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**GOVERNMENT**

**US Telco Companies Discover the Lost Art of Customer Privacy Notices**



**Robert Plant**, Associate Professor, School of Business Administration, University of Miami  
 7/24/2013  
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**Data Privacy: The 21st Century's Oxymoron?** , was an early topic of discussion on Big Data Republic, centering around the concept of personal data and its attraction to spurious, unauthorized, and boundless analysis by the corporations that collect it. The debate was bifurcated by the Atlantic -- the North American view of data surrounds corporations and the price consumers pay for using their services. The European perspective is that data is principally the preserve of the individual whom that data pertains to.

**Upsetting the status quo**

The US's view led to virtually no oversight; a position where consumers are automatically enrolled in data collection plans with virtually no opt-out options. Across the pond, there is a Data Protection Act with teeth within the EU where consumers have to primarily opt in for data collection and are consulted on its use, access, and disposal.

The status quo was preserved until Mr. Snowden just happened to point out how data was being used on an international stage. Of course, the repercussions are still unraveling and will for quite a while. However, it was interesting to me that two of the largest data collectors in the world, big data at the upper extremes, namely AT&T and Verizon, both emailed me this week to let me know their data privacy policies. As I'm a customer of both companies, it is truly an amazing paradoxical policy transformation by these powerful mega entities, and the coincidence in timing somewhat unsettling.



Verizon, which, unfortunately, was the first company that Mr. Snowden pointed out to the world as collecting meta data related to their subscribers' calls and turning it over to the NSA, was the first to email me. Entitled "IMPORTANT PRIVACY INFORMATION, Customer Proprietary Network Information for Verizon Wireless Account holder," the email described "how certain information may be shared across the Verizon family of companies for marketing purposes."

The email then basically described meta data without actually using the word: "Customer Proprietary Network Information (CPNI) is information made available to us solely by virtue of our relationship with you that relates to the type, quantity, destination, technical configuration, location and amount of use of the telecommunications services you purchase for us, as well as related billing information." The email stressed that the CPNI would not be shared with third parties.

Ultimately, Verizon provided a web-linked button and a 1-800 number to opt out, allowing 30 days to do so. They also said that customers could change their minds and opt back in at any time, and that the CPNI notice did not apply in Arizona. What they failed to add was that "In Arizona, as required by state law, Verizon Wireless does not share your CPNI within the Verizon family of companies unless you provide consent using a form." In other words, you are automatically opted out.

A few days later, AT&T sent me a much nicer email pertaining to "Information regarding your privacy." While basically delivering the same message, it was less austere, was in plain English, and used less abstract techno meta language. AT&T informed the reader that "we will not sell information that identifies you to anyone, for any purpose. Period," and then presented two new programs to manage my privacy choices.

Program One: "External Marketing & Analytics Reports" detailed the company's intent to make reports on aggregated customers available to businesses -- they even provided a mini case example: "For example, we might provide reports to retailers about the number of wireless devices in or near their store locations by time of day and day of week, together with the device users' collective information like ages and gender. This might allow a retailer in your neighborhood to learn more about local consumers as a group, but not about anyone individually, to improve its service." In other words, all that valuable meta data is going to be diced, sliced, and sold, all be it anonymously.

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Interestingly, they did not say they would ever delete it or enable the customer to see what data they have collected.

Program Two: Relevant Advertising including "Wireless Location Characteristics" entails the presentation of mobile and online ads to its customers using their new "wireless location characteristic." While details have not been presented, this presumably means that based upon your particular geographic location, at any one time, you could be sent adverts, so if you're walking past a sports bar and the company knows you subscribe to a sports package on their U-verse cable and stream major league sports to your phone, they could send you an advert or coupon for that bar. AT&T also presented opt-out options and a 30-day time window.

This brings up an interesting discussion point for corporations and executives: How best to approach your consumer with privacy information? Clearly, even though they basically said the same things, AT&T won the day. AT&T's approach was easy to understand, less threatening, and basically asked you to decide what was best for you. The Verizon email was authoritarian, and its tone made you want to delete it rather than read it -- perhaps this was the underlying intent. The click through data and opt-out data would make for interesting analysis, but I doubt they will be revealing this to us their customers.

**Why are we only acting now?**

The discussion point for consumers is: Why did it take Mr. Snowden for us to care? Surely, individual data privacy is worth a few moments of thought and consideration. Consumers can't easily reclaim what was given away, but it can be done with effort. Perhaps at the next shareholder meeting where your pension fund is present, they may raise the point, or it may become a talking point during the next election of public officials.

Finally, perhaps the consumer should be forgiven for having a hard time buying into the sincerity of these type of requests. At the time Verizon was giving away our information to the NSA, they were ranked as the **most trusted US communications company**, and 11th most trusted company overall in the US. AT&T was ranked 2nd in communications and 19th overall. As such, perhaps companies should also understand a reputation is hard won and easily lost, and getting the consumers trust back is just as difficult.

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 AlphaEdge, User Rank: Exabyte Executive  
7/29/2013 | 12:12:30 PM


**Re: Consumer protection groups' role ?**  
en. I see the point. Government needs to solve the problem sooner rather than later.

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 Saul Sherry, User Rank: Blogger  
7/29/2013 | 12:08:44 PM


**Re: Consumer protection groups' role ?**  
A lot will depend on how hard it seems the government pushed the suppliers to give up that info @AlphaEdge - if it seems backhanders were taken at any point, the privacy issue is going to become a lot spikier.

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 AlphaEdge, User Rank: Exabyte Executive  
7/29/2013 | 11:32:23 AM


**Re: Consumer protection groups' role ?**  
Customer privacy issue is definitely worth looking into. This could be a huge issue in the future as it is always.

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 technetronic, User Rank: Blogger  
7/28/2013 | 9:03:06 PM

**Re: What privacy?**  
I don't know if the ship has sailed but perhaps we do need coalitions of people who are more openly working on the problem of privacy lost.


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It's a hard tide to resist when everyone has gotten used to publicly and broadly sharing information tho. Does Facebook really have an advantage when they've trained everyone to be willing to share everything now?

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 a.saji, User Rank: Megabyte Messenger  
7/28/2013 | 9:14:50 AM

**Re: Consumer protection groups' role ?**  
@Waqas: In theoretical it is but it does not happen since they do not provide enough information towards the user to prove it.

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WaqasAltaf, User Rank: Exabyte Executive  
7/27/2013 | 1:34:53 AM

**Consumer protection groups' role ?**

It is a responsibility of Consumer Protection Groups to take up the case against the carrier operators against the irregularities that they have committed. If there are any intentional 'left-outs' in the consumer privacy notices then surely the matter needs to be taken up to the authorities to not only rectify the rights of the consumers but also to ensure that compliance of privacy rights is being made.

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WaqasAltaf, User Rank: Exabyte Executive  
7/27/2013 | 1:09:51 AM

**Re: What privacy?**

Robert, from T-Mobile example and many other European concerns'example, it can be easily concluded that Europeans are more compliant with data privacy rights because of the laws that the region has. US and Asia have been subordinated to corporate power and nobody lets such laws get promulgated and even if the laws find their way, implementation is interfered with.

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Robert Plant, User Rank: Blogger  
7/25/2013 | 12:59:56 PM

**Re: What privacy?**

Exactly, I did not mean that they actually did take the moral high ground, just that they could have or still could.... But rather that their leadership must have a great understanding of the EU position at its core, the fact that the US model of data 'newprivacy' (to use an Orwellian Newspeak 1984 stylized word) takes over their US culture speaks of a potential internal conflict hence their acquiescence to US free for all type data policies, and indicates some what schizophrenic management.

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Ariella, User Rank: Blogger  
7/25/2013 | 12:45:03 PM

**Re: What privacy?**

@Robert but it was T-Mobile that gave Thomas W. Earls' metadata to police without a warrant, leading to the New Jersey Supreme Court Decision that rendered that illegal in its state for him and for all future cases.

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Robert Plant, User Rank: Blogger  
7/25/2013 | 12:39:59 PM

**Re: What privacy?**

Perhaps the reason people tell Target about themselves is because the did not know there was an alternative reality, and the Government who are meant to provide a balanced environment for the citizens and business were clearly lacking in technology insights, the government did not even know what the NSA was doing, so its hardly surprising that we are left at the mercy of the lobbyists and corporations who write their own data charters.

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