

CUBAN TRAVEL: FOLLOW THE
MONEY

HON. TOM DELAY

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 9, 2003

Mr. DELAY. Mr. Chairman, there is no such thing as a "Cuban tourism industry." There is only Fidel Castro and his thugocracy.

If we pass this amendment, the money American travelers spend in Castro's Cuba will be confiscated by his regime and invested in his criminal empire.

If you believe American tourism will somehow help the situation there, remember that Cuba's tourist hotels—enjoyed by travelers from Canada, Europe, and elsewhere—have been up and running for decades, yet Castro's regime remains one of the horrors of the Western Hemisphere.

Make no mistake: Fidel Castro is not some curious anachronism. He is a violent criminal.

More than 100,000 Cubans have been imprisoned, and more than 15,000 murdered by his regime. Just in the last six months, he ordered what Amnesty International called "an unprecedented crackdown" on Cuba's pro-democracy movement.

This past spring, seventy-five pro-democracy advocates, working within Cuban law, were rounded up and imprisoned by Castro's secret police. They are now serving prison terms of up to 28 years, in unsanitary conditions and without access to health care, many for simply borrowing the wrong library books.

This amendment would reward such injustice. Fidel Castro—thief, murderer, and tyrant—is the only Cuban who will benefit from this amendment. The hotels American tourists will patronize are off limits to ordinary Cubans, and so will be the profits they generate.

Proponents of this amendment would have us believe that vacationers in flip-flops and Hawaiian shirts, sipping mojitos at Cuban beach resorts will somehow improve human rights conditions there. Instead, Mr. Chairman, it will subsidize Castro's oppression and torture.

Those are the stark and unavoidable terms of this amendment. And I urge all my colleagues, in the name of justice, to vote no.

PRIVATE SECTOR MANDATE ESTIMATE FOR H.R. 2622, THE FAIR AND ACCURATE CREDIT TRANSACTIONS ACT OF 2003

HON. MICHAEL G. OXLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 9, 2003

Mr. OXLEY. Mr. Speaker, pursuant to section 423(f)(2) of the Congressional Budget Act, I am hereby submitting for printing in the CONGRESSIONAL RECORD the statement of private-sector mandates for H.R. 2622, the Fair and Accurate Credit Transactions Act of 2003, prepared by the Director of the Congressional Budget Office pursuant to section 424(b) of the Congressional Budget Act. This statement was not available for printing in the report by the Committee on Financial Services to accompany that bill (H. Rept. 108-263).

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
*Washington, DC, September 9, 2003.*Hon. MICHAEL G. OXLEY,
*Chairman, Committee on Financial Services,
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed statement on private-sector mandates for H.R. 2622, the Fair and Accurate Credit Transactions Act of 2003. CBO completed a federal cost estimate and an assessment of the bill's effects on state, local, and tribal governments on September 3, 2003.

If you wish further details on the private-sector statement, we will be pleased to provide them. The CBO staff contact is Paige Piper/Bach, who can be reached at 226-2940.

Sincerely,

DOUGLAS HOLTZ-EAKIN,
*Director.**H.R. 2622—Fair and Accurate Credit Transactions Act of 2003*

Summary: H.R. 2622 would permanently extend the national credit reporting standards in the Fair Credit Reporting Act (FCRA) which is scheduled to expire on January 1, 2004. The bill would prevent states from imposing new restrictions on how financial institutions share consumer information. The bill also would provide new consumer protections against identity theft (that is, fraud committed using another person's identifying information). In addition, H.R. 2622 would give consumers access to certain financial records, promote increased accuracy of credit reports, and provide protections of consumers' medical information.

H.R. 2622 would impose several private-sector mandates, as defined in the Unfunded Mandates Reform Act (UMRA), on consumer reporting agencies, individuals and businesses that print electronic credit card receipts, certain mortgage lenders, financial institutions, credit and debit card issuers, and debt collection agencies. CBO expects the direct costs of those mandates would exceed the annual threshold for private-sector mandates (\$117 million in 2003, adjusted annually for inflation) in at least one of the first five years the mandates are in effect.

Private-sector mandates contained in bill: H.R. 2622 would impose private-sector mandates, on consumer reporting agencies, individuals and businesses that print electronic credit card receipts, certain mortgage lenders, financial institutions, credit and debit card issuers, and debt collection agencies by:

Requiring free credit reports upon the request of an individual;

Requiring truncation of credit card account numbers on receipts printed electronically;

Requiring disclosure of credit scores when approving certain loans; and

Requiring certain fraud alerts and blocks in consumer credit files.

Estimated Direct Cost of the Private Sector: CBO expects the aggregate direct costs of the private-sector mandates in the bill would exceed the annual threshold established by UMRA (\$117 million in 2003, adjusted annually for inflation) in at least one of the first five years the mandates are in effect.

Consumer access to credit reports

Section 501 would require consumer reporting agencies to provide an annual free credit report upon the request of an individual. Based on information from industry and government sources, CBO assumes a threefold increase in the number of individuals requesting a free credit report each year. CBO estimates that the additional direct consumer reporting agencies for providing mandatory free credit reports would be \$1.00 to \$2.00 per report with a total cost ranging from \$30 million to \$60 million per year.

Under current law, if a consumer disputes information contained in their consumer file at a consumer reporting agency, the agency must reinvestigate the disputed information free of charge. The mandate requiring free credit reports would have a secondary effect. The number of consumers who would exercise their option to receive a free annual credit report would likely increase the number of subsequent reinvestigations. According to industry sources, the cost for additional reinvestigations would be \$7.00 to \$8.00 per reinvestigation. Assuming half of those individuals who receive a free credit report dispute the information requiring a reinvestigation, the total cost would range from \$110 million to \$125 million per year. Such cost would not be direct cost, as defined in UMRA, and would not count towards the statutory threshold.

Truncation of credit card account numbers

Section 203 would impose a private-sector mandate by requiring individuals and businesses that accept credit cards to truncate the credit card account numbers by including no more than the last five numbers on an electronically printed cardholder receipt. The mandate would take effect three years from the date of enactment for machines currently in use and beginning in 2006 for machines put into service after January 1, 2005. According to the credit card processing industry, some systems are currently in compliance because they are capable of electronically printing truncated account numbers on customer receipts. In order to comply with this mandate, some merchants would have to make modifications to their systems, including software reprogramming, formatting changes to dial-up terminals, and purchase of new printing devices. Costs to replace machines would range from \$300 to \$1,000 per unit. Assuming merchants would have to replace 25 percent of the currently used machines in 2007, the cost to replace such machines, including programming modifications, would amount to at least \$85 million in that year.

Disclosure of consumer credit score

Section 502 would require certain mortgage lenders that use a consumer credit score in approving loans to provide a copy of the credit score and associated information received from a consumer reporting agency to the customer as soon as reasonably practicable. Based on approximately 13 million annual mortgage loan applications affected by this provision, and handling and mailing costs provided by the industry, CBO expects that the direct cost to provide such information would range from \$35 million to \$55 million per year.

Fraud alert in credit file

Section 202 would require consumer reporting agencies to include a fraud alert in the file of a consumer and disclose to the consumer that they may request a free copy of the file when the agency receives a direct request that a consumer has been or is about to become a victim of fraud, including identity theft. A consumer reporting agency would also be required to include an active-duty alert in the file of an active-duty military consumer upon their request. In addition, section 205 would require consumer reporting agencies to block any information in the file of a consumer that the consumer identifies as resulting from an alleged identity theft and confirms with a police report. An agency also would be required to notify the furnisher of the information identified by the consumer of certain information regarding such a block. According to the consumer reporting industry and government sources, the national consumer reporting agencies generally provide such alerts and