



## Legislation Text

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### Res. No. 559

Resolution supporting United States Senate Bill S.2471, which would regulate the transmission of personally identifiable information to foreign affiliates and subcontractors, as well as to unaffiliated third parties located in a foreign country.

By Council Members Addabbo, Jr., Recchia, Jr. and Gennaro

Whereas, The outsourcing of jobs, also known as offshoring, focuses on the relocation of labor-intensive service industry functions to locations remote from the business center; and

Whereas, Outsourcing involves the transfer of direct managerial responsibility, but not accountability, to an unaffiliated, third-party service provider who performs services previously delivered by internal staff and management; and

Whereas, Outsourcing activities include, but are not limited to, payroll processing, information technology, accounting, auditing, electronic fund transfers, investment management and human resources; and

Whereas, According to an August 2003 report by the McKinsey Global Institute, entitled “Offshoring: Is it a Win-Win Game?,” the prime motivation for outsourcing is a reduction in labor costs; and

Whereas, United States Senate Bill S.2471, introduced by New York Senator Hillary Rodham Clinton on May 20, 2004, entitled the “Safeguarding Americans From Exporting Data Act,” would prohibit business enterprises from disclosing personally identifiable information regarding U.S. residents to any branch, affiliate, subcontractor or unaffiliated third party located in a foreign country unless: (1) the business enterprise provides notice of privacy protections and complies with safeguards described in specified Federal laws, (2) the consumer is given the opportunity to object prior to such disclosure, and (3) the consumer is given an explanation of how to exercise the nondisclosure option; and

Whereas, S.2471 would also make business enterprises that knowingly and directly transfer personally identifiable information to foreign entities liable to persons suffering damages due to the misuse of that information, and would authorize injured parties to file civil actions for violations of the information transmission provisions of the Act; now, therefore, be it

Resolved, That the Council of the City of New York supports United States Senate Bill S.2471, which would regulate the transmission of personally identifiable information to foreign affiliates and subcontractors, as well as to unaffiliated third parties located in a foreign country.

THC - LS #  
9/1/04