

I have known General Martin since he took command of AFMC in August 2003. I have received briefings from him and can assure you he is an authoritative and powerful speaker. General Martin is a man who is honest, provides a straight assessment and has the highest degree of ethics. His service honors the Air Force and our country. In providing an assessment of the need to transform the Air Force acquisition process, in classic style, he declared, in a delivery that would shame Jack Nicholson, the problem is: "some people can't handle the truth."

CONFERENCE REPORT ON H.R. 2361,  
DEPARTMENT OF THE INTERIOR  
ENVIRONMENT, AND RELATED  
AGENCIES APPROPRIATIONS  
ACT, 2006

SPEECH OF

**HON. JEB HENSARLING**

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 28, 2005

Mr. HENSARLING. Mr. Speaker, I rise today to discuss funding for veterans' healthcare. As the son, grandson, and brother of veterans, I understand just how important this funding is to our brave men and women who have answered the call of duty to serve their country. Since coming to Congress, it has been one of my greatest pleasures to be able to provide our veterans with the care and the treatment they deserve.

Since 1995, Congress has increased spending on veterans by more than 59 percent—an average increase of 6.9 percent per year. During this Congress alone we have increased the death benefits and life insurance coverage of our Armed Services personnel. We have also provided funding for specialty mental health care for the first time ever, increased funding for the treatment of conditions like Post Traumatic Stress Syndrome, and doubled funding for mental health care issues. This is indeed a record to which we can all be proud.

I was also proud to cosponsor H.R. 303, the Retired Pay Restoration Act, in the 108th Congress. With the agreement of the House and Senate, another version of this bill was passed and signed by President Bush in order to allow certain military retirees to receive both their longevity retired pay and veterans disability compensation. As Speaker of the House J. DENNIS HASTERT noted, "Congressman HENSARLING's strong support for our nation's veterans and concurrent receipt legislation was critical to ensuring that we achieved the most significant, positive step forward for veterans in our nation's history."

Unfortunately, sometimes Congress can fall short. For instance, the Fiscal Year 2004 Veterans Affairs and Housing and Urban Development Appropriations bill, fell \$1.8 billion short of what was agreed to in that year's budget resolution. This inadequate level for funding for veterans healthcare greatly concerned me, and that is why I voted against the bill. When thousands of veterans were waiting 6 months or longer for healthcare, I did not believe that it was the time to skimp on needed resources.

Mr. Speaker, yesterday, the House of Representatives voted on the Fiscal Year 2006 Department of the Interior, Environment, and

Related Agencies Appropriations bill. Included as part of this legislation was \$1.5 billion in funding for the Department of Veterans Affairs to cover an anticipated budgetary shortfall for the current fiscal year. I am very pleased that the House of Representatives has approved the funding necessary to ensure that they receive the medical care they deserve. However, because the underlying legislation to which we attached this important provision violated the budget we agree to abide by earlier this year, I found myself in the difficult position of having to vote against this legislation.

There were a number of alternative methods that could have been used to alleviate this problem—methods that would not have violated the budget. Most notably, we could have amended H.R. 3130, which was approved unanimously by the House of Representatives on June 30, 2005, to provide the necessary funding levels. This broadly supported measure would have demonstrated our firm commitment to our veterans, and it is unfortunate this alternative was not utilized.

Mr. Speaker, in the end the greatest threat to adequately funding the needs of our veterans is Congress' seemingly inherent inability to control runaway wasteful spending in our budget. Each and every time we spend another dollar on wasteful measures like bullet-proof vests for K-9s, bridges to nowhere, or an underground cafeteria in the Carlsbad Caverns, is a dollar that is not available for our veterans.

One of Congress's most solemn obligations is to care for our veterans. I remain committed to funding 100 percent of the benefits veterans have earned through their service and sacrifice to our country. I will continue to work with Members of Congress to explore ways to ensure that the Department of Veterans Affairs gets the money they need within the rules of our budget agreement. I will not however, support legislation to grow the budget of another department, such as this bill would have done with the Department of the Interior, at the expense of our veteran's and our children's future.

COOPERATIVE DEVELOPMENT  
PROGRAM

**HON. JOE KNOLLENBERG**

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, July 29, 2005

Mr. KNOLLENBERG. Mr. Speaker, the Cooperative Development Program, CDP, of USAID serves an important role in America's international development assistance. For a modest annual investment, credit unions and cooperatives can have a greater opportunity to flourish through the work of the World Council of Credit Unions and other non-governmental cooperative development organizations.

In a world where three billion people live on less than \$2 a day, access to safe and sound financial services is essential to helping people build better lives for themselves. The World Council of Credit Unions, WOCCU, works to strengthen credit unions implementing technical assistance programs to improve credit union performance so that these non-for-profit cooperative financial institutions can offer an array of client-responsive services, extend their geographic coverage, and harness technology.

Created by the vision of the U.S. credit union movement, WOCCU has been implementing their technical assistance programs for over 30 years. Prior to WOCCU's formation in 1970, the Credit Union National Association, CUNA, had an international division called CUNA Global Projects dedicated to overseas credit union activities. Today, CUNA and their state league system, representing 86 million credit union members in the U.S., work with WOCCU to promote credit union growth in developing countries.

Through the current funding cycle of USAID's CDP, WOCCU will spend the next 4 years working with credit unions around the world and focused in Afghanistan, Kenya, the Philippines, Ecuador and Nicaragua to build networks—expanding low-cost transaction services for members, including remittances; creating enabling environments; training credit union managers and board members; and extending credit union operations to difficult operating environments, including HIV/AIDS-affected communities, conflict-prone zones and poverty-entrenched rural areas.

Credit unions and cooperatives provide hope for economic prosperity through grassroots businesses that provide jobs, income, basic education and democratic experience. I will continue to support the USAID Cooperative Development Program to sustain overseas cooperative development in developing countries and emerging democracies.

MEDICAID IS IMPORTANT FOR  
PEOPLE AND CHILDREN WITH  
SERIOUS ILLNESSES

**HON. JAMES P. MORAN**

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 29, 2005

Mr. MORAN of Virginia. Mr. Speaker, as we approach the 40th anniversary of Medicaid on July 30, I want to underscore the importance of Medicaid to children and adults with serious illnesses. Medicaid is a public health insurance program that helps 52 million low-income and disabled Americans, including 540,000 Virginians, stay healthy. Nationally, half of Medicaid enrollees are children.

Medicaid is particularly important to people with serious illnesses. Medicaid can be the only way to pay for care.

Many people with serious illnesses must turn to Medicaid for several reasons. Many insurance policies have a lifetime upper limit of \$1 or \$2 million. Approximately 51 percent or 87.5 million people with employer-based insurance have a lifetime cap, according to a 2004 Kaiser Family Foundation survey. Many private insurance plans impose pre-existing condition and other exclusions and refuse to insure people with serious illnesses and disabilities. Many working Americans do not have job-based health insurance because their employers do not offer it. The cost of individual health insurance policies is often out of reach. And most Americans are too young for Medicare.

A serious, chronic illness can be emotionally and financially devastating. While we have made great strides in treating cancer today, everyone fears cancer. In 2004, 1.4 million new cases of cancer were diagnosed. In 2005, 34,000 Virginians will have cancer, says the

American Cancer Society. Since 1990, over 18 million new cancer cases have been diagnosed nationwide and 9.6 million Americans are alive today with a history of cancer. Some cancer drugs can reach \$300,000 a year. Hospitalization, chemotherapy, bone marrow transplants, and other treatments can be very expensive and people with insurance can reach the lifetime limit of their policy quickly.

Consider also the example of hemophilia. For the typical hemophilia patient, clotting factor to prevent bleeding, needed for a lifetime, can cost \$250,000 each year, according to the National Hemophilia Foundation. Look at cystic fibrosis. The care for a person with moderate cystic fibrosis can climb to \$70,000 a year. The average cost of care for all people with cystic fibrosis is \$58,000 a year, reports the National Cystic Fibrosis Foundation. Drugs for rare genetic diseases can reach \$200,000 a year, says the National Organization for Rare Disorders.

Caring for a person with spinal cord injury can be beyond almost anyone's ability to pay and it can be for a lifetime because spinal cord injury is most common among teenagers. The Spinal Cord Injury Information Network estimates that the average yearly expenses (health care and living expenses), for severe injury (high tetraplegia, C1-C4), the first-year cost would be \$683,000; each subsequent year, \$122,000. As for lifetime costs, for someone who is severely injured at age 25, costs could reach \$2.7 million. If one is severely injured at age 50, can be \$1.6 million.

Most American families cannot handle costs like those. This is why Medicaid is called "America's safety net"; it is often the only way to pay for care.

I'd also like to focus also on the importance of Medicaid to children. Over 25 million American children, one-fourth of all children, are enrolled in Medicaid. Medicaid is the largest public provider of health insurance for youngsters.

In Virginia, 23 percent of our children are Medicaid enrollees. Sadly, 8.6 percent or 163,501 of Virginia's children have no insurance. Insured children are more likely to get health care. Insured children are healthier, happier children.

We also need to understand how important Medicaid is to children's hospitals, where very sick children are often treated. In 2003, Medicaid-covered children were 47 percent of all discharges and 50 percent of all inpatient days of care at children's hospitals. According to the National Association of Children's Hospitals, children covered by Medicaid tend to need more care than other children's hospital patients. Children's hospitals provide 40 percent of the hospital care required by children on Medicaid. Children with particularly complex and life-threatening illnesses are frequently treated by children's hospitals and without Medicaid, these special institutions could not survive.

Medicaid has played a vital role in our country these last 40 years. I call on my colleagues to join me in working to strengthen Medicaid. It is truly a lifeline, especially for those unfortunate children and adults with serious illnesses.

THE CREDIT CARD MESS—  
CONGRESS MUST ACT

HON. JULIA CARSON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

*Friday, July 29, 2005*

Ms. CARSON. Mr. Speaker, yesterday I introduced H.R. 3501, the "Consumer Access Rights Defense Act (CARD) of 2005". My bill is in response to the disastrous breach of credit card information and data privacy and continuous exposure of fraud suffered by millions of credit card consumers across the country.

My CARD ACT would require any data processing, credit or debit card businesses or other financial institutions to notify individuals when there has been a security breach compromising anyone's sensitive personal data, including Social Security numbers, driver's license or state identification numbers, credit or debit cards, or other financial account information.

Should any financial data be compromised, the bill will require notices be sent out by mail or e-mail without unreasonable delay. The bill will allow impose civil remedies for failure to notify; \$1,000 per individual whose personal information was comprised or not more than \$50,000 per day while failure to notify continues. The bill allows persons to sue for damages resulting from a data breach. The bill permits the placement of extended fraud alerts on credit reports. Finally, the bill will allow the Attorney General of every state to protect the interests of residents of their States when the federal government or businesses fail to notify individuals of a breach.

The bill covers both electronic and non-electronic data as well as encrypted and non-encrypted data. Furthermore, the bill sets a national standard so that individuals across the country have the same protections.

The law would be enforced by the Federal Trade Commission or other relevant regulator, or by a State attorney general who could file a civil suit. Individuals could sue for actual damages.

Like most Americans, I was shocked to learn that the names, bank account and credit card details of possibly 40 million credit card holders have been exposed to fraud. Forty million accounts were exposed, and records pertaining to at least 200,000 admittedly were stolen, primarily MasterCard and Visa cards. Undoubtedly many people I represent could be affected by this disastrous breach of what credit companies and banks repeatedly have assured the public is a secure credit card system.

It is true that credit card holders are protected under Federal laws, including the Truth in Lending Act, which makes it illegal for banks to charge victims of credit card theft more than \$50, despite the cost of purchases made on the card. And most banks have zero-liability policies, removing any financial responsibility of credit card theft from the cardholder. While the compromised data is said not to include addresses or Social Security numbers, the stolen information potentially can be used in turn to steal individual citizen's credit identity. Nearly 10 million people are victim of identity theft each year, costing consumers \$5 billion in out-of-pocket losses and businesses \$48 billion, according to the Fed-

eral Trade Commission. And that counts only the money loss. The Identity Theft Resource Center, a non-profit group based in San Diego, estimates the average victim spends about 600 hours trying to clear up credit problems after an ID theft.

Within days after this massive card data theft, some of that data was being bought and sold brazenly on the Internet by thieves who broker such information worldwide operating out of Russia and other Eastern European nations.

The irony of why and how the American people learned that 40 million of them, as well as others, had their financial privacy invaded should not be lost on my colleagues in this House.

We found out about this only because the State of California has a law which forces credit card companies to notify consumers when such theft happens. The Federal government has no such law, although those of us concerned about consumers rights are going to do our best to see that one is adopted quickly. At the very least, I believe, a person whose credit card information has been stolen or otherwise compromised has a right to swift and accurate notice from the issuing company or bank. For consumers fast notice of such a breach is the first, and sometimes, the only defense they have.

As member of the House Committee on Financial Services and of the Subcommittee on Financial Institutions and Consumer Credit, I am very much aware of the many credit information breaches that have occurred recently and over many months before. So many incidents like this have taken place, that I hope that this finally will spur the Congress to enact legislation to curb these frauds and protect consumers in the future.

While huge in numbers, the breach disclosed at CardSystems Solutions Inc. in California was not the first such attack on a card processor. In 2003, a Nebraska company called Data Processors International Inc., part of TransFirst Holdings Inc. had a similar breach and as many as 8 million account numbers were vulnerable. Earlier this month, Citigroup Inc. said UPS lost computer tapes with sensitive information from 3.9 million customers of CitiFinancial, which provides loans. Other companies, including Bank of America Corp., DSW Shoe Warehouse and BJ's Wholesale Club Inc., and CVS Drug Stores have also suffered extensive data theft.

While banks and credit card companies may have tightened their own security, they obviously have failed to force payment processors to meet similar high standards. Companies such as J.P. Morgan Chase & Co., Citigroup Inc., American Express Co. and MBNA Corp. said that they were not automatically alerting their customers that their information may have been exposed, but that they were "more closely monitoring the accounts" that may have been affected.

That simply is not good enough.

What happened in California has placed a needed spotlight on a little known, but highly sensitive part of the financial services industry; the hundreds of companies that process transactions between merchants and card issuers.

Edmund Mierzwinski, consumer program director at U.S. Public Interest Research Group, says that in his opinion "information travels through the credit system and stops in so many places where it could be illegally used