AOL has long offered the names and addresses of its subscribers to direct-mail marketers—disclosing phone numbers is a rarer practice, industry experts said. ''It's not at all common in the online world,'' said Patrick Keane, an analyst at market-research firm Jupiter Communications in New York.

AOL's decision comes just as the company largely has repaired customer relations frayed by widespread busy signals that occurred on the network in the winter and spring because the company failed to anticipate the demand a flat-rate pricing plan would generate. The new policy, some analysts said yesterday, risks re-opening old wounds.

''They're walking a fine line with a customer base that already has been nettled,'' Keane said.

AOL officials played down such concerns, saying they believed most subscribers would welcome the solicitations. ''We're telemarketing to our members goods and services we see as benefits of their AOL membership,'' said spokeswoman Tricia Primrose.

Primrose said AOL does not plan to publicize the new policy before July 31, but will notify members before they begin to receive calls. ''We're going to give them every opportunity to get off this list,'' she said.

Privacy advocates contend, however, that AOL customers should be asked in advance if they want to be on telemarketing lists. The advocates also say that as an online service, AOL should be held to a higher standard in protecting customer information than companies that don't do business in cyberspace.

''Many people who subscribe to AOL like the feature that they have a certain distance between their use of the keyboard and the outside world,'' said Robert Ellis Smith, editor of Privacy Journal in Providence, R.I. ''They don't have to give out a physical address or a home number. Now AOL is suddenly exposing these customers to intrusions at home during the day.''

Initially, AOL plans to offer the phone number to two companies, CUC and Tel-Save Holdings Inc., a long-distance company with which AOL signed a $100 million marketing agreement earlier this year, Primrose said. CUC and Tel-Save do not plan to start telemarketing until later this year, she said.

AOL plans to screen the telemarketers' solicitations, Primrose said. The company now monitors mailings that are sent to its customers by firms who purchase its subscriber mailing lists, she said.

AOL's mailing lists include members' names and addresses, as well as demographic profiles, with information such as household income and past buying habits, that the company says it obtains from outside marketing databases.

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[From the New York Times, July 25, 1997]

AMERICA ONLINE BACKS OFF PLAN TO GIVE OUT PHONE NUMBERS

(By Seth Schiesel)

Responding yesterday to consumer outrage and mounting concerns about privacy in cyberspace, America Online, the largest on-line service provider, abandoned its plans to begin providing lists of its customers' telephone numbers to telemarketers and other direct-sales peddlers.

The reversal came less than 24 hours after the plan became widely known through news accounts and on-line postings. America Online drew immediate fire from politicians and privacy-rights groups for the telemarketing venture, in part because the company for years had assured subscribers that it would not release their phone numbers and other personal information to outside parties.

Because America Online's eight million subscribers are already besieged by ''junk'' electronic mail, customers bemoaned the prospect of some of those same advertisers, or different ones, ringing the phone at home.

''That's the most obnoxious form of solicitation,'' said Camilla M. Herlevich, an environmental lawyer in Wilmington, N.C., an America Online subscriber. ''They always call at dinner time. We call it the arsenic hour.''

But the controversy goes beyond telephone numbers—and transcends America Online, for that matter.

For consumer-privacy advocates, the case illustrates the need for increased Government oversight of the buying and selling of the copious consumer information gathered in the course of everyday commerce. Savvy companies already mine the trove of available credit card information to find buying patterns that might lead to one more sale.

But with the advent of cyberspace commerce, marketers are able to track their quarry even more easily—tracking each click of the mouse, in some cases, as a user surfs the World Wide Web. So far, such efforts typically can identify no more than a user's computer, and not the identity of the individual operating the PC.

Experts predict, however, that personal identification will eventually be possible, making privacy difficult to protect—whatever the stated policies of companies collecting such data.

Like magazines and other businesses with valuable subscription lists, America Online has already been selling lists of its subscribers' names and addresses. But those lists do not include the corresponding E-mail addresses or customer phone numbers. A few weeks ago, however, America Online quietly proposed changing its longstanding policy to begin selling its telephone lists.

Privacy advocates said that adding phone numbers to the mix would allow marketers to cross-tabulate with additional sorts of information that people might not be aware they were exposing by simply signing up to an on-line service.

''The phone number is used as an identifier the way that the Social Security number is,'' said Evan Hendricks, the editor of Privacy Times, a privacy-rights newsletter. ''They can use the phone number to look up the name and address and then you can find out about their house and how many kids they have.''

Telemarketers and other direct-sales organizations have resisted Government regulation by agreeing to self-imposed privacy-protection guidelines that typically include provisions allowing consumers to request that their personal data not be sold to third parties. But the America Online episode is certain to raise new questions about whether the industry can continue to police itself.

''It's unbelievable really, that AOL would be cashing in for profit by selling the personal privacy of their users,'' said Representative Bruce F. Vento, Democrat of Minnesota, who has introduced a bill to regulate the use of consumer information on line. ''It just boggles the mind that they would do it quite this boldly.''

America Online would not reveal how many of its members called, faxed or sent electronic mail to the company to vent their displeasure. America Online executives insisted that they did not intend to ''rent'' the phone numbers. Instead, they said, America Online would provide the numbers to companies only as one part of an overall marketing deal.

''The only calls we intended for you to receive would have been from AOL and a limited number of quality-controlled AOL partners,'' said Stephen M. Case, the company's chief executive in a letter to subscribers yesterday.

Those partners would have included Tel-Save Inc., a discount long-distance telephone company that reached a $100 million marketing pact with America Online in February, and CUC International Inc., a telemarketing giant that made a $50 million deal with America Online last month.

America Online officials said yesterday that those pacts were broad based and would not be affected by scrapping the plan to share telephone lists.

''We said, 'It's so insignificant, just drop it,'" said Robert W. Pittman, chief executive of America Online's operating subsidiary. ''For it to get this blown out of proportion says we really screwed up the communication.

''At the end of the day we didn't want to soil our reputation or confuse our members.''

The members were certainly confused, or at least angry. Internet bulletin boards were ablaze with irate missives about the company, some of them profane. Many of the complaints stemmed from the fact that America Online had tucked its only notice of the proposed policy shift in an obscure corner of the service. The notice had been posted on July 1, but did not come to widespread attention until Tuesday.

''Unless you stumbled across it you wouldn't know unless you saw it on the evening news,'' said David Cassel, a freelance writer in Berkeley, Calif., who runs an Internet mailing list about America Online that has 12,000 subscribers. ''People thought it was exploitative, deceptive and instrusive. People were outraged.''

The Federal Trade Commission has been investigating marketing practices in cyberspace since last summer, most recently holding a series of four ''workshops'' with industry groups last month.

Yesterday, noting that credit cared companies often pitch services to their customers based on analysis of spending patterns, Commissioner Christine Varney said: ''The difference in perception is that people believe that AOL knows a whole lot more about them or has the capacity to know a whole lot about them than American Express does. Presumably they can see where you go, what you do, where your email comes from, who you're sending it to.''

Earlier this month the commission's staff sketched the outlines of a regulatory structure for Internet advertising when it determined that a World Wide Web site called KidsCom had probably engaged in deceptive practices when it collected personal information from children and used the data for marketing purposes without the consent of parents.

But the commission has not issued any regulation on Internet marketing aimed at adults, and is still leaning toward allowing the industry to police itself.

''It's about creating a dialogue with industry, and this marketplace is not going to work unless consumers have confidence in it,'' said Victoria Streitfeld, a commission spokeswoman. ''The real effort has been to really not have Government come down on this emerging technology but to raise the issue.''

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## ON ENERGY AND WATER APPROPRIATIONS BILL AND WHAT IT MEANS TO COMMUNITIES; TRIBUTE TO BISHOP N.H. HENDERSON, SR.; AND SYMPATHY TO FAMILY OF JUDGE NORMAN BLACK

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas [Ms. JACKSON-LEE] is recognized for 5 minutes.

Ms. JACKSON–LEE of Texas. Mr. Speaker, I am very delighted today that in an act of positive and effective bipartisanship the energy and water appropriations bill was passed by this body.

Now, many would ask what a technical bill like that has to do with the real nuts and bolts of the quality of life in this Nation. Well, first of all, it has to do with our highways and byways that are water directed. It has to do with protection of our communities against the tragedies of flooding. It has to do with the edification and beautification of our river banks and our bayous and, yes, it has to do with protecting us from the tragedies of the wrong type of disposal of nuclear waste, which in many instances is sometimes used for our medical care.

At the same time, this legislation was particularly special to a group of people in my community in the 18th Congressional District, and I would like to thank some community activists, ministers in and around the Sims Bayou area, particularly around Martin Luther King and Cullen Boulevards, James Brooks a community activist, and Reverend Kyles, along with many other ministers and community leaders who for a long time, and continue to at this time, fought to get some response to the terrible flooding that was going on in their community.

I remember distinctly in 1994, as a city council member, traveling streets by boat that heretofore had not seen any more water than a slight puddle in a yard because it had been watered too much. But unfortunately, in a very heavy rainstorm, many of their homes were flooded out. Now, what I should most compliment is how that community came together, with churches opening their doors and with people gathering clothes and food. They rose up in the time of tragedy and adversity.

Another problem that they faced, however, was, unlike areas that flood regularly, many of those homes did not have flood insurance so many of the people were left devastated. That was 1994. And since that time, we have seen three or more times that that same area has flooded.

With their energy, we took the bull by the horns, and just this past winter, in a terrible flood, we were out there walking those bayous with the Army Corps of Engineers, the Harris County engineering group for flood control, and other local citizens and officials, and we said that this is something that we need to do a lot about.

Those community leaders were undaunted by the task of trying to get Federal funding, more of course, working with local government cooperatively and giving comfort to their citizens who one more time this past winter had been flooded again. Even as I walked the bayou, I could see fences that had been knocked down not by wind but by storm waters.

Now, after working with them and the Army Corps of Engineers, rather than go backward, we are very glad to have gone forward with the $3.5 million added as the completion of what the Army Corps of Engineers asked for to reach the particular area of concern around Cullen and Airport and Martin Luther King Boulevards, in particular in the 18th Congressional District. This $3.5 million will have us going forward and not backward.

But the tribute goes to those citizens who worked very hard. Many times we hear our constituency base ask, ''I send money to Washington and it seems like it takes wings and goes off somewhere.'' Many times they complain about the spending that goes on in this body and elsewhere. The only spending that should go on, we hope, will be to enhance their quality of life.

I am delighted that these citizens maintained the course, and I will continue to work with them so that we can jump-start this project, so that it completes itself way before 2006. We will work with Harris County, we will work with the city of Houston, and we will work with these activists who have not sold their homes in desperation but they have continued to live there. And we will work with FEMA, who still has not been able to consider their claims. But most of all we will congratulate them on their hard work.

I would also at this time, Mr. Speaker, like to acknowledge another activist, but an activist in Christianity, in the Christian experience. Bishop N.H. Henderson, Sr. has served in the ministry for some 50 years, pastoring six churches. He now pastors Law Memorial in Houston.

He has shared his life with his wife, he has shared his life with his family, but most of all he has shared his life with his community. The community of Houston, particularly in the 18th Congressional District, owes Bishop N.H. Henderson, Sr. a great deal of gratitude for the 50 years that he has given to us, for the 77 years that he has lived, for the 60 years of his Christian experience, and for the 50 years of his gospel ministry.

Finally, Mr. Speaker, I would like to very quickly pay a special note of sympathy to the family of Judge Norman Black. We lost him this past week, a cheerful and thoughtful jurist, someone who gave of his life, but most of all treated all mankind and womankind with human dignity. My sympathy to his family and the community who mourn his death.

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The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina [Mr. COBLE] is recognized for 5 minutes.

[Mr. COBLE addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

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The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. UPTON] is recognized for 5 minutes.

[Mr. UPTON addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

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The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Washington [Mrs. SMITH] is recognized for 5 minutes.

[Mrs. SMITH of Washington addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

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The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. FOLEY] is recognized for 5 minutes.

[Mr. FOLEY addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

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## ON BALANCING THE BUDGET

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from Wisconsin [Mr. NEUMANN] is recognized for 60 minutes as the designee of the majority leader.

Mr. NEUMANN. Mr. Speaker, I rise today to talk about a very important issue facing this Nation: It is the growing debt that faces this country. Today our debt stands at $5.3 trillion, $20,000 for every man, woman, and child in the United States of America.

To begin this discussion, I think it is very important that we understand the difference between balancing the budget, that is, reducing the deficit to zero, and paying off the debt. The deficit is the part we talk about out here, and it is important to understand that the deficit is the overdrawn checkbook. When Washington talks about balancing the Federal budget, what they are actually talking about is not overdrawing their checkbook anymore.

What has been going on since 1969 is, every year the Government collects taxes out of the American people's pockets and it puts it in their checkbook and then the Government writes out checks. But it writes out checks for more money than they have in their checkbook. We all know in our houses that would not work and it does not work out here.

So what it is they do when the checkbook is overdrawn, is they go and borrow the amount of money the checkbook is overdrawn. The result of that borrowing is what is shown in this chart. It is the growing debt facing this great Nation that we live in.

From 1960 to 1980 the debt did not grow by very much, but from 1980 forward they started overspending by a lot, and they started borrowing lots of money, and that is why the debt is growing as fast as it is. And we can see it in this chart. As a matter of fact, right now, today, we are at about this point on the chart. And it brings to light how important it is that we deal with not only the deficit but that we