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FINANCIAL SERVICES
R O U N D T A B L E

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BITS Outlines Financial Sector Progress in Responding to Disasters and Urges Lawmakers to Focus on Critical Infrastructure Interdependencies

Washington, D.C. September 26, 2005 — BITS CEO Catherine A. Allen testified today at a Congressional field hearing on the current status of financial market preparedness for wide-scale disasters and disruptions. Allen’s testimony focused on actions the financial services sector has taken in response to the 9/11 terrorist event and natural disasters such as Hurricanes Katrina and Rita. She praised the financial services’ sectors preparedness and responsiveness and offered recommendations for additional steps that need to be taken by the Federal government and all critical infrastructure sectors.

“There are numerous lessons we can draw from 9/11, the August 2003 blackout, and most recently, Hurricanes Katrina and Rita. The most important and obvious is to be prepared. An important part of being prepared is looking strategically and holistically at the nation’s critical infrastructures and what can be done to enhance resiliency and reliability. It is important that we work with other parties in the private and public sectors to address these issues sufficiently.”

Allen made specific recommendations for maintaining diverse and resilient communications channels, investing in the power grid, recognizing the dependence of all critical infrastructures on software operating systems and the Internet, and improving coordination among all critical infrastructures and with federal, state, and local government when events occur. She emphasized the importance of addressing the interdependence of all critical infrastructure sectors. Those of greatest concern to the financial services sector are interdependencies with telecommunications, energy and transportation sectors. She also urged re-authorization of the Terrorism Risk Insurance Act of 2002.

Allen noted, “Over the past four years, the financial services sector has taken major strides to respond to the risks we face today while preparing to address future threats and vulnerabilities.” Allen gave numerous examples of those strides, including improved communications and coordination of information within the financial services sector during times of disaster, and concluded, “While I believe our industry overall is better prepared than ever, there are significant risks that can only be addressed by working in partnership with others.”

For access to Ms. Allen’s full testimony, go to http://www.bitsinfo.org/p_public_testimony.html.

About BITS

BITS was created in 1996 to foster the growth and development of electronic financial services and e-commerce for the benefit of financial institutions and their customers. A nonprofit industry consortium that shares membership with The Financial Services Roundtable, BITS seeks to sustain consumer confidence and trust by ensuring the security, privacy and integrity of financial transactions. BITS works as a strategic brain trust to provide intellectual capital and address emerging issues where financial services, technology and commerce intersect, acting quickly to address problems and galvanize the industry. BITS’ activities are driven by the CEOs and their appointees—CIOs, CTOs, Vice Chairmen and Executive Vice Presidents—who make up the BITS Advisory Board and BITS Advisory Council. For more information, go to www.bitsinfo.org.

About The Financial Services Roundtable

The Financial Services Roundtable represents 100 of the largest integrated financial services companies providing banking, insurance, and investment products and services to the American consumer. Member companies participate through the Chief Executive Officer and other senior executives nominated by the CEO.

Roundtable member companies provide fuel for America's economic engine, accounting directly for \$40.7 trillion in managed assets, \$960 billion in revenue, and 2.3 million jobs.

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