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February 28, 2007

The Honorable Joseph I. Lieberman
Chairman
Committee on Homeland Security and Governmental Affairs
United States Senate
Washington, DC 20510

The Honorable Susan M. Collins
Ranking Member
Committee on Homeland Security and Governmental Affairs
United States Senate
Washington, DC 20510

Dear Chairman Lieberman and Ranking Member Collins:

The American Bankers Association is writing to share its views on S. 4, the Improving America's Security Act of 2007. ABA commends the Committee's desire to improve the nation's ability to prepare for and respond to the threats posed by terrorism. At the same time, the bill as drafted does not adequately recognize the long-standing efforts of the banking industry to protect its critical infrastructure and key resources.

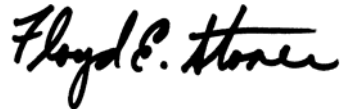
Provisions in Title VII of the bill seek to develop voluntary national preparedness standards and a voluntary accreditation and certification program to assess private sector compliance with these standards. This program would be administered by the Department of Homeland Security. The banking industry has a long and effective history of developing standards related to all aspects of business continuity. In addition, as a heavily regulated industry, bank business continuity practices are examined by regulatory agencies.

ABA is concerned that this program would be redundant to and potentially conflict with the existing process by which the banking industry develops business continuity standards, as well as with existing business continuity regulatory requirements. Through the Financial Services Sector Coordinating Council, of which the ABA is a member, suggested report language has been submitted to the Committee which specifies that these standards should augment, not replace, the development of preparedness standards by the private sector. We urge the Committee to adopt this language.

Provisions in Title X of the bill require the preparation of a risk-based prioritized list of critical infrastructure/key resources by the Department of Homeland Security. The Department would also be required to conduct an annual risk assessment of each critical sector. The language currently does not acknowledge the role that Treasury, as well as the Federal Reserve Board and other federal bank regulatory agencies have in evaluating critical assets and conducting vulnerability assessments in the financial sector. ABA urges that the Committee maintain the primary role that Treasury and the bank regulatory agencies, through the Financial and Banking Information Infrastructure Committee, have in identifying the critical infrastructure within the financial sector, as well as in conducting vulnerability assessments of the sector.

Thank you for considering our views on these important issues.

Sincerely,

A handwritten signature in black ink that reads "Floyd E. Stoner". The signature is written in a cursive, slightly slanted style.

Floyd Stoner

Attachment

cc: The Honorable Christopher J. Dodd
Chairman
Committee on Banking, Housing, and Urban Affairs
United States Senate
Washington, D.C. 20510

The Honorable Richard C. Shelby
Ranking Member
Committee on Banking, Housing, and Urban Affairs
United States Senate
Washington, D.C. 20510