

FACT SHEET: Safeguarding American Consumers & Families

Today, President Obama will build on the steps he has taken to protect American companies, consumers, and infrastructure from cyber threats, while safeguarding privacy and civil liberties. These actions have included the President's 2012 comprehensive blueprint for consumer privacy, the BuySecure initiative—launched last year—to safeguard Americans' financial security, and steps the President took earlier this year by creating a working group of senior administration officials to examine issues related to big data and privacy in public services and the commercial sector.

In an increasingly interconnected world, American companies are also leaders in protecting privacy, taking unprecedented steps to invest in cybersecurity and provide customers with precise control over the privacy of their online content. But as cybersecurity threats and identity theft continue to rise, recent polls show that 9 in 10 Americans feel they have in some way lost control of their personal information — and that can lead to less interaction with technology, less innovation, and a less productive economy.

At the Federal Trade Commission offices today, President Obama will highlight measures he will discuss in the State of the Union and unveil the next steps in his comprehensive approach to enhancing consumers' security, tackling identity theft, and improving privacy online and in the classroom. These steps include:

Improving Consumer Confidence by Tackling Identity Theft

- **The Personal Data Notification & Protection Act:** The President is putting forward a new legislative proposal to help bring peace of mind to the tens of millions of Americans whose personal and financial information has been compromised in a data breach. This proposal clarifies and strengthens the obligations companies have to notify customers when their personal information has been exposed, including establishing a 30-day notification requirement from the discovery of a breach, while providing companies with the certainty of a single, national standard. The proposal also criminalizes illicit overseas trade in identities.
- **Identifying and Preventing Identity Theft:** To give consumers access to one of the best early indicators of identity theft, as well as an opportunity to improve their credit health, JPMorganChase and Bank of America, in partnership with Fair Isaac Corporation (FICO), will join the growing list of firms making credit scores available for free to their consumer card customers. USAA and State Employees' Credit Union will also offer free credit scores to their members, and Ally Financial is further widening the community of companies taking this step by making credit scores available to their auto loan customers. Through this effort over half of all adult Americans with credit scores will now have access to this tool to help spot identity theft, through their banks, card issuers, or lenders.

Safeguarding Student Data in the Classroom and Beyond

- **The Student Digital Privacy Act:** The President is releasing a new legislative proposal designed to provide teachers and parents the confidence they need to enhance teaching and learning with the best technology — by ensuring that data collected in the educational context is used only for educational purposes. This bill, modeled on a landmark California statute, builds on the recommendations of the White House Big Data and Privacy review released earlier this year, would prevent companies from selling student data to third parties for purposes unrelated to the educational mission and from engaging in targeted advertising to students based on data collected in school — while still permitting important research initiatives to improve student learning outcomes, and efforts by companies to continuously improve the effectiveness of their learning technology products.
- **New Commitments from the Private Sector to Help Enhance Privacy for Students:** Today [75 companies](#) have committed to the cause, signing a pledge to provide parents, teachers, and kids themselves with important protections against misuse of their data. This pledge was led by the Future of Privacy Forum and the Software & Information Industry Association, and today the President challenged other companies to follow their lead.
- **New Tools from the Department of Education to Empower Educators Around the Country and Protect Students:** The Department of Education and its Privacy Technical Assurance Center play a critical role in protecting American children from invasions of privacy. Today, we are announcing a forthcoming model terms of service, as well as teacher training assistance that will enhance our ability to help ensure educational data is used appropriately and in accordance with the educational mission.

Convening the Public and Private Sector to Tackle Emerging Privacy Issues

- **Voluntary Code of Conduct for Smart Grid Customer Data Privacy:** Today the Department of Energy and the Federal Smart Grid Task Force are releasing a new Voluntary Code of Conduct (VCC) for utilities and third parties aimed at protecting electricity customer data — including energy usage information. This Code reflects a year of expert and public consultation, including input from industry stakeholders, privacy experts, and the public. As companies begin to sign on, the VCC will help improve consumer awareness, choice and consent, and controls on access.

Promoting Innovation by Improving Consumers Confidence Online

- **Consumer Privacy Bill of Rights Legislation:** Online interactions should be governed by clear principles — principles that look at the context in which data is collected and ensure that users' expectations are not abused. Those were the key themes of the Administration's 2012 *Consumer Privacy Bill of Rights*, and today the Commerce Department announced it has completed its public consultation on revised draft legislation enshrining those principles into law. Within 45 days, the Administration will release this revised legislative proposal and today we call on Congress to begin active consideration of this important issue.

These actions build on steps the President has already taken to support consumer privacy and fight identity theft, including:

- **Making Federal Payments More Secure to Help Drive the Market Forward:** In October, as part of his BuySecure Initiative, the President issued an Executive Order laying out a new policy to secure payments to and from the Federal government by applying chip and PIN technology to newly issued and existing government credit cards, as well as debit cards like Direct Express, and upgrading retail payment card terminals at Federal agency facilities to accept chip and PIN-enabled cards. This accompanied an effort by major companies like Home Depot, Target, Walgreens, and Walmart to roll out secure chip and PIN-compatible card terminals in stores across the country.
- **New Measures to Prevent Identity Theft:** The President also announced new steps by the government to assist victims of identity theft, including supporting the Federal Trade Commission in their development of a new one-stop resource for victims at IdentityTheft.gov and expanding information sharing to ensure Federal investigators' ability to regularly report evidence of stolen financial and other information to companies whose customers are directly affected.