

them to an affiliate. The bill we are introducing today would change that by giving consumers an "opt out" right for both affiliates and non-affiliated third parties.

Second, under last year's banking bill, consumers were given the right to "opt out" of having a financial institution transfer their personal information to nonaffiliated third parties. However, there was a giant loophole in this provision that allowed financial institutions to transfer such information with no consumer "opt out" if they were transferring it to another financial institution with whom they had a joint marketing agreement. This provision was put in at the behest of small banks who argued that since the large banks were allowed to do affiliate sharing with no opt out, that they should be able to contract with insurance companies or securities firms to cross-market to the

Third, under last year's bill, there were no protections for health care information or for especially sensitive detailed information about a consumer's spending habits. Under the President's proposal, a financial institution would have to obtain the consumers' prior consent ("opt-in") before it could obtain, receive, evaluate or consider medical information from an affiliate or third party. An opt-in would also have to be obtained before a financial institution could transfer information about a consumer's personal spending habits (i.e., every check you've ever written and to whom, every charge on your credit or debit card and for what) or any individualized description of a consumer's interests, preferences, or other characteristics.

Fourth, last year's banking bill failed to give consumers any right whatsoever to obtain access to or to correct the nonpublic personal information that a financial institution had collected about them and was disclosing to its affiliates or to nonaffiliated parties. The President's proposal would assure that consumers would have the right to obtain such access and that a financial institution would have to correct any material inaccuracies. Institutions would be permitted to charge a reasonable fee for providing a copy of such information to the consumer.

Fifth, last year's banking bill failed to give the State Attorneys General any power to enforce compliance with the Act, in contrast to many other consumer protection statutes (i.e., the Telephone Consumer Protection Act) that provide for such concurrent enforcement. The President's proposal would make financial institutions that are subject to the jurisdiction of the Federal Trade Commission (i.e., anyone who is not a bank, an insurance company, or a securities firm; someone like a check cashing service), also subject to enforcement by the state attorneys general. In addition, last year's banking bill failed to specify whether a violation of a financial institution's privacy policies would be considered to be a violation of the Act. The President's proposal would make an action a violation of the Act, and would clarify that a violation of any requirement of the Act would be considered to be an unfair or deceptive trade practice.

Sixth, last year's bill required financial institutions to give a consumer a copy of their privacy policy at the time of the establishment of a customer relationship with the consumer.

The President's proposal would require that financial institutions provide a copy of their privacy policies to any consumer upon request and as part of an application for a financial product or service from the institution. This will help consumers compare the privacy policies offered by various institutions.

While this bill does not go quite as far as the legislation I introduced last year, H.R. 3320 in adopting an across-the-board opt-in requirement, it is otherwise largely patterned after that proposal, including the provisions to close the affiliate sharing and joint marketing loopholes, provide access and correction rights, and strengthen enforcement. Moreover, I believe that the Administration's proposal to adopt an across-the-board opt-out, but then establish a higher level of protection for medical information and information about personal spending habits is an equitable compromise that gets to the most sensitive information. This is a good proposal. It deserves to become law, and I urge all of my colleagues to give it their support.

TAXPAYER BILL OF RIGHTS 2000

SPEECH OF

HON. DENNIS MOORE

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 11, 2000

Mr. MOORE. Mr. Speaker, many Americans have lost faith in our political system. Routinely, half of those eligible to vote don't. People feel our political system is at best irrelevant, and at worst shot full of corruption. Our country is better than that and deserves congressional leadership that takes responsibility for finding solutions to this problem.

Last September the House of Representatives overwhelmingly passed Shays-Meehan, which would have drastically reformed the campaign finance system. It would have gotten rid of soft money and severely limited independent expenditures, but similar efforts died in the Senate due to the actions of a very small minority.

Though Shays-Meehan remains a necessary reform, a new type of political organization threatens the integrity of our electoral process. Known as "527s," and named after the provision of the tax law under which they are created, these organizations contend they can accept unlimited funds and never disclose the names of donors, the amount of contributions, or how the money is spent. This is possible because while these groups qualify as political committees under the tax code, they are not subject to the jurisdiction of the Federal Election Commission (FEC). These organizations have caught the eye of many observers, not the least of which is the Joint Committee on Taxation, which made note in a recent report of this disturbing trend in non-profit disclosure.

When I was running for Congress, people told me how fed up they were with "the system." Though the term meant different things to different people, for most it was campaign finance laws that allow precisely this type of anonymous political activity. The consequences are a public cynicism and apathy

that eat away at voter participation, and cause citizens to tune out discussions of very serious issues. It has turned a whole generation of young people away from politics as a means of government and social change.

Simply put, the current campaign finance law alienates voters. I am hoping new legislation I've written will not only begin to restore the public trust, but will also take congressional seats off the 527 auction block.

The Campaign Integrity Act of 2000 (H.R. 3688), cosponsored by 51 of my House colleagues—including my good friend, LLOYD DOGGETT—would require 527s to meet the disclosure and reporting requirements of the Federal Election Campaign Act. This proposal would rewrite the Internal Revenue Code's section 527 definition of "political organizations" to require public disclosure of the name, address, and other identifying information about the group; a summary of cash on hand and disbursements; an itemized list of contributors, showing name, address, occupation, employer, and amount of contribution; other receipts; and disbursements (including independent expenditures, operating expenditures, refunds, and transfers).

Violations would have stiff consequences—nothing less than loss of the organization's tax-exempt status would be at stake.

This bill will not cure the ills of the campaign finance system, but instead represents two very important and necessary goals. First of all, this act closes the 527 loophole and re-establishes in this country the principle that campaigns will be transparent and subject to scrutiny. Secondly, this bill represents a reasonable political compromise that, in the absence of more comprehensive reform, gives Congress the opportunity to make upcoming elections more open, fair, and honest.

To those who cling to "free speech" as an argument against reform: This legislation would not impose limitations on contributions to 527s, and therefore will not in any way interfere with the First Amendment. It would simply require full disclosure, forcing those who wish to exercise this type of expression to show their face, just like everyone else has to do.

It is high time Congress shine light on 527s and tell special interest groups that the American people are our special interest. For the sake of our democracy, Congress needs to end the era of anonymous attack ads. Congress can—and should—rise to meet that challenge.

TRIBUTE TO MRS. LIN STORY AND THE NATIONAL CHILDREN'S PRAYER CONGRESS

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 2000

Mr. TRAFICANT. Mr. Speaker, today I pay tribute to a wonderful woman, Mrs. Lin Story, and the organization she has created and fostered over the past decade, the National Children's Prayer Congress.

Last night, I had the privilege and the honor to speak to over one hundred delegates, including children of all ages, to close this year's