

Opening Statement

Congressman Paul E. Gillmor (R-OH)

Committee on Financial Services

May 4, 2005

Hearing entitled: "Assessing Data Security: Preventing Breaches and Protecting Sensitive Information."

I would like to thank the Chairman for calling this hearing today. With over ten million victims of identity theft each year, protecting our consumer's financial data is an issue that our Committee will need to continue to look at.

Last Congress we passed the Fair and Accurate Credit Transactions Act. I am particularly proud of the steps we took towards preventing these crimes and giving consumers the tools to repair their credit histories after an identity theft has occurred. While much of the Act is in the early stages of implementation, once all Americans are notified of their ability to annually receive a free copy of their credit report, I hope that they request one and learn more about this crucial piece of their financial background.

Protecting our sensitive financial data is an important step towards minimizing identity theft and the recent string of highly-publicized security breaches should cause concern. I think it is important though, that this Committee explore each incident separately and find lessons in each circumstance. A legislative fix may be necessary, but when we go down that road, I hope that we ensure that the bill is sensitive to the costs associated with triggering a notification of millions of consumers when there is no discernible threat to the consumer's financial data.

I would also hope that any legislation would include guidelines as to what qualifies a breach notification and whether over-notification will create a less-sensitive public; one that is not attuned to the threats posed by real attempts to acquire personal financial data.

There is no doubt that the recent data breaches require some questions by this Committee and I look forward to hearing from our panel today. With that, I thank the Chairman and yield back the balance of my time.