INSECURITY / Bugged by phone companies / Database debate helping ...I telecom provider / Privacy promises draw more to Working Assets

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While some telephone companies have taken it on the chin lately over allegations of sharing customer phone records with the government, one San Francisco telecommunications business is benefiting from the controversy.

Working Assets, a small long-distance and wireless provider known for its contributions to progressive causes, has enjoyed an increase in subscriptions and added attention lately because of its public promises of customer privacy and its vocal opposition to any sharing of phone records with the National Security Agency.

The company said it signed up more than 1,000 long-distance and wireless customers last week after the NSA phone database story broke, triple what it normally does in a week.
The company quickly denounced the alleged creation of a national phone records database, promised not to hand over information to the government and opposed the appointment to CIA director of Michael Hayden, considered the architect of the NSA's phone surveillance program.

Working Assets is also pushing legislators to hold a hearing about the reported sharing of phone records and is the only telephone company that has joined an ACLU lawsuit against the NSA over its alleged wiretapping.

"The NSA case has awakened people and it's causing them to look at their choices," Working Assets President Michael Kieschnick said. "People want to make a statement against this practice and we're an easy choice for people to make."

Deborah Dashow Ruth, 65, of Kensington is one of the recent converts. The former University of California administrator had considered switching to Working Assets to save money several years ago but never got around to it. But after hearing about the phone records investigation, she moved over her long-distance service as a sign of protest.

"I'd rather use a new local company if they can give me real service rather than go with the ogre bells," Rush said. "Hearing that AT&T caved in, I'm just appalled this is all being done in name of national security."

AT&T and other telecommunication companies maintain they have obeyed the law and not violated privacy agreements with their customers.

Working Assets' stand has also won it kudos from other leading activists in the privacy fight. Kurt Opsahl, a staff attorney for the Electronic Frontier Foundation, which is suing AT&T over the phone records case, applauded Working Assets for being outspoken on the matter. But Opsahl expressed concerns that the company, as a reseller of Sprint long-distance service, won't be able to guarantee customers privacy if Sprint decides to share its database.

"I'm not going to say I'm doubting their statements, I just don't know what kind of assurances they've received from Sprint," Opsahl said.

So far, Working Assets has attempted unsuccessfully to get the assurances from Sprint that it has not turned over phone records to the NSA. Sprint, for its part, issued a statement saying it is committed to customer privacy and will disclose customer information only when necessary to comply with the law.

The uncertainty plays up the need for a legislative cure, said...
Maia Ettinger, vice president of legal and customer affairs for Working Assets. She said the company has worked hard to shine a light on the issue and push for stricter controls on customer privacy.

"Our goal isn't to create false sense of security," Ettinger said. "We're trying to say no one is safe unless we take action. It's about Congress investigating these activities. It's about obeying the law."

Analysts said the company, with just 80 employees, is in a good position to capitalize on the situation. "From a selfish, marketing perspective it's to their advantage if this issue remains gray and unresolved," said Lisa Pierce, an analyst with Forrester Research. "This allows them to differentiate themselves. They have a chance to grow rapidly since this is still being worked out."

But company officials said they are not driven by potential profits. The company says it is just sticking to its guns and delivering on its promise to act for social change.

Working Assets began 21 years ago as a credit card that also donated at least 1 percent of its revenue to progressive nonprofit organizations. The company has given more than $50 million since it began to organizations like Greenpeace, Amnesty International, Planned Parenthood and the ACLU.

The company added long-distance service in 1991 and cell phone service in 2002. The outfit now has 250,000 long-distance subscribers and about 50,000 cellular customers. For years, the company was content to dole out money and educate people through its huge e-mail network of more than 1 million people.

But since the war in Iraq began in 2003 and criticism of the Bush administration's war on terror has heated up, the company has taken on a much more proactive political stance. Working Assets has started organizing peace rallies and even printed placards and banners for participants.

That aggressive activism spilled over into the 2004 election, when the company helped register 1 million voters and sent out 15,000 volunteers to help monitor polling sites in problem areas.

Last month, the company also filed a friend of the court brief on behalf of the ACLU in its suit against the NSA for phone surveillance. That, in turn, has spurred the company to publish its first book by political blogger Glenn Greenwald titled "How Would a Patriot Act?" a scathing analysis of the Bush administration.

Chief Executive Officer Laura Scher said that while the last few years have seen Working Assets moving in a number of new
directions, she said it’s been in response to the company’s customers who are calling for more action.

"Our customers like what's different about us. But now they want to go beyond donations into activism," Scher said. "This is the next step in activism, being more proactive."

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