

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 identify. 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 tighten 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

that consumers have no idea what a hodgepodge of a system the credit card companies have created." He pointed out that the system is mainly designed to extract fees from consumers and businesses, "but very little of it is designed for security."

Even though many states are following California and adopting new laws, we in Congress should not drag our feet on this national issue anymore. We need federal protection for our people, at the very least, consumers have the right to know quickly when their private information is compromised.

In my view, here are the basic elements any protective legislation should include:

(1) Immediate notice of a breach by the card issuer to the card holder.

(2) A reasonable definition of when a "breach" occurs.

(3) Imposition of liability on third party card processors when at fault.

(4) A simple method of immediate assistance by the card issuer to the affected card holder to correct the problem as quickly as possible.

Mr. Speaker, I am assured that the CARD Act will be an important consumer law with teeth to rectify and strengthen consumer credit rights. I hope that this legislation will lessen the injurious liability that many of them face with no compassion from credit card companies, corporations, or the credit rating agencies, due to no fault of their own. I sincerely hope that the financial services industry will not oppose reasonable legislation to correct what is a very real and expanding national problem affecting millions of Americans.

I know some in the industry are saying that the cost of such notification is too great. But that statement flies in the face of the numbers. The Wall Street Journal reports that the nation's largest banks profit each year by more than \$20 billion in transaction fees they charge merchants on every credit card purchase made through MasterCard International Inc. or Visa USA Inc.

Surely some of that huge profit can be used for better and greater credit card security.

TRIBUTE TO TAIWAN PRESIDENT CHEN SHUI-BIAN, ON THE OCCASION OF HIS FIRST ANNIVERSARY IN OFFICE

**HON. G. K. BUTTERFIELD**

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

*Friday, July 29, 2005*

Mr. BUTTERFIELD. Mr. Speaker, I rise today to pay tribute to Taiwan President Chen Shui-bian on the occasion of his First Anniversary in office. He was elected to a second presidential term last year.

For more than 50 years, Taiwan and the United States have enjoyed a close relationship with each other economically and politically. Taiwan is our 8th largest trading partner and we are Taiwan's largest trading partner. We look forward to continuing this mutually beneficial relationship. Further, we are committed to the Taiwan Relations Act and believe in a peaceful resolution to the Taiwan issue.

Mr. Speaker, I have been informed that in recent days, Taiwan's two major opposition leaders visited China and were well received by Chinese leaders. I am pleased to see that

Taiwan President Chen has been deft in his handling of the current cross-strait relations. Continued peace and stability in the Taiwan Strait is in every nation's best interest.

I join many of my colleagues in thanking Taiwan President Chen and his people for their total support of the United States, especially in the area of combating global terrorism. In the wake of 9/11, the government of Taiwan gave a million dollars to the Twin Towers Fund of New York. Two months ago, Taiwan gave another million dollars to the Pentagon Memorial Fund. To help fight terrorism, Taiwan has joined the United States and other international organizations through participation in anti-money laundering campaigns, the proliferation Security Initiative (PSI) and the Container Security Initiative (CSI). Taiwan Representative David Tawei Lee said it well, "Only by standing together will we succeed in making the world a safer place."

Mr. Speaker, Taiwan Representative David Tawei Lee came to Washington, DC, last July, and since then he has made many friends on the Hill. We are very impressed with his intelligence and industry. Taiwan couldn't find a better diplomat than Dr. David Tawei Lee in representing Taiwan's interest in the United States.

I wish to express my congratulations to the people of Taiwan on the occasion of their President's First Anniversary in office. I hope that high ranking officials from Taiwan, such as President of Taiwan, the Foreign Minister, and the Defense Minister will be able to come to Washington, DC, to communicate directly with members and administration officials on issues of mutual concern.

TRIBUTE TO DON BARBER

**HON. HAROLD E. FORD, JR.**

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

*Friday, July 29, 2005*

Mr. FORD. Mr. Speaker, I rise today to pay tribute to Don Barber of Memphis, Tennessee who recently retired as Senior Vice President of Air Operations at FedEx Corporation. Don has had an extraordinary career with a remarkable company. Beginning in 1976 as an aircraft mechanic, his career trajectory tracked the success of FedEx Corporation. For 29 years, Don rose through the ranks of the company. He was promoted from mechanic to Managing Director of Engineering in 1982, to Managing Director of Power Plants in 1988, to Managing Director of Airframe Maintenance in 1989, to Vice President of Base Maintenance in 1990, to Vice President of Aircraft Maintenance in 1992 and finally to Senior Vice President of Air Operations in 1998.

Frederick W. Smith, FedEx Corporation's founder, Chairman and CEO put it best when he said, "Don's retirement marks the end of a career that exemplifies FedEx in so many ways, namely that there's little time for the status quo in a company moving at the pace of opportunity around the world."

Don also received accolades from former Federal Aviation Administrator Jane Garvey for his vision and drive and has been praised by his colleagues for his pivotal roles in the company's most important turning points such as the acquisition of Flying Tiger line and the purchase of the A380 Airbus, the world's largest commercial airplane.

FedEx Corporation is an organization known for its effective use of technology, aircraft, efficiency and commitment to customer service, however it is the company's people—individuals like Don Barber—who have made the company a success story that is known throughout the world. Mr. Speaker I ask that an article on Mr. Barber be included in the CONGRESSIONAL RECORD and urge my colleagues to join me in honoring him for his service to our community.

THE ANNIVERSARY OF MEDICARE

**HON. JOHN D. DINGELL**

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Friday, July 29, 2005*

Mr. DINGELL. Mr. Speaker, I am honored to commemorate 40 years of Medicare. This birthday represents 40 years of dignity for the elderly and individuals with disabilities who depend on this program for their health care. No one in this great Nation should have to suffer because of lack of medical care or become impoverished due to the high costs of that care. On July 30, 1965, Medicare and Medicaid were enacted as part of the Social Security Act to take care of our most vulnerable and needy citizens. On that historic day, President Lyndon B. Johnson signed a law that gave millions of Americans the ability to seek treatment from doctors and in hospitals without fear of destitution.

Today, Medicare provides health insurance security for nearly 42 million Americans, including more than 35 million senior citizens and 6 million individuals with disabilities under the age of 65. Over the past 40 years, 105 million Americans have enjoyed better health and received higher quality care as a result of Medicare.

Who depends on Medicare today? The men and women who served our Nation in time of war; widows and widowers; those Americans who have worked a lifetime to build this Nation and who now live in retirement; the former police officers and fire fighters, nurses, doctors, teachers, lawyers, and small business owners who were the backbone of our communities; our aging parents and grandparents, and in some instances, their disabled children. Medicare is a program that touches all of us.

Medicare is not just another health insurance program, but one of the leading insurers in our Nation. Private health plans have modeled their benefits after Medicare, from quality requirements to payments and reimbursements, to standards for certification. The Medicare program has not only greatly improved the quality and safety of health care for all Americans, but it has proven to be a remarkably efficient program, with administrative costs less than those in private plans.

Last year Congress added prescription drug coverage to round out the services provided by Medicare. Coverage of prescription medications was clearly a needed addition. I believe, however, that the design of the new program may keep beneficiaries from getting what they need. I have deep concerns over the unnecessary complexities of this law and whether it will truly provide affordable access to prescription drugs. I also appreciate that we must update Medicare to meet the changing landscape of health care, but not at the expense