



**Testimony of Joyce Masamitsu
Associate Director of Public Policy for Verizon
Before the
Committee on Transportation
On H.B. 1850
February 8, 2012**

The Honorable Joseph m. Souki
Chairman
Committee on Transportation
Hawaii House of Representatives

Re: *H.B. 1850 -- Driver's Licenses*

Chairman Souki and Members of the Committee:

On behalf of Verizon, I am testifying in opposition to H.B. 1850 as currently constituted, and urge the Committee to defeat this legislation.

Verizon is proud of its service to our customers in Hawaii, where we have invested nearly \$300 million in the network in this State since 2000, and where we have over 300,000 customers. Our main concern is to be able to maintain our existing business operations, and we have concerns that this legislation as constituted would disrupt our ability to scan a driver's license when setting up service, and we use licenses to help identify and protect our customers from potential fraudulent behavior. Our only interest in using license is for verification of our customers.

According to our Retail Operations Team, the machine-readable strip on a customer's driver's license is scanned, which we refer to as "swiping," when a customer first initiates service in a store, and as part of subsequent transactions after the customer's account has been established. For new customers, the driver's license, or other state-issued identification, is swiped so that information can be transmitted for credit check processing. The information from the same swipe populates a new customer record in our billing system which is the basis for the customer's account. Later, when the customer comes into a store to perform a transaction such as an upgrade, since sales representatives are required to verify the customer's identity with a picture ID, the Rep can also swipe the DL in order to update customer information into the account.

The ability to swipe a driver's license versus manually entering the information is a convenience for both our business and the customer. We need to get certain information from the customer, particularly for a credit check. So, whether we swipe the driver's license, or manually enter information from the driver's license, a gathering of the information is required – it's just a matter of how long it will take and how accurate it will be. Manual entry takes longer and is more likely to be inaccurate. We only retain information from the driver's license that we need in order to maintain the account.

The ability to swipe a driver's license allows us to service our customers in the most efficient manner. Since we use the driver's license to verify ID and need to populate our system with information that is required to maintain a customer's account, we are able to streamline processes by scanning a driver's license rather than obtaining information manually. Impeding our ability to do this will negatively impact customers by causing longer wait times and increasing the risk of information being entered into the system incorrectly. For example, an incorrect billing address could result in a customer not receiving a bill.

We only gather information from the driver's license scan that we need to maintain the account - so we are going to get the information regardless of whether or not the information is obtained from a driver's license swipe. But we need the ability to swipe the license for legitimate business purposes and to also verify the customer's identity to protect their account as well.

We are concerned that H.B. 1850 disrupts our ability to pursue these legitimate practices, and urge that the bill be defeated or amended to allow legitimate business practices such as swiping to be exempted.

We thank you for the opportunity to present our concerns in opposition to the bill.

Thank You.