

proposed legislation relative to management and disposal of high-level radioactive wastes; to the Committee on Energy and Natural Resources.

EC-4298. A communication from the Acting Assistant Secretary for Legislative Affairs, Department of State, transmitting, pursuant to law, the report of a rule entitled "Aliens Inadmissible Under the Immigration and Nationality Act—Unlawful Voters" received on September 15, 2003; to the Committee on Foreign Relations.

EC-4299. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to law, a modification of the 2003 Certification of Congress entitled "The Departments of Commerce, Justice, and State, the Judiciary and Related Agencies Appropriations Act, 1990"; to the Committee on Foreign Relations.

EC-4300. A communication from the Secretary of the Treasury, transmitting, pursuant to law, a report detailing payments made to Cuba as a result of telecommunications services pursuant to Department of the Treasury specific licenses; to the Committee on Foreign Relations.

EC-4301. A communication from the Director, Office of Personnel Management, transmitting, and Administration legislative proposal to provide for review of certain determinations of the Board of Actuaries of the Civil Service Retirement System in accordance with the requirements of the Constitution; to the Committee on Governmental Affairs.

EC-4302. A communication from the Deputy Archivist, National Archives and Records Administration, transmitting, pursuant to law, the report of a rule entitled "NARA Facilities; Hours of Operation for the Exhibition Halls" (RIN3095-AB22) received on September 15, 2003; to the Committee on Governmental Affairs.

EC-4303. A communication from the Deputy Archivist, National Archives and Records Administration, transmitting, pursuant to law, the report of a rule entitled "NARA Facilities; Public Use" (RIN3095-AB17) received on September 15, 2003; to the Committee on Governmental Affairs.

EC-4304. A communication from the Chairman, National Labor Relations Board, transmitting, the Board's 66th Annual Report; to the Committee on Governmental Affairs.

EC-4305. A communication from the Archivist, National Archives and Records Administration, transmitting, pursuant to law, the Administration's Commercial Activities Inventory and Inherently Governmental Inventory; to the Committee on Governmental Affairs.

EC-4306. A communication from the Director of Personnel Management, transmitting, a legislative proposal entitled "To eliminate inequities in the compensation of certain Federal employees stationed outside the continental United States, and for other purposes"; to the Committee on Governmental Affairs.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. REED (for himself, Mr. SARBANES, and Ms. MIKULSKI):

S. 1636. A bill to preserve the ability of the Federal Housing Administration to insure mortgages under section 238 and 519 of the National Housing Act; considered and passed.

By Mr. FRIST (for Mr. GRASSLEY (for himself, Mr. BAUCUS, and Mr. HATCH):

S. 1637. A bill to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; to the Committee on Finance.

ADDITIONAL COSPONSORS

S. 1557

At the request of Mr. MCCONNELL, the name of the Senator from New York (Mr. SCHUMER) was added as a cosponsor of S. 1557, a bill to authorize the extension of nondiscriminatory treatment (normal trade relations treatment) to the products of Armenia.

S. CON. RES. 68

At the request of Mr. MILLER, his name was added as a cosponsor of S. Con. Res. 68, a concurrent resolution honoring the life of Johnny Cash.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS—SEPTEMBER 17, 2003

By Mr. AKAKA (for himself and Mr. INOUE):

S. 1632. A bill to extend eligibility for certain Federal benefits to citizens of the Freely Associated States; to the Committee on Finance.

Mr. AKAKA. Mr. President, I rise today to introduce legislation with my friend and colleague from Hawaii, Senator INOUE, to provide certain Federal public benefits for citizens of the Freely Associated States (FAS) who are residing in the United States. The bill would provide eligibility for non-emergency Medicaid, Food Stamps, Temporary Assistance to Needy Families, and Supplemental Security Income to FAS citizens residing in the United States.

Citizens from the FAS are citizens from the Republic of the Marshall Islands (RMI), Federated States of Micronesia (FSM), and Palau. The United States has a very unique relationship with the FSM, RMI, and Palau. The Compact of Free Association established these Nations as sovereign States responsible for their own foreign policies. However, the Freely Associated States remain dependent upon the United States for military protection and economic assistance.

The Compact provides that the United States has the prerogative to reject the strategic use of, or military access to, the FAS by other countries, which is often referred to as the "right of strategic denial." The Compact also provides that the United States may block FAS government policies that it deems inconsistent with its duty to defend the FAS, which is referred to as the "defense veto." Under the Compact, the United States has exclusive military base rights in the FAS. In exchange, the United States is required

to support the FAS economically, with the goal of producing self-sufficiency, and FAS citizens are allowed entry into the United States as non-immigrants for the purposes of education, medical treatment, and employment.

The Senate is considering S.J. Res. 16, the Compact of Free Association Amendments Act of 2003, which was favorably reported by the Senate Committee on Energy and Natural Resources this morning. S.J. Res. 16 is the codification of title II of the Compact pertaining to economic relations.

As FAS citizens are allowed free entry into the United States as part of the Compact, many FAS citizens reside in the State of Hawaii. Since 1997, when Hawaii began reporting its impact costs, the State has identified over \$140 million in costs associated with FAS citizens. In 2002, the State of Hawaii expended over \$32 million in assistance to FAS citizens. S.J. Res. 16 provides \$30 million in annual funding for Compact impact assistance to be shared between the State of Hawaii, Guam, the Commonwealth of the Northern Mariana Islands, and American Samoa. While this funding is a positive step forward, it does not begin to reimburse the affected jurisdictions for the costs associated with FAS citizens living in Hawaii.

The legislation we are introducing today would provide assistance to States and territories who have continued to shoulder the majority of the costs associated with the Compact. The Federal Government must provide appropriate resources to help States meet the needs of the FAS citizens—an obligation based on a Federal commitment. It is unconscionable for a State or territory to shoulder the entire financial burden of providing necessary education, medical, and social services to individuals who are residing in that State or territory when the obligation is that of the Federal Government. For that reason, I am seeking to provide reimbursement of these costs. It is time for the Federal Government to take up some of the financial responsibility that until now has been carried by the State of Hawaii, CNMI, and Guam, by restoring public benefits to FAS citizens.

This bill would restore eligibility of FAS citizens for non-emergency Medicaid. FAS citizens lost many of their public benefits as a result of the Personal Responsibility and Work Opportunity (PRWORA) Act of 1996, including Medicaid coverage. FAS citizens were previously eligible for Medicaid as aliens permanently residing under color of law in the United States.

After the enactment of welfare reform, the State of Hawaii could no longer claim Federal matching funds for services rendered to FAS citizens. Since then, the State of Hawaii, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands have continued to meet the health care needs of FAS citizens. The State of Hawaii has used State resources to provide Medicaid services to FAS citizens.

In 2002 alone, the State spent approximately \$6.75 million to provide Medicaid services without receiving any Federal matching funds.

There has been an increasing trend in the need for health care services among FAS citizens. During the current fiscal year, the number of individuals served in the State of Hawaii's Medicaid Program has grown from 3,291 to 4,818 people based on the average monthly enrollment. This is an increase of 46 percent. For only the first half of the fiscal year, the State of Hawaii has spent \$4.66 million for the Medicaid costs incurred for FAS citizens. These Medicaid costs do not reflect additional State expenditures on medical care contracts to care for the uninsured, for community health care services, and for the activities of the Department of Health's Communicable Disease Branch.

This bill would also provide eligibility for FAS citizens residing in the United States to participate in the Temporary Assistance for Needy Families and Supplemental Security Income programs. According to Hawaii's Attorney General, financial assistance in the form of the Temporary Assistance to Other Needy Families (TAONF) program, a State program, provided \$4.5 million to FAS citizens in State Fiscal Year 2002. Of this total, \$390,000 was provided through the General Assistance program, which supports individuals and couples with little or no income and who have a temporary, incapacitating medical condition; \$532,000 supported aged, blind, and disabled FAS citizens with little or no income who are not eligible for Federally funded Supplemental Security Income; and \$3.6 million was spent on the State's TAONF program that assists other needy families who are not eligible for Federal funding under the Temporary Assistance to Needy Families program. The number of FAS citizens served by the Hawaii Department of Human Services has increased by almost 20 percent in the span of one year alone. The financial assistance that the State of Hawaii provides to FAS citizens in the form of TAONF is a great support to those families attempting to achieve economic stability, but it has a significant financial impact on the State's budget.

The bill would also provide eligibility for the Food Stamp Program. The Food Stamp Program serves as the first line of defense against hunger. It is the cornerstone of the Federal food assistance program and provides crucial support to needy households and those making the transition for welfare to work. We have partially addressed the complicated issue of alien eligibility for public benefits such as food stamps, but again, I must say it is just partial. Not only should all legal immigrants receive these benefits, but so too citizens of the FAS. Exclusion of FAS citizens from Federal, State, or local public benefits or programs is an unintended and misguided consequence of the welfare reform law.

We allow certain legal immigrants eligibility in the program. Yet FAS citizens, who are not considered immigrants, but who are required to sign up for the Selective Service if they are residing in the United States, are ineligible to receive food stamps. This bill corrects this inequity.

I look forward to working with my colleagues to enact this measure which is of critical importance to my State of Hawaii, which has borne the costs of these benefits for FAS citizens living in Hawaii for the past 17 years.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1632

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXCEPTION FOR CITIZENS OF FREELY ASSOCIATED STATES.

(a) IN GENERAL.—Section 402(a)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)) is amended by adding at the end the following:

“(M) EXCEPTION FOR CITIZENS OF FREELY ASSOCIATED STATES.—With respect to eligibility for benefits for the specified Federal programs described in subparagraphs (A) and (B) of paragraph (3), paragraph (1) shall not apply to any individual who lawfully resides in the United States (including territories and possessions of the United States) in accordance with—

“(i) section 141 of the Compact of Free Association between the Government of the United States and the Government of the Federated States of Micronesia, approved by Congress in the Compact of Free Association Amendments Act of 2003;

“(ii) section 141 of the Compact of Free Association between the Government of the United States and the Government of the Republic of the Marshall Islands, approved by Congress in the Compact of Free Association Amendments Act of 2003; or

“(iii) section 141 of the Compact of Free Association between the Government of the United States and the Government of Palau, approved by Congress in Public Law 99-658 (100 Stat. 3672).”.

(b) MEDICAID AND TANF EXCEPTIONS.—Section 402(b)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(b)(2)) is amended by adding at the end the following:

“(G) MEDICAID EXCEPTION FOR CITIZENS OF FREELY ASSOCIATED STATES.—With respect to eligibility for benefits for the program defined in paragraph (3)(C) (relating to the medicaid program), section 401(a) and paragraph (1) shall not apply to any individual who lawfully resides in the United States (including territories and possessions of the United States) in accordance with a Compact of Free Association referred to in section 402(a)(2)(M).

“(H) TANF EXCEPTION FOR CITIZENS OF FREELY ASSOCIATED STATES.—With respect to eligibility for benefits for the program defined in paragraph (3)(A) (relating to the temporary assistance for needy families program), section 401(a) and paragraph (1) shall not apply to any individual who lawfully resides in the United States (including territories and possessions of the United States) in accordance with a Compact of Free Association referred to in section 402(a)(2)(M).”.

(c) QUALIFIED ALIEN.—Section 431(b) of the Personal Responsibility and Work Oppor-

tunity Reconciliation Act of 1996 (8 U.S.C. 1641(b)) is amended—

(1) in paragraph (6), by striking “or” at the end;

(2) in paragraph (7), by striking the period at the end and inserting “; or”; and

(3) by adding at the end the following:

“(8) an individual who lawfully resides in the United States (including territories and possessions of the United States) in accordance with a Compact of Free Association referred to in section 402(a)(2)(M).”.

By Mr. CORZINE:

S. 1633. A bill to require financial institutions and financial services providers to notify customers of the unauthorized use of personal information, to amend the Fair Credit Reporting Act to require fraud alerts to be included in consumer credit files in such cases, and to provide customers with enhanced access to credit reports in such cases; to the Committee on Banking, Housing, and Urban Affairs.

Mr. CORZINE. Mr. President, I rise today to introduce legislation, the Identity Theft Notification and Credit Restoration Act, to help prevent Americans from being victimized by the growing problem of identity theft. The bill would require financial institutions to notify consumers, credit reporting agencies and law enforcement entities when their security information systems have been breached in a manner that compromises the protection of their customers' personal financial information. By increasing awareness of identity theft and empowering consumers, early on, about potential threats, the legislation can help close the window of opportunity that criminals now exploit to abuse, and wreak financial devastation, on unsuspecting individuals.

There is no doubt that we should be doing all we can to reduce the threat of identity theft to consumers, and the harm it brings to our economy. Today, identity theft is the single most frequent consumer-related crime in the United States and it is growing at an alarming rate.

According to the Federal Trade Commission (FTC), reported instances of identity theft rose 88 percent in 2002, to 380,000 from 220,000 in 2001. And that does not even come close to reflecting the bigger threat posed by identity theft. A recent FTC survey suggests that the actual number of identity theft occurrences probably was in the ten million range—and that was last year alone. Over the past five years, over one in ten Americans has been a victim of identity theft. And I do not know anyone who does not have a close friend or family member who has been a victim of identity theft. It truly can happen to anyone, anywhere, at any time.

The cost of this crime also is astounding. In situations in which offenders use stolen information to open new credit accounts, identity thieves abuse victims' credit to purchase an average of more than \$10,000 in goods and services. And those costs grow as identity thieves become savvier and

more brazen. From a macro-economic perspective, the damage is equally astounding. Last year, consumers spent an estimated five billion dollars in out-of-pocket expenses to cover losses attributed to identity theft.

This data underscores the magnitude of the growing problem. But it is one that can be mitigated, when detected early on. The FTC has reported that early discovery, and disclosure, of identity theft directly reduces the time and money victims must invest to undo the damage wreaked upon them. When identity theft is uncovered in less than 6 months, most consumers do not incur any costs. But, when this fraud is unnoticed for more than 6 months, an astounding 60 percent of victims must make payments out of their own pocket to cover the costs—and those numbers are often in the thousands of dollars.

Consumers' experiences and the FTC's data demonstrate that awareness and notification are critical to reducing the harm that identity theft inflicts upon consumers. My bill, the Identity Theft Notification and Credit Restoration Act is based on three key principles—disclosure, prevention and credit restoration.

First, the bill would require financial institutions to promptly disclose to affected customers, credit reporting agencies, and law enforcement when their information systems, either computerized or paper records, have been breached in a manner that compromises the security, confidentiality, or integrity of the "personal financial information" of that institution's customers.

Second, the bill requires credit reporting agencies, upon notification of the breach, to place "fraud alerts" in the credit files of the affected individuals. This red flag will alert issuers of credit to undertake enhanced preauthorization procedures prior to issuing credit in the name of an individual who has this alert on their credit file, an important step that should prevent the fraudulent issuance of credit in the name of an identity theft victim.

Finally, the bill provides victims of identity theft with access to four credit reports the year following the theft of their identity, to ensure that inaccurate and credit damaging information resulting from the identity theft does not end up on their credit file.

The bill also improves the ability of all consumers to monitor the content, and accuracy, of the information contained in their individual credit file by providing them with access to one free credit report, and their credit score, per year.

Congress has taken important steps towards minimizing the threat of identity theft. The most important was recognizing the problem and making identity theft a Federal crime in 1998. Since then, other steps have been taken. Industry groups are proactively combating identity theft—by using cutting-edge data encryption and truncating credit card numbers. And later

this week, the Senate Banking Committee will mark up reauthorization of the Fair Credit Reporting Act, which will include an entire section dedicated to identity theft protection.

But we can do more, and we must do more.

Empowering consumers and increasing awareness of identity theft will minimize the risk, and impact, of this particularly harmful crime. This bill does just that. I urge my colleagues to support this legislation and ask unanimous consent that the text of the Identity Theft Notification and Credit Restoration Act be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1633

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Identity Theft Notification and Credit Restoration Act of 2003".

SEC. 2. FINDINGS.

Congress finds that—

(1) the privacy and financial security of individuals is increasingly at risk due to the ever more widespread collection of personal information by both the private and public sector;

(2) credit card transactions, real estate records, consumer surveys, credit reports, and Internet websites are all sources of personal information and form the source material for identity thieves;

(3) identity theft is one of the fastest growing crimes committed in the United States, and identity theft has become one of the major law enforcement challenges of the new economy, as vast quantities of sensitive personal information are now vulnerable to criminal interception and misuse;

(4) criminals who steal personal information use the information to open fraudulent credit card accounts, write bad checks, buy products, and commit other financial crimes with assumed financial identities;

(5) in 2002, more than 160,000 people notified the Federal Trade Commission that they had been victims of identity theft, more than 3 times the number reported in 2000;

(6) identity theft is costly to consumers and to the United States marketplace;

(7) victims of identity theft are often required to contact numerous Federal, State, and local law enforcement agencies, consumer credit reporting agencies, and creditors over many years, as each event of fraud arises;

(8) the Government, financial institutions, financial service providers, and credit reporting agencies that handle sensitive personal information of consumers have a shared responsibility to protect the information from identity thieves, to assist identity theft victims, and to mitigate the harm that results from fraud perpetrated in the name of the victim; and

(9) the private sector can better protect consumers by improving customer notification, implementing effective fraud alerts, affording greater consumer access to credit reports, and establishing other financial identity theft prevention measures.

SEC. 3. TIMELY NOTIFICATION OF UNAUTHORIZED ACCESS TO PERSONAL INFORMATION.

Subtitle B of title V of the Gramm-Leach-Bliley Act (15 U.S.C. 6821 et seq.) is amended—

(1) by redesignating sections 526 and 527 as sections 528 and 529, respectively; and

(2) by inserting after section 525 the following:

"SEC. 526. NOTIFICATION TO CUSTOMERS OF UNAUTHORIZED ACCESS TO PERSONAL INFORMATION.

"(a) DEFINITIONS.—In this section—

"(1) the term 'breach'—

"(A) means unauthorized acquisition of computerized data or paper records which compromises the security, confidentiality, or integrity of personal information maintained by or on behalf of a financial institution; and

"(B) does not include a good faith acquisition of personal information by an employee or agent of a financial institution for a business purpose of the institution, if the personal information is not subject to further unauthorized disclosure; and

"(2) with respect to a customer of a financial institution, the term 'personal information' means the first name or first initial and last name of the customer, in combination with any one or more of the following data elements, when either the name or the data element is not encrypted:

"(A) A social security number.

"(B) A driver's license number or other officially recognized form of identification.

"(C) A credit card number, debit card number, or any required security code, access code, or password that would permit access to financial account information relating to that customer.

"(b) NOTIFICATION RELATING TO BREACH OF PERSONAL INFORMATION.—

"(1) FINANCIAL INSTITUTION REQUIREMENT.—In any case in which there has been a breach of personal information at a financial institution, or such a breach is reasonably believed to have occurred, the financial institution shall promptly notify—

"(A) each customer affected by the violation or suspected violation;

"(B) each consumer reporting agency described in section 603(p) of the Fair Credit Reporting Act (15 U.S.C. 1681a); and

"(C) appropriate law enforcement agencies, in any case in which the financial institution has reason to believe that the breach or suspected breach affects a large number of customers, including as described in subsection (e)(1)(C), subject to regulations of the Federal Trade Commission.

"(2) OTHER ENTITIES.—For purposes of paragraph (1), any person that maintains personal information for or on behalf of a financial institution shall promptly notify the financial institution of any case in which such customer information has been, or is reasonably believed to have been, breached.

"(c) TIMING.—Notification required by this section shall be made—

"(1) promptly and without unreasonable delay, upon discovery of the breach or suspected breach; and

"(2) consistent with—

"(A) the legitimate needs of law enforcement, as provided in subsection (d); and

"(B) any measures necessary to determine the scope of the breach or restore the reasonable integrity of the information security system of the financial institution.

"(d) DELAYS FOR LAW ENFORCEMENT PURPOSES.—Notification required by this section may be delayed if a law enforcement agency determines that the notification would impede a criminal investigation, and in any such case, notification shall be made promptly after the law enforcement agency determines that it would not compromise the investigation.

"(e) FORM OF NOTICE.—Notification required by this section may be provided—

"(1) to a customer—

"(A) in writing;

“(B) in electronic form, if the notice provided is consistent with the provisions regarding electronic records and signatures set forth in section 101 of the Electronic Signatures in Global and National Commerce Act (15 U.S.C. 7001);

“(C) if the Federal Trade Commission determines that the number of all customers affected by, or the cost of providing notifications relating to, a single breach or suspected breach would make other forms of notification prohibitive, or in any case in which the financial institution certifies in writing to the Federal Trade Commission that it does not have sufficient customer contact information to comply with other forms of notification, in the form of—

“(i) an e-mail notice, if the financial institution has access to an e-mail address for the affected customer that it has reason to believe is accurate;

“(ii) a conspicuous posting on the Internet website of the financial institution, if the financial institution maintains such a website; or

“(iii) notification through the media that a breach of personal information has occurred or is suspected that compromises the security, confidentiality, or integrity of customer information of the financial institution; or

“(D) in such other form as the Federal Trade Commission may by rule prescribe; and

“(2) to consumer reporting agencies and law enforcement agencies (where appropriate), in such form as the Federal Trade Commission may prescribe, by rule.

“(f) CONTENT OF NOTIFICATION.—Each notification to a customer under subsection (b) shall include—

“(1) a statement that—

“(A) credit reporting agencies have been notified of the relevant breach or suspected breach; and

“(B) the credit report and file of the customer will contain a fraud alert to make creditors aware of the breach or suspected breach, and to inform creditors that the express authorization of the customer is required for any new issuance or extension of credit (in accordance with section 605(g) of the Fair Credit Reporting Act); and

“(2) such other information as the Federal Trade Commission determines is appropriate.

“(g) COMPLIANCE.—Notwithstanding subsection (e), a financial institution shall be deemed to be in compliance with this section if—

“(1) the financial institution has established a comprehensive information security program that is consistent with the standards prescribed by the appropriate regulatory body under section 501(b);

“(2) the financial institution notifies affected customers and consumer reporting agencies in accordance with its own internal information security policies in the event of a breach or suspected breach of personal information; and

“(3) such internal security policies incorporate notification procedures that are consistent with the requirements of this section and the rules of the Federal Trade Commission under this section.

“(h) CIVIL PENALTIES.—

“(1) DAMAGES.—Any customer injured by a violation of this section may institute a civil action to recover damages arising from that violation.

“(2) INJUNCTIONS.—Actions of a financial institution in violation or potential violation of this section may be enjoined.

“(3) CUMULATIVE EFFECT.—The rights and remedies available under this section are in addition to any other rights and remedies available under applicable law.

“(i) RULES OF CONSTRUCTION.—

“(1) IN GENERAL.—Compliance with this section by a financial institution shall not be construed to be a violation of any provision of subtitle (A), or any other provision of Federal or State law prohibiting the disclosure of financial information to third parties.

“(2) LIMITATION.—Except as specifically provided in this section, nothing in this section requires or authorizes a financial institution to disclose information that it is otherwise prohibited from disclosing under subtitle A or any other provision of Federal or State law.

“(3) NO NEW RECORDKEEPING OBLIGATION.—Nothing in this section creates an obligation on the part of a financial institution to obtain, retain, or maintain information or records that are not otherwise required to be obtained, retained, or maintained in the ordinary course of its business or under other applicable law.”.

SEC. 4. INCLUSION OF FRAUD ALERTS IN CONSUMER CREDIT REPORTS.

Section 605 of the Fair Credit Reporting Act (15 U.S.C. 1681c) is amended by adding at the end the following:

“(g) FRAUD ALERTS.—

“(1) DEFINED TERM.—In this subsection, the term ‘fraud alert’ means a clear and conspicuous statement in the file of a consumer that notifies all prospective users of the consumer credit report (or any portion thereof) relating to the consumer, that—

“(A) the identity of the consumer may have been used, without the consent of the consumer, to fraudulently obtain goods or services in the name of the consumer; and

“(B) the consumer does not authorize the issuance or extension of credit in the name of the consumer, unless the issuer of such credit, upon receiving appropriate evidence of the true identity of the consumer—

“(i) obtains express preauthorization from the consumer at a telephone number designated by the consumer; or

“(ii) utilizes another reasonable means of communication to obtain the express preauthorization of the consumer.

“(2) INCLUSION OF FRAUD ALERT IN CONSUMER FILE.—

“(A) UPON NOTIFICATION BY FINANCIAL INSTITUTION.—A consumer reporting agency shall include a fraud alert meeting the requirements of this subsection in the file of a consumer promptly upon receipt of a notice from a financial institution under section 526(b)(1)(B) of the Gramm-Leach-Bliley Act relating to the consumer.

“(B) UPON REQUEST OF CONSUMER.—A consumer reporting agency shall include a fraud alert meeting the requirements of this subsection in the file of a consumer promptly upon receipt of—

“(i) a request by the consumer; and

“(ii) appropriate evidence of—

“(I) the true identity of the person making the request; and

“(II) the claim of identity theft forming the basis for the request.

“(3) CONSUMER REPORTING AGENCY RESPONSIBILITIES.—A consumer reporting agency shall ensure that each person procuring consumer credit information with respect to a consumer is made aware of the existence of a fraud alert in the file of that consumer, regardless of whether a full credit report, credit score, or summary report is requested.

“(4) REMOVAL OF FRAUD ALERTS.—The Federal Trade Commission shall issue appropriate regulations to establish—

“(A) the duration of fraud alerts required by this subsection, which standard shall be applied consistently to all consumer reporting agencies, to the extent possible; and

“(B) procedures for the removal of fraud alerts included in the files of consumers under this subsection.

“(5) VIOLATIONS.—

“(A) CONSUMER REPORTING AGENCY.—A consumer reporting agency that fails to notify any user of a consumer credit report of the existence of a fraud alert in that report shall be in violation of this section.

“(B) USER OF A CONSUMER REPORT.—A user of a consumer report that fails to comply with preauthorization procedures contained in a fraud alert in the file of a consumer and issues or extends credit in the name of the consumer to a person other than the consumer shall be in violation of this subsection.

“(C) NO ADVERSE ACTION BASED SOLELY ON FRAUD ALERT.—It shall be a violation of this title for the user of a consumer report to take adverse action with respect to a consumer based solely on the inclusion of a fraud alert in the file of that consumer, as required by this subsection.”.

SEC. 5. ACCESS TO CREDIT REPORTS AND SCORES.

(a) NO FEE IN CERTAIN CASES.—Section 612(c) of the Fair Credit Reporting Act (15 U.S.C. 1681j(c)) is amended to read as follows:

“(c) NO-COST ACCESS TO CREDIT REPORTS AND SCORES.—

“(1) IN GENERAL.—Upon request of a consumer, and without charge to the consumer, a consumer reporting agency shall make all of the disclosures listed under section 609 to the consumer—

“(A) once during each calendar year; and

“(B) once every 3 months during the 1-year period beginning on the date on which a fraud alert is included in the file of a consumer under section 605(g).

“(2) FEE AUTHORIZED.—A credit reporting agency may charge a reasonable fee for the costs of disclosures under paragraph (1)(B) to the financial institution providing the notification that is the basis for the subject fraud alert, as required by section 526(b)(1)(B) of the Gramm-Leach-Bliley Act.”.

(b) INCLUSION OF CREDIT SCORES.—Section 609(a)(1) of the Fair Credit Reporting Act (15 U.S.C. 1681g(a)(1)) is amended by striking “except that” and all that follows through “predictors” and inserting “, including any credit score”.

SEC. 6. REGULATIONS.

Not later than 180 days after the date of enactment of this Act, the Federal Trade Commission, after consultation with Federal banking agencies, the Securities and Exchange Commission, and other appropriate financial services regulatory agencies, shall issue final regulations to carry out the amendments made by this Act.

AMENDMENTS SUBMITTED AND PROPOSED

SA 1739. Mr. DASCHLE proposed an amendment to the bill H.R. 2691, making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 2004, and for other purposes.

TEXT OF AMENDMENTS

SA 1739. Mr. DASCHLE proposed an amendment to the bill H.R. 2691, making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 2004, and for other purposes; as follows:

On page 46, line 7, strike “: Provided, That” and insert the following: “, and of which