

Rep. Jan Schakowsky
Opening Statement
Commerce, Manufacturing, and Trade Subcommittee – Data Security Hearing
January 27, 2015

Thank you, Mr. Chairman, for holding today's important hearing on what to include in a federal legislative approach to the challenges of data security and breach notification. I look forward to our work together in the 114th Congress, and this is a great issue to open with.

Data security is one of the most important issues that this Subcommittee will consider this year. In the State of the Union last week, the President urged us to pass legislation that will better-protect against cyber attacks and identity theft. I look forward to working with the White House and my colleagues on both sides of the aisle to meet that goal.

Since 2005, over 900 million records with personally identifiable information have been compromised. The recent uptick in high profile data breaches – including those of Target, Home Depot, Neiman Marcus, and Michael's – proves two important points:

1. Just about every retailer – and many non-retailers – that we engage with are collecting and storing our personal information – credit card numbers, contact information, and much more.
2. Hackers are growing in number and becoming more sophisticated in their attempts to access that personal information – and they are having more success.

From programming home security systems and thermostats from hundreds of miles away to remembering shopping preferences and account information to connecting friends over the Internet, Americans benefit in many ways from an increasingly data-driven world. But that doesn't mean we should sacrifice our right to have our personal information appropriately protected, or our right to know if and when that data has been compromised.

There are a variety of state laws regarding data security standards and breach notification requirements. However, there are no comprehensive federal standards for appropriate protection of personally-identifiable information. Nor are there federal requirements in place to report data breaches to those whose personal information has been exposed. I firmly believe that legislation to address the data breach threat must include those two safeguards.

It is important to say that no legislation to require data security standards and breach notification will completely eliminate the threat of data breach. That being said, entities that collect and store personal information must take reasonable steps to protect data, and consumers must be informed promptly in the event of a breach.

While I clearly believe the federal government should have a role on data breach, I am concerned about the impacts of federal legislation that would pre-empt state law. Federal preemption could weaken important consumer protections – perhaps even eliminating rights and protections that would not be guaranteed under a federal statute. We must be sure not to weaken the protections consumers expect and deserve. If we include federal preemption, we must ensure that state Attorneys General are able to enforce the law.

I look forward to hearing the views and perspectives of our panel on the federal role in this important issue. I yield back the balance of my time.