

THE WHITE HOUSE

Office of the Vice President

For Immediate Release  
Thursday, May 14, 1998

Contact:  
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VICE PRESIDENT GORE ANNOUNCES NEW COMPREHENSIVE  
PRIVACY ACTION PLAN FOR THE 21ST CENTURY

Washington, DC--Vice President Gore announced today a new comprehensive privacy action plan from the Clinton Administration that will give people more control over their own personal information.

"We need an electronic bill of rights for this electronic age," the Vice President said. "Americans should have the right to choose whether their personal information is disclosed; they should have the right to know how, when, and how much of that information is being used; and they should have the right to see it themselves, to know if it's accurate."

Speaking at New York University's 166th Commencement, the Vice President announced new efforts to promote privacy including: calling for legislation to restrict how individual medical records can be used and allow individuals to be informed about their use, and launching a new "opt-out" Website where individuals can prevent personal information from being passed on to others.

In addition, the Vice President called on the federal government to review its own record-keeping to protect personal information from being released. He also announced that the Administration will convene a privacy Summit that will bring privacy and consumer advocates together with industry officials to explore privacy on the Internet as well as children's privacy.

Specifically:

- **Medical Privacy.** Vice President Gore called on Congress to pass strict medical records legislation to restrict how and when individuals' medical records can be used; give individuals the chance to correct those records; and give patients the right to be informed about them.
- **One Stop Opt-Out.** The Vice President announced a new website sponsored by the Federal Trade Commission and located at [www.consumer.gov](http://www.consumer.gov) that will enable individuals to:
  - ✓ Prohibit companies from pre-screening their credit records without their permission;
  - ✓ Prevent their drivers' license data from being sold to data miners; and
  - ✓ Remove their name and address from direct-mailing and telemarketing lists.

- **Ensure Appropriate Use of Federal Government Data.** The Vice President announced that the President has signed a new Presidential Memorandum to agency heads, effective today, that: 1) requires agencies to ensure that new technologies do not erode Privacy Act protections while also examining how new technologies can be used to enhance personal privacy, 2) calls for a thorough agency-by-agency review of existing privacy practices, and 3) directs the Office of Management and Budget to conduct a review and issue guidance on the way agencies can protect privacy information, especially when they collaborate with state and local governments.
- **Privacy Summit.** To fully understand and address the complex issues involved with privacy in the Information Age, the Vice President called on the Commerce Department to convene a Summit on Privacy within the next month to bring privacy and consumer advocates together with industry officials to explore the feasibility and limitations of the application of self regulation to the Internet and to focus on children's privacy.

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## Privacy Talk

THE DECLARATION of an "electronic bill of rights" by Vice President Gore, intended to highlight administration plans for safeguarding individual privacy online, fits close to his and the president's pattern on such policies: a few useful principles swathed in a lot of not-so-useful packaging. Of the actions urged by the vice president to safeguard the swiftly eroding expectation of privacy in cyberspace, at least half are highlighted or streamlined versions of protections already available. A new "one-stop opt-out" Web site run by the Federal Trade Commission, for instance, allows consumers to request that their driver's license information or other personal data not be passed on to private data companies or that their names and addresses be removed from telemarketers' lists.

But though these two forms of "opting out" of the traffic in personal information will undoubtedly be more used if they are more convenient, the underlying protection flows not from any executive order but from legislation. State laws allowing individuals to shield their motor vehicle information from commercial sale, for instance, have mostly been passed in the past few years after panicked citizens realized just how brisk the sale in such information was.

But protection from this kind of involuntary

name-and-address selling, though popular, remains less urgent to many than the privacy of another type of information people often have no choice but to provide to outsiders—their medical information. And on medical records' privacy protection, the vice president took a useful stand, urging Congress to pass strict legislation to restrict use of medical records and inform individual patients of that use.

Congress must in fact pass such legislation by midsummer under provisions of the Kennedy-Kassebaum law that required hospitals and insurers to computerize their medical data for "administrative simplification." If the lawmakers fail to produce, rules proposed last spring by Health and Human Services Secretary Donna Shalala would go into effect instead. Those regulations, though a good start, need stiffening in a few areas, notably in the huge and loophole-ridden exceptions that are drawn for law enforcement, scientific research and other purposes. Much more could be done in these areas to limit the amount of exposure and to separate information the investigators need (such as for fraud inquiries) from details that identify individuals. Congress could add some of this stringency in a well-designed privacy law. A bit of vice presidential attention could help.

## Running Out the Gunrunners

IT'S BEEN hard times for gunrunners in Maryland: Handgun sales in the state dropped more than 25 percent in 1997, the first full year of sales since a new state law barred most people from buying more than one handgun a month. This new limit is also, fortunately, a terrible imposition on any Marylanders who want to power up their home or workplace arsenals with more than 12 additional handguns every year. In addition, it messes up the gunrunners who used to be able to hire one straw purchaser to buy handguns by the carload for marketing to criminals. That, in turn, is threatening Maryland's position as a leading supplier of handguns seized by police at crime scenes up and down the East Coast.

The all-guns-are-great advocates have been quick to assure residents that the gun-a-month purchase limit isn't the chief cause of declining gun sales. They explain that the decrease is the result of a routine business downturn (think about that one). Gun dealers also argue that there's no proof that the law has kept criminals

from getting weapons and that lawbreakers are now turning to rifles and shotguns. Bob McMurray, vice president of the Maryland State Rifle and Pistol Association, says cheerfully: "We're never going to stop criminals from having guns."

So hey, why not reopen bulk handgun sales? For that matter, why bother with any laws if people are going to break them? Never mind that Maryland State Police Superintendent David B. Mitchell says, "We're slowing the flow of guns to the criminal element. We haven't stopped it altogether, but we're slowing it down, and we're making Maryland safer."

It is true that the gunrunners will find other sources of supply. When Virginia went to a handgun purchase limit, the operations there could then switch to Maryland. Now they are likely to pop up in another state. That's why law enforcement authorities and people concerned about their public safety make the case for a more effective measure—a uniform purchase limit throughout the country.

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FRIDAY, MAY 29, 1998

THE WHITE HOUSE

Office of the Vice President

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Immediate Release  
Thursday, June 4, 1998

Contact:  
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**STATEMENT OF VICE PRESIDENT GORE  
ON STEPS TO PROTECT THE PRIVACY OF KIDS**

I welcome the steps that the Federal Trade Commission (FTC) announced today to protect the privacy of children -- which will move us further towards the creation of an "electronic bill of rights."

Protecting privacy is a cherished American value, and it is even more precious when it involves those too young to protect themselves.

President Clinton and I commend the FTC's determination to investigate and sanction firms or individuals who mislead children about privacy protection on the Internet.

In addition, we welcome the FTC's call for legislation to give it the legal authority to require Internet operators of Websites on the Internet get parental consent before they can collect and distribute certain privacy sensitive information.

The FTC study shows disappointing results -- that many Websites failed to meet a minimal requirement of protecting a privacy policy. The private sector has made some progress towards effective self regulation by offering privacy statements on Websites, but it needs to do more to implement meaningful, enforceable, privacy standards.

THE WHITE HOUSE

Office of the Vice President

For Immediate Release  
Friday, July 31, 1998

Contact:  
(202) 456-7035

VICE PRESIDENT GORE ANNOUNCES NEW STEPS TOWARD AN  
ELECTRONIC BILL OF RIGHTS

*New Efforts Will Protect Americans' in Four Key Areas*

Washington, DC -- Vice President Gore announced new steps toward an Electronic Bill of Rights, an effort to protect one of the oldest and most basic American values -- privacy -- with the rise of new technology.

"We need an electronic bill of rights for this electronic age," Vice President Gore said in an event in the Roosevelt Room at the White House. "You should have the right to choose whether your personal information is disclosed; you should have the right to know how, when, and how much of that information is being used; and you should have the right to see it yourself, to know if it's accurate."

Following a major address at New York University this May, the Vice President renewed the call for an Electronic Bill of Rights by asking everyone to do their part to protect individual privacy -- relying on private sector leadership where possible, on legislation when necessary, on responsible government handling of personal information, and on an informed public.

The Vice President announced new action in four key areas:

- **Protecting sensitive personal information.** Taking new executive action and calling for tough new legislation to protect personal information such as medical and financial records -- and ensuring that existing privacy laws are strong enough to protect privacy as technology grows and changes;
- **Stopping identity theft.** Calling for strong new penalties for so-called "identity theft";
- **Protecting children's privacy on-line.** Calling for strong new measures to protect children's privacy on-line -- by ensuring that data is not collected from children without their parents' consent; and
- **Urging voluntary private sector action to protect privacy.** Challenging the private sector to continue to take effective voluntary steps to protect privacy on-line.

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## PROTECTING AMERICANS' PRIVACY IN THE INFORMATION AGE: AN ELECTRONIC BILL OF RIGHTS

*"Privacy is a basic American value -- in the Information Age, and in every age. And it must be protected. We need an electronic bill of rights for this electronic age. You should have the right to choose whether your personal information is disclosed; you should have the right to know how, when, and how much of that information is being used; and you should have the right to see it yourself, to know if it's accurate."*

*-- Vice President Gore*

In a major address at New York University this May, Vice President Gore called for an Electronic Bill of Rights to protect one of the oldest and most basic American values -- privacy -- with the rise of new technology. Today at the White House, the Vice President will announce a series of measures that represent the latest step toward making the core principles of the Electronic Bill of Rights a reality. His plan calls on everyone to do their part to protect individual privacy -- relying on private sector leadership where possible, legislation when necessary, responsible government handling of personal information, and an informed public.

The Vice President will announce new action in four key areas:

- **Protecting sensitive personal information.** Taking new executive action and calling for tough new legislation to protect personal information such as medical and financial records -- and ensuring that existing privacy statutes are strong enough to protect privacy as technology grows and changes;
- **Stopping identity theft.** Calling for strong new penalties for so-called "identity theft";
- **Protecting children's privacy on-line.** Calling for strong new measures to protect children's privacy on-line -- by ensuring that data is not collected from children without their parents' consent;
- **Urging voluntary private sector action to protect privacy.** Challenging the private sector to continue to take effective voluntary steps to protect privacy on-line.

### Sensitive Personal Information

**Medical Records.** Currently, Americans have stronger privacy protections for their video rentals than they do for their medical records. The Administration believes this is unacceptable. The Administration has proposed strong medical privacy recommendations and urged Congress to pass legislation that gives Americans the privacy protections they need. If Congress does not pass strong medical privacy legislation, the Administration fully intends to implement privacy protections consistent with the authority given to us by the law. For example, next week the Administration is releasing a proposed rule to establish standards for the security of health information used by health care providers, health plans, and others (e.g. security and confidentiality practices, access controls, audit trails, physical security, protection of remote access points, etc.)

In 1996 Congress directed HHS to develop standards for unique health identifiers under the Health

Insurance Portability and Accountability Act of 1996. However, because the availability of these identifiers without strong privacy protections in place raises serious privacy concerns, the Administration is committed to not implementing the identifiers until such protections are in place. It is also important to note that the privacy provisions passed in the House Republicans patients' rights legislation last week certainly do not pass this test, as this provision permits far too much disclosure of patient information without consent.

**Financial records:** The Administration will direct Treasury and the banking regulators to strengthen the enforcement of the Fair Credit Reporting Act with respect to the sharing of information between banks and their affiliates and "opt-out" notices for consumers. The Administration will also ask that Congress give bank regulators the authority to examine financial institutions for compliance with the Fair Credit Reporting Act.

**Profiling:** The Administration will work with the Federal Trade Commission to encourage companies that build dossiers about individuals by aggregating information from a variety of database sources to implement effective self-regulatory mechanisms. If industry attempts at self-regulation are not successful, the Administration will consider other means to ensure adequate privacy protection.

**Government information:** The Administration will launch a "privacy dialogue" with state and local governments. This dialogue will include considering the appropriate balance between the privacy of personal information collected by governments, the right of individuals to access public records, and First Amendment values. For example, the digitization and widespread availability of public records has raised serious privacy concerns.

### Identity Theft

**Identity theft:** The Administration will urge the Congress to pass legislation sponsored by Senators Kyl and Leahy to crack down on "identity theft," which is the fraudulent use of another person's identity to facilitate the commission of a crime, such as credit card fraud. According to law enforcement officials, the incidence of identity theft is increasing rapidly, and current federal and state laws do not provide sufficiently comprehensive privacy protection.

**Theft of personal financial information:** The Administration will work with Congress to pass legislation sponsored by Representatives Leach and LaFalce that will make it a federal crime to obtain confidential customer information from a bank by fraudulent means. In some cases, people are obtaining information illegally and then using the information for a legal purpose – e.g., pretending to be a customer in order to trick confidential information out of a bank, and then selling that information to a private investigator or some other third party.

### Children's Privacy

**Children's privacy:** The Administration will seek legislation that would specify a set of fair information principles applicable to the collection of data from children, such as a prohibition on the collection of data from children under 13 without prior parental consent. The Federal Trade Commission would have the authority to issue rules to enforce these standards. Legislation is needed because children under 13 may not understand the consequences of giving out personally identifiable information.

## **Calling for Private Sector Efforts**

**Privacy online:** The Administration will continue to press for industry self regulation with enforcement mechanisms. The private sector continues to respond to the Administration's call for industry self regulation. For example, over 50 major companies and associations engaged in electronic commerce have recently created the "Online Privacy Alliance." The Administration will monitor the progress of online industry self regulation to ensure that the commitments made by companies are implemented, that the enforcement mechanisms are effective, and that the numbers of companies and organizations participating in these efforts expands so that the efforts become sufficiently broad based.

## **Increasing Public Awareness**

**Public education:** The Administration will work with the private sector, the privacy and consumer advocacy communities, and non-profit organizations to develop a public education campaign to inform individuals about how to exercise choice with respect to the collection and dissemination of their personally identifiable information, and about the technologies that can make that choice possible.

## **A Coordinated Approach**

**Privacy coordination:** OMB will be given responsibility for coordination of privacy issues, drawing on the expertise and resources of other government agencies. This will help improve the coordination of U.S. privacy policy, which cuts across the jurisdiction of many federal agencies.

# Gore makes protecting consumer privacy a priority

By Bill Nichols  
USA TODAY

WASHINGTON — Vice President Gore will announce today the establishment of a central office in the U.S. government to coordinate protection of privacy.

Gore, in a speech at the White House, will also push for a series of safeguards aimed at

preserving consumer privacy for health and medical records and Internet users.

"Privacy is a basic American value — in the information Age and in every age," Gore said in remarks prepared for delivery today.

"You should have the right to choose whether your personal information is disclosed. You should have the right to

know how, when and how much of that information is being used. And you should have the right to see it yourself, to know if it's accurate."

In May, Gore called for an "Electronic Bill of Rights" that would protect the millions of Internet users. Altes said today's speech was an attempt to develop specific proposals around that theme. Details

▶ The Office of Management and Budget will be given responsibility for coordinating privacy issues, a job currently handled piecemeal among a handful of Cabinet agencies.

▶ Gore will announce a delay in implementing a controversial proposal to give every American a string of computer codes that would be a unique identifier to be used on all of a

person's health records.

Gore aides said the White House would not create that system, which was required in an insurance law passed two years ago, until Congress passes a tough law to protect privacy of medical records.

▶ Gore will call for legislation regulating the collection of data from children younger than 13 without parental con-

sent.

And he'll announce the administration's support for pending legislation that would curb identity theft — stealing personal information to use someone else's identity to run up bills.

Gore's speech also will praise efforts of the self-regulating Online Privacy Alliance, a group of 50 companies and

trade groups including Microsoft, America Online and IBM.

But he will stress that self-regulation by the on-line industry must contain enforcement mechanisms that make them credible. The Federal Trade Commission recently told Congress it should pass tough new privacy laws for adults if the industry's own efforts don't improve by year's end.

## Dress could be blockbuster or nothing at all

Item at the edge of case makes move to the center

By Kevin Johnson  
and Richard Willing  
USA TODAY

WASHINGTON — The first mention of a soiled article of clothing surfaced on the Internet on the very day in January when Monica Lewinsky's name hit the headlines.

Breathless reports about a "siren-starved dress" were briefly cycled through the mainstream media and then dispatched to the garbage heap of tabloid gossip.

But now a dress owned by Lewinsky is back in the news. Independent counsel Kenneth Starr has asked the FBI crime lab to examine whether the garment contains forensic evidence of a sexual encounter between Clinton and the former White House intern, government officials said Thursday.

Depending on the results of DNA testing, the dress could turn out to be potentially damaging evidence in Clinton's grand jury. Or it could mean nothing at all.

No single piece of evidence related to the inquiry has been the subject of more dispute. Even the suggestion six months ago that it might exist proved so lurid that the early reports were seized on as the height of journalistic irresponsibility.

Confronted with the first reports in January, Lewinsky's former lawyer, William Clinton, categorically denied its existence. "That is so outrageous, prevaricant and disgraceful," he told CNN. "I've heard that from the press. I deny it."

The story took another turn on Wednesday when Lewinsky, with a freshly signed immunity agreement, arrived for a meeting with Starr's prosecutors carrying a bag with a dress wrapped inside, spattered with knowledge of the matter said.

Beyond the pure stock value sure questions about its real value to Starr's investigation.

First of all, it is uncertain whether any stain is so fresh and whether it is sufficiently preserved to be used for testing.

And even if DNA can be extracted from an old dry stain, a

body fluid sample would have to be obtained from Clinton for comparison tests.

But if a stain is tested and matched, it would be the president to the dress and its owner in an almost irrefutable way.

DNA testing matches different samples of oxo-xythionine acid, the unique genetic material contained in the nuclei of a body's cells. Because DNA carries a human's basic genetic code, scientists believe that no two individuals, other than identical twins, have identical DNA.

One type of DNA testing, in use in the United States for the past 11 years, uses a biochemical bath to cut the DNA into segments that can be searched for identifying traits.

The test, called restriction fragment length polymorphism, or RFLP, requires a semen stain about the size of a dime and takes six to eight weeks to complete.

A newer test, polymerase chain reaction, or PCR, requires two to three days and can use a sample a fraction of a dime's size.

A recent refinement of the PCR test, short tandem repeat, or STR, compares 75 different characteristics against a donor's sample. In some cases, the results permit scientists to say that the likelihood of an incorrect match is better than one in a quadrillion.

Whether Clinton would provide the sample necessary for a match remains an open question. Courts have ruled that prosecutors and crime suspects can be compelled to give DNA. But it is unclear how the law would apply here.

A further complication: FBI lab procedures likely would require Clinton to donate a blood sample rather than using a less-invasive mouth swab.

Unless it can be determined quickly that the garment cannot or does not warrant testing, Clinton might have to prepare himself for the prospect of an ongoing search for the dress, including when he sits down with prosecutors Aug. 17.

★ Tests sought, 1A



Vice President Al Gore, with Ann Pulliam of McLean, speaks to reporters yesterday about the administration's "Electronic Bill of Rights."

## Gore pushes children's Internet privacy rights

### Seeks laws to limit firms' data collection

ASSOCIATED PRESS

Vice President Al Gore pressed yesterday for new federal laws to prevent companies from collecting personal information from children who use Internet Web sites, chat rooms and e-mail.

As part of crafting an "Electronic Bill of Rights," the Clinton administration also wants to suspend plans to assign every American a health care ID number. In addition, it proposed a new role for the Office of Management and Budget in writing privacy rules.

Mr. Gore said citizens' rights to decide whether to allow companies to collect personal information, to dictate what type of data may be collected and to review it for accuracy "do not have sufficient protections by a long shot."

Mr. Gore, who first described such a bill of rights in May, pressed for new laws against identity fraud and for new protections of consumer credit reports.

"Privacy is a basic American value—in the information age and in every age," Mr. Gore said. "It must be protected. We need an electronic bill of rights for this electronic age."

Privacy has become a politically popular issue, as concern grows about high-tech intrusions into

Americans' personal lives.

"We're beginning to see the flesh put on the bones," said Deirdre Mulligan, a privacy specialist at the Center for Democracy and Technology in Washington. "These are very specific proposals that respond to issues that advocates and the public have raised."

Critics have complained about a 1996 law that would assign everyone a computer number to track health care from birth to death, saying it would allow insurance companies, doctors, drug stores and others to release medical records for broadly defined "health care operations."

Mr. Gore yesterday called it "one of the worst things to happen to privacy since Alan Funt," who created the "Candid Camera" television series.

"It appears the White House is at least beginning to take privacy seriously," said Barry Steinhardt, head of the Electronic Frontier Foundation, a civil liberties group. He called it "a very important step that significantly improves the outlook for medical privacy."

Federal regulators said this summer that many companies collect personal information from children on line.

The Washington Times

SATURDAY, AUGUST 1, 1998

# Gore Outlines Privacy Measures, but Their Impact Is Small

By JILL BRINKLEY

WASHINGTON, July 31 — The Clinton Administration announced a new privacy initiative today intended to protect children and medical patients, among others. But while the proposals were ambitious, the Administration can enforce few of them without the consent of Congress or private industry.

Calling privacy in the age of electronic commerce "a basic American value" that "must be protected," Vice President Al Gore made public a list of a dozen or so new initiatives that seek to tighten the security of financial and medical records and to protect the privacy of children who use the Internet.

Many of the proposals are simply endorsements of bills being considered by Congress. Others require new Congressional action that is, in some cases, uncertain at best.

But the Administration chose not to offer any broad new ideas for protecting the privacy of adults on line. Mr. Gore announced instead that, for now, the Administration would leave industry to regulate itself.

The Government's privacy rules are of special concern now because the European Union plans to enforce a new electronic privacy program in October and has threatened to stop doing business with companies in other countries that have looser rules. In Congressional testimony earlier this week, Commerce Secretary William M. Daley said the Administration's new proposals would bring the United States into compliance. But some experts in privacy law disagree.

The Administration can enforce only a handful of the initiatives proposed today, including two that would tighten the security of medical and banking records.

The White House said the Department of Health and Human Services would propose a rule next week to enhance the security of electronic medical records, but offered no details.

And Federal bank regulators will strengthen the enforcement of a law that sets limits on how easily banks can share information about their customers and their accounts with related business, like insurance companies, according to a senior Administration official.

Many of the other proposals are just that — ideas that are up to others to implement. For example, Mr. Gore said he wanted to discourage "profiling" — the practice by some companies of building dossiers on the activities of private citizens using a variety of databases and then using or selling that information to

"We are working with the Federal Trade Commission to issue a new challenge to companies that use information technology to piece together personal profiles of American citizens and then sell those profiles for profit," the Vice President said. "And here is the message to them: If you don't find a way quickly to effectively regulate your own industry, we will take actions to make you protect the privacy of all Americans."

Similarly, the White House urged Congress to pass pending legislation that would enforce criminal penalties for "identity theft" — stealing someone's Social Security number, credit card numbers or other identifiers and using them to commit a crime, like credit card fraud.

Mr. Gore also urged Congress to approve legislation that would forbid companies running sites on the World Wide Web to collect information about children under 13 visiting the sites without permission from their parents.

Some experts found few new ideas in the White House initiative. David Sobel, general counsel for the Elec-

tronic Privacy Information Center, a private research group based in Washington, said, "We don't hear much here that we haven't heard before, and the gaping hole of state policy continues to be limited privacy for adults."

Evan Hendricks, editor of the Privacy Times newsletter, said, "It's form and ceremony, it's a great day. But in substance this leaves a lot wanting."

Mr. Sobel also said the proposals "still leave us out of step with Europe."

## Privacy Concerns Delay Medical ID's

By SHERYL GAY STOLBERG

WASHINGTON, July 31 — The Clinton Administration has temporarily backed away from its plan to assign every American a computerized code that would be used to track medical records, saying the "unique health identifier" will be delayed until Congress adopts legislation to protect patients' privacy.

The decision, coming on the heels of a week of controversy about the identifier, was announced by Vice President Al Gore today as part of a broader proposed "electronic bill of rights" that would cover not only medical records but also financial data as well as information gathered from children over the Internet.

"We live in a nation where people can get access to your bank account and your medical records more easily than they can find out what movies you rent at the video store," Mr. Gore said at a White House ceremony. "Even worse, some patients" worried about privacy infringement "will not tell their doctors the whole story, and doctors are now afraid to keep full and accurate medical records in many cases."

Some privacy experts have argued that creating a national health identification system, which could be used to develop a huge database following every American's medical history from cradle to grave, would only inflame those fears. But advocates of the code say it could save lives by assuring doctors complete medical records of their new patients and also helping those patients track their own records, frequently as they move from one insurance plan to another.

The identifier was mandated by a 1996 law that allows patients to take their health insurance with them when they switch jobs. But, Mr. Gore said today, carrying out that mandate "before Congress has enacted strong, tough, meaningful medical-records-privacy legislation could compromise the privacy of Americans in too many ways."

The announcement brought praise from some who had worried that the controversy could scuttle the plans for the electronic

debate. With at least five bills to protect patient privacy circulating on Capitol Hill, the lawmakers are in the midst of a bitter argument over how to accomplish that goal.

Last week, in passing a Republican bill that would expand the rights of millions of patients who are dissatisfied with their medical care, the House included a privacy provision. But that provision, which would overturn stronger state protections, has drawn harsh criticism from privacy advocates, the White House, Congressional Democrats and even some Republicans.

While the Republican bill would require doctors, hospitals and insurance companies to provide notice of their confidentiality practices to patients, it would not require patient consent for the release of records. And though it would prohibit the sale of confidential medical information, it would permit the release of patient records for "health care operations," a term critics say is so broad that it could apply in anything, including, for instance, the transfer of patient information to companies marketing new drugs.

"The Republican bill is very little," one Republican Congressional aide said. "It is too narrow of an approach. We need to insure that patients' medical records are protected by a strong and uniform Federal law."

But Charles N. Kahn Jr., chief operating officer of the Health Insurance Association of America, which favors the health care identifier as a way to cut costs and simplify record keeping, said that requiring patient consent for the release of all information would be too burdensome.

## Controversy stalls the 'unique health identifier.'

code entirely.

"The privacy issues absolutely have to be addressed so that we can have a discussion about the benefits of helping consumers link their medical history over time," said Elliot M. Stone, chief executive of the Massachusetts Health Data Consortium, a non-profit group that builds large health care databases.

But privacy advocates, who are pressing for the 1996 provision to be abandoned, were disappointed. "Delaying the ID number is not what the public wants," said Dr. Denise Hoagel, executive director of the National Coalition for Patient Rights. "It needs to be repealed."

By leaving the future of the health identifier in the hands of Congress, the Administration may not get a speedy resolution to

The New York Times

SATURDAY, AUGUST 1, 1998

# White House to Delay Health 'Identifier' Plan on Privacy Concerns

By ROBERT O'HARROW JR.  
Washington Post Staff Writer

The Clinton administration intends to delay a controversial proposal to give every American a unique health identifier, a move that would give officials time to examine the impact it could have on medical privacy, White House officials and several privacy specialists said yesterday.

Such an identifier would be a string of computer codes that would allow doctors, hospitals and insurers to access medical information of people virtually anywhere in the nation. It was mandated by Congress two years ago to help make the health care system more efficient.

Although little progress has been made by Department of Health and Human Services officials in creating the system, the plan has drawn sharp criticism from medical and privacy advocates, who say it could lead to vast databases and erode the confidentiality of health records. Last week, several ranking senators introduced legislation that would repeal the mandate for the codes, while a Republican-crafted patients' rights bill that passed the House would require congressional approval of any administration plan.

Vice President Gore may announce the delay as soon as tomorrow morning, when he will address a range of privacy-related matters in a speech at the White House. Gore believes the impact of the identifiers would be too far-reaching to allow them to take effect without measures in place to protect individuals, senior White House advisers said.

"Clearly, the administration is not going to implement this identifier until there is meaningful medical privacy legislation," one official said, adding that the House-passed Patient Protection Act of 1998 was not acceptable. "We would not even consider it."

Gore's speech will come less than three months after he promised to develop an "electronic bill of rights" that would ensure privacy for millions of people using the Internet. In taking on broader privacy issues, officials hope it will win him political points from voters anxious about how their names, birth dates and other personally identifiable information is gathered and used by marketers and others.

"This is seen as a big campaign issue," said an individual involved in discussions about Gore's speech in recent days. "They've been putting their stakes in the ground."

Privacy specialists also suggested the White House wants to send a message to Europe, where new privacy laws take effect this fall. Those laws could restrict U.S.

companies from collecting personal data there if European officials decide the United States does not adequately protect privacy.

In his speech, Gore also plans to endorse pending legislation that would curb identity theft, a crime in which fraud artists appropriate an individual's personal information and run up bills in their names. He also wants to support legislation that would prohibit the collection of data from children under 13 using the Internet.

At the same time, he will ap-

plaud the aims of a self-regulation plan announced recently by a coalition of businesses using the Internet. But aides said he will warn that the approach must have a strong enforcement mechanism to punish companies that abuse personal information online.

Gore also will signal his intention to "open a conversation" with state and local governments in the coming months about laws that govern the use of public records. Personal information on deeds, driver permits, boating licenses

and scores of other records are routinely sold by governments to "lookup" services and marketers.

To help coordinate privacy efforts, Gore intends to name an official in the Office of Management and Budget to serve as a privacy liaison. Although the post would have no regulatory oversight, it would have increased responsibility for privacy issues and serve as a focal point at the federal level.

In cobbling together so many different components of the priva-

cy debate, Gore wants the speech to reflect his desire to give individuals more control over their personal information. "This is just another step along the way in delivering on his promise for a practical, enforceable bill of rights," one of Gore's advisers said.

Some privacy advocates praised the effort, even while acknowledging that some of Gore's gestures remain symbolic.

"Right now, we have no coordination. . . . There needs to be an

ongoing focus," said Jerry Berman, executive director at the Center for Democracy and Technology. But he added: "Slowly but surely, we're moving in the right direction."

But skeptics said neither Gore nor Congress has gone far enough in providing substantive protections from information brokers, credit bureaus and marketers that thrive on personal information. "They're still ducking the hard problems," said Marc Rotenberg, director of the Electronic Privacy Information Center.

The Washington Post

THURSDAY, JULY 30, 1998

# Gore Targets Social Security ID Theft

By **KENE SANCHEZ**  
Washington Post Staff Writer

WHITTIER, Calif., June 8—Vice President Gore today proposed making it a federal crime to buy or sell Social Security numbers, the latest in a series of initiatives that he has begun promoting in his presidential campaign to address growing American anxiety about invasions of privacy and identity theft.

Midway through a three-day tour of the West Coast that is devoted mostly to fundraising, Gore told several hundred uniformed deputies gathered here at the Los Angeles County sheriff's office training academy that he would make stronger protections of confidential financial and medical records a "national priority" if elected president. He said the privacy steps are at the heart of a broad new agenda for American families that he will begin outlining in detail next week.

Joining Gore on an outdoor stage this morning were Tim and Helen Remsburg, a New Hampshire couple whose 20-year-old daughter, Amy, was shot to death last year by a stalker who bought her Social Se-

curity number for \$45 on the Internet. He used it to find her work address, then ambushed her in a parking lot there. "It should've and could've been avoided," said Tim Remsburg, who introduced the vice president.

Gore said complaints about the theft of Social Security numbers through new technology are rising sharply across the country. Last year, federal officials received reports of nearly 40,000 such cases, he said, more than double the number recorded in 1998. "The lesson of Amy's story is clear," he said. "The information age should not mean your personal information is misused and abused. . . . Let's put the security back in Social Security."

Gore arrived on Wednesday in Palm Springs, spoke to residents at a center for the elderly, and then plunged into a round of fundraising: It began with Indian groups in the desert and ended last night at receptions first near the shores of Santa Monica and then in Los Angeles at television star Jimmy Smits's new salsa club, the Conga Room. Gore had three more fund-

raising stops in Los Angeles this evening.

In campaign events, both Gore and Republican George W. Bush have begun advocating stronger privacy rights. Polls nationwide are suggesting that the issue is a source of rising public alarm. As he has done several times recently, Gore called on Congress today to adopt an "electronic Bill of Rights" that would better protect citizens from the unauthorized use of their financial and medical records.

He said that lawmakers should begin with tough new penalties against buying or selling Social Security numbers because "that's the key fact that can be used to get to all the other key facts."

Such deadly violence as in the Remsburg case is rare in identity theft cases, law enforcement officials say. More often, thieves who steal Social Security numbers use them to create fake credit cards and leave victims with a mountain of debt that can take years for authorities to investigate and clear up.

"Most people are not aware that this new vulnerability is out there today," Gore said.

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June 7, 2000

MEMORANDUM FOR THE VICE PRESIDENT

FROM: DAVID BEIER  
JIM KOHLENBERGER  
TOM KALIL

RE: INTERNET PRIVACY OPTIONS

**Background:**

Internet privacy protection is a complex policy topic for several reasons. First, it is very symbolic of how government will approach Internet policy development. As a result, any strong push for legislation will send profound signals to the industry and the international community. Second, because we -- as an Administration -- have been so public in our commitment to an effective means of self regulation, any change will be magnified in its importance. Third, how we will handle privacy issues will be read into how we approach consumer protection and other Internet regulatory issues. Set forth below are three options. Your advisors support option 1.

**Option #1: Current Administration policy with a deadline for legislation**

Over the past two years leading Web sites have made dramatic strides in posting privacy policies. Since you first called upon industry to promote privacy policies, the number of web sites with privacy policies has gone from 10% to 90%. Virtually all popular Web sites now have a privacy policy. This proves that an effective program of self regulation is working. The European Union last week accepted this approach as meeting their standards of adequacy. On the other hand, there is evidence of a "free rider" problem of companies not posting privacy policies. Additionally, some of the privacy policies are not sufficiently robust in terms of the choices offered to consumers about data sharing, or access to records.

We could further the goal of making sure that the policies are meaningful and enforceable by setting a deadline for improvements. [E.g. One year from today, or Mar. 2001] We could articulate as a rationale that if the industry does not improve consumer access to records, and notice of their choices about information shared that you, as President, would submit legislation. Additionally, we would work with industry and consumer groups to launch a major public education campaign about tools they can use to control their personal information.

**Pro:**

- This approach is most consistent with putting enactment of medical records, and financial records privacy first in the legislative cue.
- This would permit us to sound aggressive, but still give the industry a chance to improve their conduct.

**Option # 3: Urge enactment of a minimal, but mandatory set of privacy standards for Web sites. This approach is favored by Senator John Kerry and some others. They argue that a minimum standard will forestall other, more onerous legislation.**

**Pro:**

- Most companies who belong to "seal" programs would easily meet this standard.
- This approach allegedly is "regulation light".

**Con:**

- Your Social Security number event is be deliver with cops at a Sherrif's department training center. Cops and the Internet, is the WRONG picture.
- You advisors are very concerned about this option.
- This approach has also the negatives of a more regulatory approach (incompatible with our international approach, difficult to enforce etc.).
- This approach will NOT be validated by privacy groups, so little positive would be said about this approach.
- This California announcement will NOT be validated by California's technology community.

**CONCLUSION**

- As you can tell, I/we do not favor options # 2 or # 3. In addition to the arguments listed above the following considerations come into play:
- The LA Social Security Number/Amy Boyer event will have strong independent legs. This tact will either undermine that story or overwhelm it. One can argue that the key to online privacy is stopping the sale of the keystone piece of information used by profilers – the sale of Social Security numbers.
- The topic of Internet privacy is complex and warrants a more carefully vetted answer.
- In the week of a likely Microsoft break up where opponents will charge that the government is trying to regulate innovation, and a major E Commerce set of events on Capital Hill, a pro-regulation approach to the Internet offers too large a target to the Rs. They will argue that you have a strong desire to regulate the Internet and this is the first step.

- Your record on privacy protection is very, very strong. You do not need to prove that you have supported medical records privacy protection, financial privacy or actions against genetic discrimination. Gov. Bush has no record here, other than he will likely to oppose those keys pieces of legislation.

Your advisors support option 1. Do you agree with option 1?

AGREE \_\_\_\_\_ DISAGREE \_\_\_\_\_ DISCUSS \_\_\_\_\_

## Internet Privacy Legislation – Current Policy

As a practical matter, Congress needs to act in areas that are most pressing in the few legislative days that are left. The areas that need swift Congressional action are: medical records privacy, financial records privacy and genetic discrimination.

**My understanding is that the FTC survey shows:**

- There has been a significant increase in companies that have adopted a privacy policy
- Many companies have not yet adopted all of the elements of a strong privacy policy
- We still have a "free rider" problem. That is, some companies have demonstrated leadership on this issue and are engaging in effective self-regulation -- others have no privacy policy or are not enforcing the policies that they have.

**I remain committed to policies that will:**

- Encourage companies to engage in effective self-regulation that will allow individuals to control their personal information and increase consumer confidence in the Internet
- Minimize the "free rider" problem -- which is that some companies have not adopted a privacy policy
- Protect privacy while allowing the Internet and innovation to flourish

The Administration will continue its dialogue with the private sector and with consumer groups. To the extent the private sector can show how it will address the "free rider" problem and improve the quality of privacy policies, legislation will not be necessary. As we have long stated, if we don't see such progress, then we may eventually need to consider whether legislation would provide companies with the right incentives to have good policies and participate in an effective self-regulatory program.