

Organization Nominated: NYNEX Issues Council

The Issue: Customer Privacy

1. Description of the Issue:

Numerous profitable products and procedures of the NYNEX family of companies, and particularly its telephone companies, affect the privacy interests of its customers. Examples include Caller ID, unpublished numbers, eavesdropping, E-911 and telephone billing records.

2. Why is this issue important to the organization?

In national and regional research that identifies the major concerns of stakeholders in the telecommunications industry, privacy is consistently identified as their number-one concern. Potential customer demand for products and services that have privacy benefits provides the company with an opportunity to enhance earnings. External stakeholders include resident and business customers, legislators, government regulators as well as community and special-interest groups. Internal stakeholders include various marketing, sales and public affairs groups.

3. At what levels do members of the organization participate in addressing The Issue?

Members of the NYNEX Issues Council communicate directly with government officials, customers and community leaders as well as industry counterparts and marketing and sales executives and managers. We research the issue, debate among ourselves at monthly meetings and off-line conversations what the company position or policy should be, and then communicate and implement that policy.

4. Which constituent groups are affected?

Telephone customers directly, but all stakeholders, particularly marketing and sales groups, government officials and special-interest groups. These later often take an active interest.

5. How are constituent concerns considered and acted upon?

We first identify that consumers are concerned about how their use of the telephone and how others use of the telephone affects their privacy. Then we review existing practices as well as new products and services to assess their impact on privacy. We then discuss and form a corporate policy position, communicate that position to affected parties, whether that be in-house marketing managers determining the service features of a new product, or external constituents, such as regulators or customers.

6. What is the key objective of the issue management program?

To ensure that stakeholder privacy concerns are duly considered, managed and communicated when new products and services are being introduced and to ensure that the corporation's reputation and concern for protecting privacy interests is upheld.

7. Does issue management make a direct contribution to the organizations profitability? If so, how?

Yes, in that the ultimate acceptance or rejection by the marketplace for many of the profitable new services and features NYNEX is introducing hinges on the privacy implications of those services.

8. What are the results?

Internally, and among key stakeholders like state utility regulators, there is a much greater awareness of our company's concern for privacy and that we are proceeding responsibly in the development of new products and services.

**EXPLANATION OF THE NYNEX PRINCIPLES
ON CUSTOMER PRIVACY**

NYNEX recognizes the need for preserving and protecting customer privacy; and has communicated this need to all employees by incorporating a clear statement of privacy principles in its Code of Business Conduct. We recognize that customers expect their privacy to be protected and strive to fulfill those expectations.

NYNEX safeguards the information with which it has been entrusted and uses it only to benefit our customers and meet our obligations to them. Following are the guidelines to which we adhere:

- We do not tamper with or intrude upon any communication. We do not listen to or monitor any conversation or transmission, nor will we divulge the existence of the conversation or transmission, except as required by law or in the proper management of the business.
- We do not disclose information that we may have about a customer as a result of our relationship with that customer, except as required by law or for authorized business-related reasons. This includes information about non-published telephone numbers, credit information and information regarding customers' service and billing records. Accessing such information for personal or non-business-related reasons is strictly forbidden.
- We are vigilant in considering privacy interests of customers whenever new services are being developed. Since privacy expectations may differ among our customer base, we strive to give our customers a choice of options to best conform new services to their privacy needs. Where a new service appears to directly affect an existing privacy expectation, customers will be informed of that potential impact upon the introduction of the service or upon requesting the service, and will be made aware of the options that could serve their needs.
- We support efforts to develop and implement reasonable, economically-feasible technology that gives customers the choice of whether to receive or accept unsolicited calls. While we recognize that many customers seek to avoid telemarketing calls, we also recognize that other customers do wish to receive such calls, that businesses have a right to use the telephone for legitimate purposes and that we do not have the right to control their use of the telephone when used for such purposes. Further, we support direct marketing industry programs that enable customers to have their names removed from telephone solicitation lists, and we strive to see that these customers are not solicited by NYNEX companies.
- We support prohibitions against the transfer or sale of telephone numbers to third parties by business customers to whom such numbers are forwarded by Automatic Number Identification services.

- We do not use any information about a competitor, to which we are privy because of the services we provide to that competitor, in competition with that competitor.

Nomination completed by:
NYNEX