

**EQUIFAX**

Federal Trade Commission  
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APR 16 2004

Office of  
Commissioner Leary

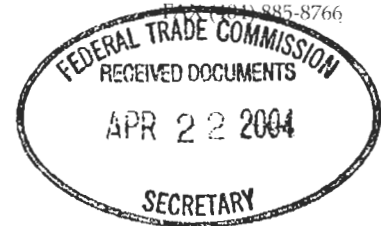
*JCT 2004*

Thomas F. Chapman  
Chairman and  
Chief Executive Officer  
Equifax Inc.  
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Atlanta, Georgia 30309  
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**Hand Deliver**

April 16, 2004

Commissioner Thomas P. Leary  
Federal Trade Commission  
600 Pennsylvania Avenue, NW  
Washington, DC 20580



Dear Commissioner Leary:

I am the Chairman and Chief Executive Officer of Equifax, the nation's oldest, largest and only publicly traded consumer reporting agency.

Today, we have submitted to the Commission our formal comments on the staff's proposed rule regarding free annual file disclosure and the establishment of the "centralized source" (Proposed Rule) under the Fair and Accurate Credit Transactions Act of 2003 (FACTA). We will also submit timely formal comments on the Commission's Interim Final Rule on Circumvention (Interim Circumvention Rule). I am writing with deep concern to each of the members of the Commission for three reasons.

First, each of you should know that adoption of the Proposed Rule, as drafted, will imperil the integrity and the effectiveness of the national credit reporting system. Our submission concerning the Proposed Rule expresses our surprise and profound disappointment that the proposal fails, in so many respects, to implement both the letter and the spirit of FACTA, to assure the protection of consumers and of our credit economy. As drafted, the Proposed Rule:

- fails to provide any sufficient transition period to permit our industry to build an infrastructure to deliver reports and level surges in demand volume properly;
- fails to stagger consumer eligibility to assure that, at any one time, the entire population cannot request a free report;
- fails to recognize and protect against the threat that the volume of unregulated demand for free reports will overwhelm our capacity to serve consumers on any reasonable basis;
- fails to recognize in any way the impact of free reports on our ability to serve consumer inquiries and need concerning those reports and others;
- fails to recognize the small size of this industry and the absence of resources available to meet the unreasonable demands for capacity levels sought to be imposed:

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- fails to recognize the significant burdens that will be placed on credit grantors and protect consumers from the potentially catastrophic effects of those demands on the ability to obtain credit effectively and efficiently;
- fails to prevent and, indeed exacerbates, the risk of overwhelming class action liability; and
- fails to compel all participants in the national credit reporting system to also share in the implementation of the national free report requirement; instead, contrary to the letter and spirit of FACTA, unfairly requiring nationwide consumer reporting agencies to purchase consumer reports from other associated consumer reporting agencies for free distribution to consumers.

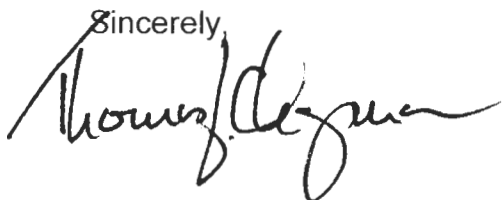
Second, I believe that is important for you to know that the Interim Circumvention Rule, as drafted, has serious implications for the ability of consumer reporting agencies, especially a public company as Equifax, to make future business decisions with the flexibility required in a fast moving marketplace and in the interests of its shareholders. It is imperative that the final circumvention rule not impact legitimate business decisions in a competitive free market. It is also imperative that the final circumvention rule provide clear standards by which a consumer reporting agency can determine whether legitimate business decisions regarding corporate or operational matters that are fully compliant with other laws, such as the anti-trust laws or the internal revenue code, are in violation of this rule. Unfortunately, the interim rule does not provide standards or definitions. Its vagueness does not provide the guidance needed for Equifax to be able to determine whether actions are or are not in compliance with the rule.

Third, and critically, I write to ask that, during your consideration of revisions to the Proposed Rule, the Interim Circumvention Rule, and the submitted comments, I be given the opportunity to meet with each of you. The stakes here are of great significance to Equifax and they warrant a face-to-face discussion of the serious concerns highlighted in this letter and discussed in detail by our submissions to the Commission.

At Equifax, we are proud that, for over a century, we have spearheaded the development of a credit reporting system that helps to provide Americans with the world's most fair, most convenient, most reliable and most economic consumer credit. I am hopeful that, upon consideration, the Commission will revise the Proposed Rule so that the final regulation does not cause significant harm to the national credit reporting system.

I look forward to meeting with each of you at your earliest convenience.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas P. Leary", written in a cursive style.