
5	rity."; and
6	(3) by striking "information." in paragraph (1)
7	of subsection (i), as redesignated, and inserting "in-
8	formation nor does it include information that is re-
9	lated to non-voice service features bundled with IP-en-
10	abled voice service.".
11	(e) Statute of Limitations.—Section 503(b)(6)(B)
12	of the Communications Act of 1934 (47 U.S.C.
13	503(b)(6)(B)) is amended to read as follows:
14	"(B) such person does not hold a broadcast
15	station license issued under title III of this Act
16	and—
17	"(i) the person is charged with vio-
18	lating section 222 and the violation oc-
19	curred more than 2 years prior to the date
20	of issuance of the required notice or notice
21	of apparent liability; or
22	"(ii) the person is charged with vio-
23	lating any other provision of this Act and

1 prior to the date of issuance of the required 2 notice or notice of apparent liability.". 3 (f) Application of Cable Subscriber Privacy 4 Rules to IP-enabled Voice Service Providers.—Sec-5 tion 631 of the Communications Act of 1934 (47 U.S.C. 6 551) is amended by adding at the end the following: 7 "(i) CUSTOMER PROPRIETARY NETWORK INFORMA-8 TION.—This section does not apply to customer proprietary 9 network information (as defined in section 222(i)(1) of this Act) as it relates to the provision of IP-enabled voice service 10 11 (as defined in section 222(i)(8) of this Act) by a cable operator to the extent that section 222 of this Act and section 12 2 of the Protecting Consumer Phone Records Act applies 13 14 to such information.". 15 (q) Consumer Control of Wireless Phone Num-

16 BERS.—Section 222 of the Communications Act of 1934 (47)
17 U.S.C. 222), as amended by subsection (d), is further
18 amended by adding at the end the following:

19 "(j) WIRELESS CONSUMER PRIVACY PROTECTION.—

20 "(1) IN GENERAL.—A provider of commercial
21 mobile services, or any direct or indirect affiliate or
22 agent of such a provider, may not include the wireless
23 telephone number information of any subscriber in
24 any wireless directory assistance service database un25 less the mobile service provider—

"(A) provides a conspicuous, separate notice
 to the subscriber informing the subscriber of the
 right not to be listed in any wireless directory
 assistance service; and

5 "(B) obtains express prior authorization for 6 listing from such subscriber, separate from any 7 authorization obtained to provide such subscriber 8 with commercial mobile service, or any calling 9 plan or service associated with such commercial 10 mobile service, and such authorization has not 11 been subsequently withdrawn.

12 "(2) COST-FREE DE-LISTING.—A provider of 13 commercial mobile services, or any direct or indirect 14 affiliate or agent of such a provider, shall remove the 15 wireless telephone number information of any sub-16 scriber from any wireless directory assistance service 17 database upon request by that subscriber and without 18 any cost to the subscriber.

19 "(3) PUBLICATION OF DIRECTORIES PROHIB20 ITED.—A provider of commercial mobile services, or
21 any direct or indirect affiliate or agent of such a pro22 vider, may not publish, in printed, electronic, or other
23 form, or sell or otherwise disseminate, the contents of
24 any wireless directory assistance service database, or

1	any portion or segment thereof unless the mobile serv-
2	ice provider—
3	"(A) provides a conspicuous, separate notice
4	to the subscriber informing the subscriber of the
5	right not to be listed; and
6	``(B) obtains express prior authorization for
7	listing from such subscriber, separate from any
8	authorization obtained to provide such subscriber
9	with commercial mobile service, or any calling
10	plan or service associated with such commercial
11	mobile service, and such authorization has not
12	been subsequently withdrawn.
13	"(4) No consumer fee for retaining pri-
14	VACY.—A provider of commercial mobile services may
15	not charge any subscriber for exercising any of the
16	rights described under this subsection.
17	"(5) State and local laws pre-empted.—To
18	the extent that any State or local government imposes
19	requirements on providers of commercial mobile serv-
20	ices, or any direct or indirect affiliate or agent of
21	such providers, that are inconsistent with the require-
22	ments of this subsection, this subsection preempts such
23	State or local requirements.
24	"(6) DEFINITIONS.—In this subsection, the fol-
25	lowing definitions shall apply:

1 "(A) Wireless telephone number in-2 FORMATION.—The term 'wireless telephone number information' means the telephone number, 3 4 electronic address, and any other identifying in-5 formation by which a calling party may reach 6 a subscriber to commercial mobile services, and 7 which is assigned by a commercial mobile service 8 provider to such subscriber, and includes the 9 name and address of such subscriber.

10"(B) WIRELESS DIRECTORY ASSISTANCE11SERVICE.—The term 'wireless directory assist-12ance service' means any service for connecting13calling parties to a subscriber of commercial mo-14bile service when such calling parties themselves15do not possess the wireless telephone number in-16formation of such subscriber.".

17 SEC. 5. ENFORCEMENT BY FEDERAL TRADE COMMISSION.

(a) IN GENERAL.—Except as provided in sections 6
and 7 of this Act, section 2 of this Act shall be enforced
by the Federal Trade Commission with respect to any entity
subject to the jurisdiction of the Commission under section
5(a)(2) of the Federal Trade Commission Act (15 U.S.C.
45(a)(2)).

24 (b) VIOLATION TREATED AS AN UNFAIR OR DECEPTIVE
25 ACT OR PRACTICE.—Violation of section 2 shall be treated

as an unfair or deceptive act or practice proscribed under
 a rule issued under section 18(a)(1)(B) of the Federal Trade
 Commission Act (15 U.S.C. 57a(a)(1)(B)).

4 (c) ACTIONS BY THE COMMISSION.—The Commission 5 shall prevent any person from violating this Act in the same manner, by the same means, and with the same jurisdic-6 7 tion, powers, and duties as though all applicable terms and provisions of the Federal Trade Commission Act (15 U.S.C. 8 9 41 et seq.) were incorporated into and made a part of this 10 Act. Any person that violates section 2 is subject to the penalties and entitled to the privileges and immunities pro-11 12 vided in the Federal Trade Commission Act in the same 13 manner, by the same means, and with the same jurisdiction, powers, and duties as though all applicable terms and 14 15 provisions of the Federal Trade Commission Act were incorporated into and made a part of this Act. Nothing in sec-16 17 tion 2(d) of this Act limits any penalty under the Federal 18 Trade Commission Act as that Act is made applicable to violations of section 2 by the preceding sentence. 19

20 SEC. 6. CONCURRENT ENFORCEMENT BY FEDERAL COMMU-

21 NICATIONS COMMISSION.

(a) IN GENERAL.—The Federal Communications Commission shall have concurrent jurisdiction to enforce section
24 2.

(b) PENALTY; PROCEDURE.—For purposes of enforce ment of that section by the Commission—

3 (1) a violation of section 2 of this Act is deemed 4 to be a violation of a provision of the Communica-5 tions Act of 1934 (47 U.S.C. 151 et seq.) rather than 6 a violation of the Federal Trade Commission Act; and 7 (2) the provisions of section 509(a)(2), (3), and 8 (4) of the Communications Act of 1934 shall apply to 9 the imposition and collection of the civil penalty imposed by section 2 of this Act as if it were the civil 10 11 penalty imposed by section 509(a)(1) of that Act.

12 SEC. 7. ENFORCEMENT BY STATES.

13 (a) IN GENERAL.—The chief legal officer of a State, or any other State officer authorized by law to bring actions 14 15 on behalf of the residents of a State, may bring a civil action, as parens patriae, on behalf of the residents of that 16 17 State in an appropriate district court of the United States 18 to enforce section 2 or to impose the civil penalties for violation of that section, whenever the chief legal officer or other 19 20 State officer has reason to believe that the interests of the 21 residents of the State have been or are being threatened or 22 adversely affected by a violation of this Act or a regulation 23 under this Act.

24 (b) NOTICE.—The chief legal officer or other State offi25 cer shall serve written notice on the Federal Trade Commis-

sion and the Federal Communications Commission of any
 civil action under subsection (a) prior to initiating such
 civil action. The notice shall include a copy of the com plaint to be filed to initiate such civil action, except that
 if it is not feasible for the State to provide such prior notice,
 the State shall provide such notice immediately upon insti tuting such civil action.

8 (c) AUTHORITY TO INTERVENE.—Upon receiving the
9 notice required by subsection (b), either Commission may
10 intervene in such civil action and upon intervening—

(1) be heard on all matters arising in such civil
action; and

13 (2) file petitions for appeal of a decision in such
14 civil action.

15 (d) CONSTRUCTION.—For purposes of bringing any civil action under subsection (a), nothing in this section 16 shall prevent the chief legal officer or other State officer 17 from exercising the powers conferred on that officer by the 18 laws of such State to conduct investigations or to admin-19 ister oaths or affirmations or to compel the attendance of 20 21 witnesses or the production of documentary and other evi-22 dence.

23 (e) VENUE; SERVICE OF PROCESS.—

24 (1) VENUE.—An action brought under subsection
25 (a) shall be brought in a district court of the United

1	States that meets applicable requirements relating to
2	venue under section 1391 of title 28, United States
3	Code.
4	(2) Service of process.—In an action brought
5	under subsection (a)—
6	(A) process may be served without regard to
7	the territorial limits of the district or of the
8	State in which the action is instituted; and
9	(B) a person who participated in an alleged
10	violation that is being litigated in the civil ac-
11	tion may be joined in the civil action without re-
12	gard to the residence of the person.
13	(f) Limitation on State Action While Federal
14	Action Is Pending.—If either Commission has instituted
15	an enforcement action or proceeding for violation of section
16	2 of this Act, the chief legal officer or other State officer
17	of the State in which the violation occurred may not bring
18	an action under this section during the pendency of the pro-
19	ceeding against any person with respect to whom the Com-
20	mission has instituted the proceeding.
21	SEC. 8. PREEMPTION OF STATE LAW.
22	(a) PREEMPTION.—Section 2 and the regulations pre-
23	scribed pursuant to section 3 of this Act and section 222
24	of the Communications Act of 1934 (47 U.S.C. 222) and

25 the regulations prescribed thereunder preempt any—

1 (1) statute, regulation, or rule of any State or 2 political subdivision thereof that requires a tele-3 communications carrier or provider of IP-enabled 4 voice service to develop, implement, or maintain pro-5 cedures for protecting the confidentiality of customer 6 proprietary network information (as defined in sec-7 tion 222(i)(1) of the Communications Act of 1934 (47) 8 U.S.C. 222(i)(1))) held by that telecommunications 9 carrier or provider of IP-enabled voice service, or that 10 restricts or regulates a carrier's or provider's ability 11 to use, disclose, or permit access to such information; 12 and

13 (2) any such statute, regulation, or rule, or judi-14 cial precedent of any State court under which liabil-15 ity is imposed on a telecommunications carrier or 16 provider of IP-enabled voice service for failure to com-17 ply with any statute, regulation, or rule described in 18 paragraph (1) or with the requirements of section 2 19 or the regulations prescribed pursuant to section 3 of 20 this Act or with section 222 of the Communications 21 Act of 1934 or the regulations prescribed thereunder. 22 (b) LIMITATION ON PREEMPTION.—This Act shall not 23 be construed to preempt the applicability of(1) State laws that are not specific to the mat ters described in subsection (a), including State con tract or tort law; or

4 (2) other State laws to the extent those laws re5 late to acts of fraud or computer crime.

6 SEC. 9. CONSUMER OUTREACH AND EDUCATION.

7 (a) IN GENERAL.—Within 180 days after the date of 8 enactment of this Act, the Federal Trade Commission and 9 Federal Communications Commission shall jointly establish and implement a media and distribution campaign to teach 10 11 the public about the protection afforded customer proprietary network information under this Act, the Federal 12 Trade Commission Act and the Communications Act of 13 1934.14

15 (b) CAMPAIGN REQUIREMENTS.—The campaign
16 shall—

17 (1) promote understanding of—

18 (A) the problem concerning the theft and
19 misuse of customer proprietary network informa20 tion;

21 (B) available methods for consumers to pro22 tect their customer proprietary network informa23 tion; and

1	(C) efforts undertaken by the Federal Trade
2	Commission and the Federal Communications
3	Commission to prevent the problem; and
4	(2) explore various distribution platforms to ac-
5	complish the goal set forth in paragraph (1).

 \bigcirc