

ONE HUNDRED FIFTEENTH CONGRESS  
**Congress of the United States**  
**House of Representatives**

COMMITTEE ON ENERGY AND COMMERCE

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December 5, 2017

Mr. Bruce Schneier  
Adjunct Lecturer in Public Policy  
Harvard Kennedy School  
75 Binney Street, Floor 3  
Cambridge, MA 02142

Dear Mr. Schneier:

Thank you for appearing before the Subcommittee on Digital Commerce and Consumer Protection on, Wednesday, November 1, 2017, to testify at the hearing entitled "Securing Consumers' Credit Data in the Age of Digital Commerce."

Pursuant to the Rules of the Committee on Energy and Commerce, the hearing record remains open for ten business days to permit Members to submit additional questions for the record, which are attached. The format of your responses to these questions should be as follows: (1) the name of the Member whose question you are addressing, (2) the complete text of the question you are addressing in bold, and (3) your answer to that question in plain text.

To facilitate the printing of the hearing record, please respond to these questions by the close of business on Tuesday, December 19, 2017. Your responses should be mailed to Ali Fulling, Legislative Clerk, Committee on Energy and Commerce, 2125 Rayburn House Office Building, Washington, DC 20515 and e-mailed in Word format to [ali.fulling@mail.house.gov](mailto:ali.fulling@mail.house.gov).

Thank you again for your time and effort preparing and delivering testimony before the Subcommittee.

Sincerely,



Robert E. Latta  
Chairman  
Subcommittee on Digital Commerce  
and Consumer Protection

cc: Jan Schakowsky, Ranking Member, Subcommittee on Digital Commerce and Consumer Protection

Attachment

## Additional Questions for the Record

### The Honorable Jan Schakowsky

1. At the hearing, you recommended that Congress move forward with legislation that makes credit freezes the default for consumers. Instead of credit freezes, some consumer reporting agencies (CRAs) are offering free credit locks, and they are encouraging consumers to use the lock. What is stopping these CRAs from implementing the credit freeze as the default setting for consumers?
2. In your written testimony for the hearing, you stated that the financial markets actually reward bad behavior. Please expand on this idea.
3. According to the Privacy Rights Clearinghouse, more than 1 billion records have been exposed in data breaches reported in the United States since 2005. But the total population of the United States is about 323.1 million.
  - a. Do you agree that this disparity would indicate that the personal information of many Americans has been breached multiple times?
  - b. Your written testimony mentioned that “current law is too narrowly focused on people who have suffered financial losses directly traceable to a specific breach.” How often are individual victims actually able to prove that they have suffered damages resulting from a specific breach?
  - c. Given that most Americans have been the victims of multiple breaches, do you agree that that current law is not working for most victims?
4. What recourse, if any, do consumers have against the companies that failed to adequately protect their personal information?
5. Do companies that fail to protect consumers’ personal information face any penalties at the federal level, particularly if the data breached is not from a consumer report but a different database?
6. The recent Equifax breach brought new attention to the consumer reporting industry and CRAs. But I am not convinced that consumers understand that these companies are also data brokers. I am also not convinced that consumers understand how these companies collect data.
  - a. How many consumer reporting agencies are there that collect information on Americans?
  - b. How many data brokers are there?
  - c. Can you confirm that the three largest consumer reporting agencies, including Equifax, are also data brokers?

7. Although consumers have the right to free credit reports from each of the three major credit reporting agencies once each year, that report does not include all the information that these companies hold on each consumer. Is that right?
8. Mr. Creighton testified that the U.S. has “a credit system that other nations seek to emulate: a detailed regulatory regime that limits the sharing of information for permissible purposes only and strict requirements on accuracy, consumer access and correction.” But those regulations, to the extent they are effective, do not apply to data brokers, including consumer reporting agencies, when they collect, share, and sell information that is not a consumer report as defined by statute. And most data brokers do not allow consumers to access and edit the information about them or opt-out of its marketing services.
  - a. Should consumers be able to access the information that brokers hold about them? Why or why not?
  - b. Should consumers have the right to dispute inaccurate information that brokers hold about them? Is it important that they have that right? Why or why not?
9. In the testimony submitted by Jeff Greene of Symantec, he mentioned a few types of identity theft. In addition to financial identity theft, he talked about government identity theft such as tax-related identity theft; medical identity theft such as when a person uses your identity to get medical attention; and others.
  - a. Does identity theft always result in economic losses for the person whose identity was stolen?
  - b. Is identity theft the only consequence of a data breach for consumers?
10. It is also important to note that blocking access to your credit report, through freezes or locks, would not stop all the potential repercussions that consumers face after a breach, including the various types of identity theft. Neither the typical credit monitoring services, especially those limited to one year, nor the credit lock services will help consumers protect themselves from non-credit effects of a breach. Even credit freezes will not help with everything. What can we do to help consumers after a breach?
11. Do data brokers also collect information about consumers’ financial decisions? What other kinds of information do they collect?
12. Is it possible that the information that data brokers collect and sell could affect the products and services that individual consumers are offered, or the prices they are charged?
13. After multiple hearings on this subject, it appears that there is no way for consumers to completely opt out of having their personal information collected by either CRAs or data brokers. Is this accurate?