

# SENATE BILL REPORT

## SB 5868

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As Reported By Senate Committee On:  
Economic Development & Telecommunications, February 28, 2001

**Title:** An act relating to cable subscriber information practices.

**Brief Description:** Restricting information about cable subscribers.

**Sponsors:** Senators Kohl-Welles, Finkbeiner, Costa, Kline, Zarelli, Hargrove, Thibaudeau, Franklin and Kastama.

**Brief History:**

**Committee Activity:** Economic Development & Telecommunications: 2/20/01, 2/28/01 [DPS].

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### SENATE COMMITTEE ON ECONOMIC DEVELOPMENT & TELECOMMUNICATIONS

**Majority Report:** That Substitute Senate Bill No. 5868 be substituted therefor, and the substitute bill do pass.

Signed by Senators T. Sheldon, Chair; B. Sheldon, Vice Chair; Brown, Fairley, Haugen, Rossi and Stevens.

**Staff:** William Bridges (786-7424)

**Background:** The federal Cable Act permits cable operators to collect personally identifiable information about their subscribers in order to do business. This information may not be disclosed to third parties without a subscriber's written or electronic consent. However, cable operators may disclose the name and address of a subscriber if: (1) the subscriber is given an opportunity to stop or limit the disclosure and the subscriber fails to opt-out- and (2) the disclosure does not reveal, directly or indirectly, the extent of any viewing or other use of a cable service by the subscriber or the nature of any transaction made by the subscriber over the cable system.

Some cable customers are concerned that the federal act may not protect information about the particular cable services a subscriber receives. These concerned customers believe, for example, that a cable operator could reveal that a particular subscriber receives the sports package,- which could result in solicitations by sports magazine publishers.

**Summary of Substitute Bill:** Findings. Cable operators collect information that may reflect a subscriber's intimate life, as well as the subscriber's financial status and political and religious beliefs. Cable subscribers expect this information to be kept private.

Definitions. Various terms are defined, including personally identifiable information- and cable service.- Cable service- does not include cable telephone and internet services.

Collecting information. Cable operators may collect personally identifiable information about subscribers to render a cable service or to detect the theft of cable services. Otherwise, cable operators may not collect such information without the written or electronic consent of subscribers.

Protecting information. Cable operators may not disclose personally identifiable information about subscribers without written consent, unless the disclosure is required by state or federal law. In addition, cable operators may disclose the names, addresses, and programming tiers of their subscribers if: (1) the subscribers are given an opportunity to stop or limit the disclosure and they fail to "opt-out" and (2) the disclosure does not reveal, directly or indirectly the viewing preferences of subscribers. Cable operators must provide subscribers an opt-out, self-addressed, postage-paid postcard at the time of entering into a cable agreement.

Providing remedies. A violation of the cable privacy provisions is a violation of the Consumer Protection Act, which provides for fines, treble damages, court costs, and attorneys' fees. In addition, a consumer whose personally identifiable information is illegally collected or disclosed may collect \$1,000 or actual damages, whichever is greater.

**Substitute Bill Compared to Original Bill:** It is clarified that a cable operator shall not disclose personally identifiable information concerning a subscriber unless explicitly required by state or federal law.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** Consumer privacy and identity theft are important issues to the public. Reading and viewing preferences should not be sold for marketing purposes. The privacy notices of some cable companies suggest that they are selling information about the particular services their customers are purchasing. Seattle has a strong cable bill of rights. Residents of the state should have the same protections as the residents of Seattle.

**Testimony Against:** Federal law thoroughly protects cable subscribers. Cable subscribers have far more protection than subscribers of satellite and wireless services. Members of the Broadband Communications Association are not selling personal information to third parties. If there is a problem with individual companies, the association is willing to work with the bill's proponents.

**Testified:** Sen. Kohl-Welles (prime sponsor); Vic Kucera, AT&T (concerns); Ron Main, Broadband Communications Association (con); Jerry Sheehan, ACLU (pro).