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August 23, 2000

Ms. Jennifer J. Johnson
Secretary
Board of Governors of
the Federal Reserve System
20th and C Streets, NW
Washington, D.C. 20551
Docket No. R-1073

Mr. Robert E. Feldman
Executive Secretary
Comments/OES
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, D.C. 20429

Communications Division
Office of the Comptroller of the Currency
250 E Street, SW
Washington, D.C. 20219
Docket No. 00-13

Manager, Dissemination Branch
Information Management & Services
Division
Office of Thrift Supervision
1700 G Street, NW
Washington, D.C. 20552

Dear Sirs and Madams:

Fiserv, Inc. ("Fiserv") appreciates the opportunity to comment to the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, and the Office of Thrift Supervision ("the Agencies") on the proposed guidelines establishing standards for safeguarding customer information.

Fiserv is an independent, full-service provider of integrated data processing and information management systems to the financial industry and is headquartered in Brookfield, Wisconsin. As a leading technology resource, Fiserv serves more than 10,000 financial services providers worldwide, including banks, broker-dealers, credit unions, financial planners, investment advisers, insurance companies, mortgage banks, and savings institutions.

The Agencies have specifically solicited comment on whether the final standards for safeguarding customer information should be issued in the form of guidelines or as regulations. Fiserv strongly encourages the Agencies to issue the final standards in the form of guidelines. It is our opinion that this approach will provide financial institutions and their service providers with the necessary flexibility to develop an information security program that is appropriate for each institution based on its size and scope of operations, the sensitivity of the information it possesses, and the costs involved with specific security procedures.

Ms. Jennifer J. Johnson
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Office of the Comptroller of the Currency
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Specifically, Section III. C. 1 of the proposed guidelines lists a number of items that a financial institution should consider as part of developing its information security program. We encourage the Agencies to make it clear in the final guidelines that these items are not all required to be included in an institution's program. For example, one of the items listed is the encryption of electronic customer information, including while in transit or in storage. It is our opinion that the cost of encrypting stored data would significantly outweigh the risks of unauthorized access to this data. Encrypting stored data would require including decryption and encryption algorithms in all application software and system utilities. The required modifications to and testing of systems would be extremely expensive, and the inclusion of these algorithms would result in significant delays in processing data. Less costly and cumbersome technical and physical security measures can achieve an equal level of security. An individual who can pass a system's technical and physical security measures would also have to understand the system's files, formats, and codes in order to obtain any meaningful information about a consumer. Someone with this level of technical knowledge and expertise would also be likely to be able to work around encryption or decryption algorithms.

The Agencies have also solicited comments on whether the final guidelines should contain specific provisions for language to be included in contracts between financial institutions and their service providers. Fiserv strongly encourages the Agencies not to include any requirements of this type in the final guidelines. Fiserv and other service providers have always recognized the importance of protecting the confidentiality of the personal information of the customers of their financial institution clients. Fiserv's standard contracts contain strong language concerning the duty to maintain the confidentiality of customer information. However, we oppose any requirement to use specific language in our contracts. Fiserv and its affiliates have thousands of contracts in place, many of which have terms that last for several more years. Requiring changes to all of these existing contracts to incorporate specific language mandated by the Agencies would create a substantial administrative and financial burden. Even if the Agencies grandfather existing contracts, we would be concerned that mandated contractual language could inhibit the flexibility of service providers to revise their security procedures as appropriate in response to changes in technology.

Thank you for your consideration of these comments.

Sincerely,

FISERV, INC.



John C. Mezzanotte
Vice President
Assistant General Counsel