

**Statement Of Senator Patrick Leahy (D-Vt.),
Chairman, Senate Judiciary Committee
Hearing on “Privacy in the Digital Age:
Preventing Data Breaches and Combating Cybercrime”
February 4, 2014**

Today, the Judiciary Committee meets to examine how we can protect Americans from the growing dangers of data breaches and cybercrime in the digital age. Safeguarding American consumers and businesses from data breaches and cybercrime has been a priority of this Committee since 2005. For years, I have worked closely with Members on both sides of the aisle to advance meaningful data privacy legislation. I thank Senator Grassley for working closely with me on this hearing. I hope we can continue working together to advance the Personal Data Privacy and Security Act that I recently reintroduced to protect American consumers.

Like many Americans, I am alarmed by the recent data breaches at Target, Neiman Marcus, and Michaels Stores. The investigations into those cyberattacks are ongoing. Yet, it is already clear that these attacks have compromised the privacy and security of millions of American consumers — potentially putting one in three Americans at risk of identity theft and other cybercrimes.

Public confidence is crucial to our economy. If consumers lose faith in business' ability to protect their personal information, our economic recovery will falter. Unfortunately, in the digital age, major data breaches involving our private information are not uncommon. The threat and dangers of data breaches are also not unique to the retail industry. There have been significant data breaches involving Sony, Epsilon, and Coca-Cola, as well as Federal government agencies, such as the Departments of Veterans Affairs and Energy. In the past few days, we have also learned of data breaches at Yahoo! and White Lodging, the hotel management company for national hotel chains such as Marriott and Starwood.

According to the Privacy Rights Clearinghouse, more than 662 million records have been involved in data breaches since 2005. A 2013 Verizon report also found that there were more than 600 publicly disclosed data breaches just last year.

No one would dispute that businesses need to thoroughly assess the damage when a cyberattack is discovered. But time is of the essence for law enforcement seeking to catch the perpetrators, and also for consumers who want to protect themselves against further exposure. American consumers deserve to know when their private information has been compromised and what a business is doing in response to a cyberattack.

We should remember that the businesses that suffer cyberattacks are also often the victims of a cybercrime. A recent study sponsored by Symantec found that data breaches involving malicious cyberattacks are the most costly data breaches around the globe. The per capita cost of such cyberattacks in the United States was \$277 per compromised record in 2013 — the highest cost for any nation surveyed, according to the report. This high cost is especially alarming in the midst of the fragile economic recovery.

Before the Judiciary Committee today are representatives of Target and Neiman Marcus, as well as Consumers Union and Symantec. Later, we will also hear from the United States Secret Service, the Department of Justice, and the Federal Trade Commission, who are here to provide insight into how our government is protecting American consumers and businesses from the growing threats of data breaches and cybercrime.

In the digital age, Americans face threats to their privacy and security unlike any time before in Nation's our history. I hope that all Members of the Committee will join me in responding to this urgent problem by supporting my data privacy legislation. I thank all of our witnesses for being with us today.

#####