



CUBFacts^{Telephone}

Your Privacy and Your Phone Company

Just what information does my phone company have about me?

Your local, long-distance and cellular phone companies document personal information about your calling habits, including the telephone services to which you subscribe, what numbers you call, how often you call them and how much you pay. This information is called Customer Proprietary Network Information (CPNI)—and it's potentially valuable for your phone company and other companies that can use the data to target you for marketing campaigns. That opens the door for a wave of annoying telemarketers.

Can I stop my phone company from selling or sharing that information with other companies?

Yes, and a recent federal ruling has made it a bit easier to protect your private information, although much stronger safeguards still are needed.

The federal Telecommunications Act of 1996 required phone companies to get approval from customers before sharing such information with other parties for marketing purposes. Consumer groups argued that the law meant customers had to give consent to companies to share that information—in other words, consumers had to “opt in” to such marketing plans. However, telecommunications companies argued that the law allowed them to share that information without prior consent—but consumers would have the option to prevent their information from being used, or “opt out” of the marketing plan.

In 1998, the Federal Communications Commission (FCC) sided with consumer advocates and implemented an “opt-in” rule that prevented phone companies from sharing personal information unless a customer gave his or her OK. However, a year later U.S. West (now Qwest Communications International Inc.) successfully challenged the rule in the 10th U.S. Circuit Court of Appeals, leaving customers' personal information vulnerable to abuse.

Then, in 2002, the FCC adopted both an “opt-in” and “opt-out” approach. Under the ruling, the FCC still allows phone companies and their communications-related affiliates to use their customers' personal information to target them for marketing campaigns without first getting their permission. However, the phone company must get express permission before it sells your CPNI to non-communications companies. CUB and other consumer advocates only got half of what they wanted, but the ruling left the door open for individual states to adopt a stronger rule than the FCC.

What can I do to stop my phone company from sharing or selling my information?

Call your local phone company and tell it you don't want it to sell your personal information to other companies. But remember, even if you opt out, your phone company still can use your information to market services to you. Opting out just means that your local phone company, such as SBC/Ameritech or Verizon, will not share the information with its sister corporations or other companies.

Is my phone company ever allowed to share my phone records without notifying me?

Yes. Phone companies are allowed to give out your information in certain situations, such as when law enforcement agencies are acting on court orders, warrants or subpoenas and as part of investigations into fraudulent or abusive use of services.

Phone companies also can provide information to collection agencies about former customer accounts that are unpaid, to competing local phone companies that need access to information about

their customers, and to directory publishers, except information that is nonpublished or unlisted. Companies also can exchange credit information with other carriers, share information with their “contractors” and use such information to survey customers about service quality.

What is CUB?

CUB is a nonprofit utility watchdog group created by the Illinois Legislature in 1983 to fight for the rights of electric, natural gas and telephone utility consumers across the state. If you have a question or complaint regarding your utility, call CUB’s Consumer Hotline, at 1-800-669-5556, for free assistance.