



UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

Bureau of Consumer Protection

April 8, 2002

Robert E. Hirshon, President
Robert D. Evans, Director, Governmental Affairs
American Bar Association
740 Fifteenth Street, NW
Washington, DC 20005-1022

Dear Mr. Hirshon and Mr. Evans:

I am writing in response to your correspondence regarding the application of Title V, Subtitle A, of the Gramm-Leach-Bliley Act, 15 U.S.C. §§ 6801 *et seq.* ("GLB Act") and the Federal Trade Commission's Rule, Privacy of Consumer Financial Information, 16 CFR § 313 ("the Privacy Rule"), to attorneys at law.

Your letters question the appropriateness and utility of applying the GLB Act's privacy provisions to attorneys engaged in the practice of law. Specifically, you request that the Commission exempt attorneys at law from the application of the Privacy Rule.

We have carefully considered your concerns, and recognize the issues you have raised regarding the application of the GLB Act to attorneys at law. However, there are significant questions as to the legal authority of the Commission to grant the exemption you request.

As you know, the GLB Act itself states that entities engaged in "financial activities" are subject to the Act. Although the Commission has express authority under the GLB Act to grant exceptions, that authority is limited to providing exceptions to the requirements of Section 502. The Act does not provide the Commission with express authority to grant exemptions from the other provisions of the GLB Act, including the initial and annual notice provisions. See GLB Act § 504 (b), 15 U.S.C. 6804 (b).

Sincerely,

A handwritten signature in cursive script, appearing to read "J. Howard Beales".

J. Howard Beales
Director