

ARB POLICY STATEMENT

Protecting the Security of Confidential and Personal Information Provided for Participation in the Cap-and-Trade Program

Why is confidential and personal information collected and how is it protected?

Personal information such as a primary residence address and date of birth are collected to administer the Know Your Customer (KYC) provisions of the Cap-and-Trade Regulation (Regulation). These provisions help ensure the security of the Compliance Instrument Tracking System Service (CITSS) by making certain that ARB knows the persons who have access to the CITSS, and if required can take enforcement action if there is inappropriate use of the CITSS. As the Regulation requires that any person applying to participate in the program and accessing the tracking system must comply with the KYC provisions, ARB staff with the ability to take action in the tracking system will be required to comply with the same requirements as participants in the cap-and-trade program.

Security of confidential and personal information is of primary concern and importance to the California Air Resources Board (ARB) and ARB's cap-and-trade program. During the course of implementing the cap-and-trade program, certain personal information is provided to ARB by program participants. ARB has a number of policies and procedures in place to ensure the security of all personal information provided by program participants. Additionally, there are penalties for violating the Information Practices Act, both for an agency, which may be sued, and for an employee, who may be disciplined, including termination, or may be guilty of a misdemeanor, with a penalty of up to a \$5,000 fine and/or one year in jail.

All ARB programs including the cap-and-trade program adhere to the California Air Resources Board Information System (CARBIS) Privacy Policy established for ARB. Details of this policy are available at: www.arb.ca.gov/html/conditions.htm#privacy. ARB's policies require that programs comply with all state and federal regulations that address the maintenance, security, and disclosure of personal information and the protection of privacy. In addition, section 95830(g) of the Regulation explicitly provides that specific information is treated as confidential including information submitted pursuant to the KYC provisions, designation of representatives and agents, and reporting of directors and officers and persons controlling specified voting rights.

Confidential Information Submitted in Hard Copy Format

ARB's cap-and-trade program has established rigorous procedures that pertain to the handling and safeguarding of all personal information submitted under the cap-and-trade program and all information that may be entitled to confidential treatment under California law. These procedures address receipt, storage, access, and disclosure of confidential information.

ARB has also instituted additional physical security measures to protect confidential data including: storage of information in a room for this purpose only with access limited to a small number of staff with card key control access, and structural reinforcement of the storage room to prevent unauthorized access. These strategies ensure that only a small number of authorized staff will ever access files, all access will be recorded and no files will be left in a non-secure location. Regular data review and scheduled and random inspections of all work areas will verify proper execution of these policies.