



INDEPENDENT REGULATORY REVIEW COMMISSION  
COMMONWEALTH OF PENNSYLVANIA  
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December 24, 1997

Honorable John M. Quain, Chairman  
Pennsylvania Public Utility Commission  
104 North Office Building  
Harrisburg, PA 17120

Re: IRRC Regulation #57-186 (#1894)  
Pennsylvania Public Utility Commission  
Electronic Transaction Auditing of Telephone Customer Proprietary Information

Dear Chairman Quain:

The Independent Regulatory Review Commission (Commission) has enclosed comments on your proposed regulation #57-186. These comments outline areas of concern raised by the Commission. The comments also offer suggestions for your consideration when you prepare the final version of this regulation. These comments should not, however, be viewed as a formal approval or disapproval of the proposed version of this regulation.

If you or you staff have any questions on these comments or desire to meet to discuss them in greater detail, please contact Chuck Tyrrell at 772-3455. He has been assigned to review this regulation.

Sincerely,

A handwritten signature in cursive script, appearing to read "Robert E. Nyce".

Robert E. Nyce  
Executive Director

REN:wbg

cc: John Levin  
Shirley Leming  
Office of General Counsel  
Office of Attorney General  
Pete Tartline

**COMMENTS OF THE INDEPENDENT REGULATORY REVIEW COMMISSION**

**ON**

**PENNSYLVANIA PUBLIC UTILITY COMMISSION REGULATION NO. 57-186**

**ELECTRONIC TRANSACTION AUDITING OF TELEPHONE CUSTOMER  
PROPRIETARY INFORMATION**

**December 24, 1997**

We have reviewed this proposed regulation from the Pennsylvania Public Utility Commission (PUC) and submit for your consideration the following objections and recommendations. Subsections 5.1(h) and 5.1(i) of the Regulatory Review Act specify the criteria the Commission must employ to determine whether a regulation is in the public interest. In applying these criteria, our Comments address issues that relate to the need for the regulation and the reasonableness of the regulation. We recommend that these Comments be carefully considered as you prepare the final-form regulation.

**1. Need for regulation**

The PUC is proposing that in every instance in which customer data is accessed, copied, printed, changed, deleted, or added that a permanent record be kept of this action. In addition, the telephone company will be required to maintain records of when customer information is disclosed to the telephone security department, or security personnel, any government agency, or others outside the telephone companies. The PUC states it is proposing these amendments to address several incidents involving disclosure or improper use of customer information. However, the PUC did not provide any information of these incidents nor the number of incidents.

It is our understanding that the incidents cited by the PUC occurred prior to the implementation of the existing confidential regulations found 52 Pa. Code Sections 63.131 - 63.137. The PUC has not identified how the current regulations do not ensure adequate protection of customer information or how the additional changes will benefit customers of telephone companies. Therefore, we have serious concerns with Sections 63.135(5) and (6).

First, we question the need for the amendments to Section 63.135(5), which will require that the telephone companies maintain records every time customer data is accessed, printed, charged, deleted, or added. This provision will result in the telephone companies having to keep detailed records every time a customer's data is accessed, such as when a customer calls in for a service call or a bill inquiry. We believe this can result in significant cost to telephone companies without providing any benefit. Accordingly, we recommend that the proposed amendments to Section 63.135(5) be deleted.

We also question the need for the amendments to Section 63.135(6) because the current regulations at this section already require the maintenance of records when customer information is used or disclosed. However, we agree that this section lacks clarity with regard to what information should be kept, how long it should be kept, and in what format. Therefore, we recommend the PUC amend Section 63.135(6) to indicate that when records must be made pursuant to this Section, the telephone companies record the following information relating to the use or disclosure of the information:

1. The date of access of records;
2. The name(s) of the telephone companies' employee(s) who accessed the customer information;
3. The customer's name and account number;
4. The name of the individual the information was disclosed to and the affiliation of the individual; and
5. The reason for either accessing or disclosing the information.

## **2. Unreasonable timeframe for record retention**

The regulation requires that telephone companies maintain records indefinitely. The PUC did not explain or justify the need for this retention period. Commentators submitted concerns that an indefinite retention period would be costly and questioned what benefit would occur with this retention period.

We believe maintaining records indefinitely is unreasonable. The PUC needs to determine how long the records would be of value to the PUC, the telephone companies, and customers. We would suggest a maximum of five years, unless the PUC can provide a compelling public need for a longer period.

## **3. Unreasonable requirements for record format**

The regulation requires telephone companies to transfer records to a more current medium when the current format becomes "technologically obsolete." First, the PUC does not define what it means by "technologically obsolete." More importantly, we do not think it is reasonable to require telephone companies to transfer records to a new medium, when the current medium will still allow easy access to information. Therefore, we recommend the regulation simply provide that telephone companies keep records in a format that allows the information to be easily accessible. This will give telephone companies the flexibility to maintain records in a manner that is cost efficient to their operations.