

WASHINGTON (March 21) – Cell phone-based retail payments, the metallic content of circulating coins and other issues involved with value transfers in retail settings will be featured in a series of hearings that begin this week in the Financial Services Committee.

Dubbed “The Future of Money,” the series starts Thursday at 10 a.m. in the Financial Institutions and Consumer Credit Subcommittee with a hearing entitled “The Future of Money: How Mobile Payments Could Change Financial Services.”

The Committee’s in-depth look at the future of money will examine the technology used to conduct mobile payments, identify potential security problems, and consider whether statutory changes are necessary as mobile payment systems become more widely available, said Congressman Spencer Bachus (AL-6), who is Chairman of the Committee.

Bachus said the purpose of the hearings will be to ensure that consumers, retail establishments and financial institutions all have access to the broadest range of forms of payment and that each form available is as robust, safe and practical as possible.

“Advances in technology give consumers and businesses new options on how to make and receive payments. It’s up to Congress to ensure that each one of these options is safe and secure, that regulation is carefully crafted to allow innovation but prevent abusive practices, and that the mobile payment system operates as efficiently as possible,” said Congressman Bachus.

Subcommittee Chairman Shelley Moore Capito said Thursday’s hearing is the first of three planned this spring in her subcommittee that will focus on the opportunities and challenges presented by mobile payment technology that is rapidly becoming available. The hearing will feature five experts on mobile payments. Later hearings will focus on the various business and technology models for mobile payments and on regulatory and security issues.

“The idea that you could make a payment at the grocery store or restaurant with your cell phone, and potentially have greater security and less chance of identity theft than you do today is exciting,” Capito said. “At the same time, technology innovations always present regulatory

challenges. We want to ensure that we have proper regulation in place so that clever, motivated criminals cannot take advantage of these new technologies. The goal of these hearings is to examine these issues now, while the technology still is developing, and make any necessary changes to the system before it is widely available when changes would be much harder.”