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Alabama Recovery  
Coalition for the  
Financial Sector  
**RESILIENCE EXERCISE**

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After Action Report



April 2008

**ARCFS**

# Exercise Designers

This exercise was sponsored by the U.S. Department of the Treasury. With the goal of making Alabama's financial services sector more resilient, the Treasury and the Alabama Recovery Coalition for the Financial Sector (ARCFS) worked collaboratively to develop the resilience exercise.

▶ **UNITED STATES DEPARTMENT OF THE TREASURY, OFFICE OF CRITICAL INFRASTRUCTURE PROTECTION AND COMPLIANCE POLICY (OCIP)**

- The Treasury Department is the Sector Specific Agency for the Banking and Finance Sector;
- The Treasury Department, in collaboration with State and Federal financial regulators, develops and implement policies to protect and mitigate disruptions to the sector through the Financial and Banking Information Infrastructure Committee (FBIIC);
- Coordinates public-private sector partnership efforts to improve the security and resilience of the sector; and
- Supports the formation and growth of regional coalitions in order to address homeland security issues requiring a common response by a local financial community.

▶ **ALABAMA RECOVERY COALITION FOR THE FINANCIAL SECTOR**

- Created with the mission of ensuring that financial services are available to the citizens of Alabama in the event of natural or man-made incidents, while ensuring the safety and well being of financial institutions' staffs and families;
- Addresses homeland security issues which require a collective response on the part of Alabama's financial organizations to provide financial services; and
- Has 115 member banks in the State of Alabama.

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# Introduction

Business continuity planning is an essential component of the financial services sector's crisis preparedness. With the encouragement of the FBIIC<sup>1</sup> and the Department of Homeland Security (DHS), self organizing regional coalitions improve the preparedness and resilience of the financial services sector at the local, State, and regional levels. Through regional coalitions, financial organizations located in close geographic proximity collaborate and cooperate on issues related to business continuity and build relationships with the public sector. These relationships help the sector to learn more about credentialing, evacuations, and other critical issues, and stay informed of incidents and potential threats.

The Alabama Recovery Coalition for the Financial Sector (ARCFS) was formed on June 1, 2006. Currently, ARCFS has 115 member banks in the State of Alabama. ARCFS is dedicated to ensuring the resilience and availability of Alabama's financial community by:

- ▶ Establishing an alliance with local emergency management agency (EMA) offices, and other State and local government agencies which have emergency preparedness responsibilities, for the exchange of ideas and resources in order to act more quickly following a disaster or an event affecting financial services;
- ▶ Addressing homeland security issues which require a collective response on the part of Alabama's financial organizations to provide financial services;
- ▶ Protecting the people working in the Alabama financial community while they safeguard their families; and
- ▶ Making certain the public sector is aware of the importance placed on financial services availability by Alabama's financial community.

On March 25th, 2008, ARCFS held its first resilience exercise. This U.S. Department of the Treasury sponsored exercise brought together over 90 participants from 41 financial organizations within Alabama. In addition, there was a large degree of participation from the Federal, State, and local governments. The objectives of the exercise were to:

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<sup>1</sup> For more information about the FBIIC, visit <http://www.fbiic.gov/>.

- ▶ Explore the business and operational impacts of a complex emergency on Alabama's financial services community;
- ▶ Practice a coordinated and cooperative response in the private and public sectors to a complex emergency; and
- ▶ Identify actionable items to improve the Alabama financial services community's response efforts.

The exercise contained a realistic scenario presenting issues that may arise during an incident, including service disruptions and impacts to the infrastructures upon which financial organizations rely (e.g., telecommunications, information technology, energy, and transportation). Through the collaborative exploration of these issues, the exercise aided in the development of communications strategies and information sharing among members of Alabama's financial services sector and between the sector and government. The exercise also provided an opportunity for financial services sector participants to gain an understanding of how Federal, State, and local governments may respond to a crisis, and what information these public sector entities may need from the financial services sector.

In summary, the exercise helped to increase the resilience of Alabama's financial community in the event of a disaster by generating insights into effective engagement in business continuity efforts.

# Document Purpose & Description

The purpose of this report is to:

- ▶ Summarize the exercise;
- ▶ Describe the incident response and recovery issues identified during the exercise; and
- ▶ Suggest next steps to address these issues.

The report's appendices provide detailed information about the exercise structure, exercise participants, the use of the ARCFS website during the exercise, the scenario, team actions during each move, and email communications during the exercise.

This report is not intended to assign tasks to specific organizations, but rather to identify actions that could be taken to improve current resilience planning efforts.

# Exercise Summary

## **STRUCTURE**

Exercise participants were organized into teams and instructed to respond to a simulated crisis based on their real-world roles, responsibilities, and plans. There were a total of seven teams: five teams composed of individuals from the financial services sector; one team composed of local and State governments, including emergency management services; and one control team.

Each financial team was composed of individuals representing institutions from different regions of the State of Alabama, allowing participants the opportunity to establish relationships outside of their regions for potential future assistance in the event of a disaster. Each team also contained representatives from both large and small organizations in order to provide a variety of viewpoints and enrich discussions.

The State and local government and emergency management team included representatives from county and regional EMA offices, the City of Birmingham Mayor's office, and the Birmingham Fire Department. These individuals provided the exercise with realistic inputs related to governmental crisis response.

The control team included representatives from the Federal government and the exercise design team. This team's responsibilities were to oversee the exercise and to role-play any key entities that were not represented on the other six teams.

The exercise was segmented into two phases, called "moves," and a closing insights and next steps session. Each move began with a briefing on what was simulated to be occurring at the current time. Participants then separated into teams to discuss their reactions to the events that had been presented to them. While the teams were in their discussion rooms, the control team sent them emails to provide additional information and to update the situation. The teams were able to ask the control team questions and communicate with one another through email, simulating real-world communications. At the close of each move, all of the teams came back together to share their thoughts and discuss issues with the larger group.

The exercise also had remote play. ARCFS member's that were unable to attend the exercise were provided the opportunity to simulate an emergency and test business continuity plans through the coalition's website. Situational updates

extracted from the exercise scenario were posted to the website while the exercise was occurring.

*For further information about the exercise structure, participants, and the use of the ARCFs website, see Appendices A, B, and C.*

## **SCENARIO**

Through a simulated series of natural disasters, the exercise challenged the participants to explore in depth emergency management and response issues, and to consider how effective the business continuity planning of their financial organizations would be in a similar real-world event.

The exercise consisted of two moves, followed by an insights and next steps session. The first move described a hurricane making direct landfall on Mobile, Alabama and then proceeding northward into the State. As it moved into the State, the hurricane spawned several tornados across the State. The second move progressed forward three days. This move focused on the possible effects of a hurricane and tornados beyond the initial damage, including public health issues and economic impacts. During the final segment of the exercise, the teams focused on lessons learned and key insights.

### **Move One: Hurricane Josephine Makes Landfall in Alabama**

The exercise was simulated to commence on August 16, 2008. Participants were informed that a tropical storm had just reached hurricane status in the Gulf of Mexico. Seven days were simulated to pass during the move, with participants receiving updates each day regarding the progress of Hurricane Josephine. The following are highlights of the information given to participants:

- ▶ Hurricane Josephine, a Category 4 hurricane with winds of 142 mph, made landfall on August 20th at Mobile Bay and continued into the state of Alabama on a north/northeasterly path.
- ▶ The next morning, there were widespread reports of collapsed buildings, uprooted trees, and downed power lines throughout the southern part of the State.
- ▶ The media reported that an unprecedented number of Alabama's residents could be homeless as a result of Josephine.
- ▶ In Mobile, flood waters reached a depth of 14 feet downtown.



- ▶ Buildings and structures outside the direct path of the hurricane sustained catastrophic damages during the overnight landfall of the hurricane, suggesting that powerful tornados had been generated by the storm.
- ▶ In the heart of the downtown Birmingham, the worst tornado destruction appeared to be concentrated around the intersection of 19th Street North and 4th Avenue North.
- ▶ In Montgomery, the storms were reported to have destroyed a shopping mall and trapped residents of a local university's dormitory in debris.
- ▶ With key hubs damaged, power, telecommunications, and transportation services all appeared to have been severely impacted throughout the State.
- ▶ AT&T reported that major switching centers housing assets key to switching and transport had been damaged in Birmingham, Huntsville, Mobile, and Montgomery.
- ▶ Alabama Power recorded its largest ever number of power outages statewide at more than 500,000.
- ▶ The remnants of Hurricane Josephine stalled over Alabama, causing torrential rain in the central and northern parts of the state.

### **Move Two: Cascading Effects of the Storms**

Move Two took place on August 25, 2008, five days after the initial landfall of the hurricane in Mobile. During this move, participants were faced with the need to begin the clean up of the damage from the hurricane and tornados, while simultaneously confronting new problems arising from the continuing impacts of the storms. Information provided to the participants included the following:

- ▶ 60% of businesses in those cities hardest hit –Birmingham, Mobile, and Montgomery – remained closed due to continued power outages and telecommunications disruptions.
- ▶ Regions Bank, Compass Bank, and BankTrust in Mobile reported significant damage and estimated that their doors would remain closed for several weeks.

- ▶ In Birmingham, the buildings of several businesses were declared structurally unsound and slated for demolition.
- ▶ Flood waters at Lake Purdy, Birmingham's largest water source, overwhelmed the down stream filtration systems, causing the Jefferson County Department of Health to warn Birmingham residents that their tap water was not safe for consumption.
- ▶ Due to power and telecommunications outages, financial organizations in many cities were not receiving reliable services from the vendors which support their businesses.
- ▶ Individuals who were selling supplies, such as drinking water, on street corners and manual laborers helping with clean up would only accept payment in cash, causing a high demand for cash.
- ▶ Longer term negative financial impacts appeared likely and underwater oil pipelines were believed to have been damaged.
- ▶ Many individuals were expressing frustration with the continued lack of available supplies and looting had been reported, leading to the institution of curfews in Birmingham, Mobile, and Montgomery.

*See Appendix D: Exercise Scenario.*

## **PARTICIPANT ACTIONS**

Planning is often conducted in an environment that is generalized and abstracted from reality. In contrast, the exercise encouraged the participants to apply their continuity plans, procedures, and programs to a very specific set of circumstances. Through this process, the participants uncovered gaps in their planning assumptions and were required to collaborate with other team members to develop innovative approaches to address these gaps.

At the conclusion of each move, the teams described the simulated actions that they had taken. In Move One, the first step taken by most teams was to activate their business continuity plans. Each institution then conducted assessments of the damage to their facilities, and of the well-being and availability of their employees. Several financial services teams mentioned that they would establish a command center outside of the disaster area to push out their organization's status to their employees, customers, and vendors. As the situation became more complex during Move Two, teams described how they would continue to

ensure, to the fullest extent possible, the continuity of their banking operations. These actions included reducing their hours of operation and scaling back services to those deemed essential, and cooperating with authorities to ensure that the ARCFS credential badges were recognized to permit employees to access financial institution facilities located within the impacted zone.

*For a detailed description of actions discussed or taken by the participant teams, as well as the email communications that accompanied the teams' discussions, see Appendices E and F.*

# Incident Response and Recovery Issues, and Lessons Learned

Seven major observations emerged from the exercise. This section describes the observations and related participant-generated recommendations. These insights are organized into Pre-Event, Event, and Post-Event issues. The seven major observations were:

## **Pre-Event**

1. The financial services sector's preparedness for a crisis situation is of vital importance in maintaining its ability to deliver services to customers during an incident.
2. Financial organizations need to establish contacts and build relationships with local emergency operations centers and other emergency response authorities – Federal, State, and local – prior to a crisis.
3. Financial organizations should prepare for high levels of absenteeism during a crisis.

## **Event**

4. During a crisis, credentialing that is recognized by State and local officials will play an important role in enabling financial organizations to maintain critical functions.
5. Access to reliable methods of communication will be extremely important for the financial services sector during a crisis.
6. During a crisis, financial organizations should communicate with each other and coordinate the pooling of resources in order to maintain services to the public in impacted areas.

## **Post-Event**

7. While government, through entities like Federal Emergency Management Agency (FEMA) and the National Guard, will support the financial sector to the fullest extent possible during and after a crisis, the sector cannot be reliant upon these entities to address its critical challenges.

## **INCIDENT RESPONSE AND RECOVERY ISSUE 1**

*The financial services sector's preparedness for a crisis situation is of vital importance in maintaining its ability to deliver services to customers during an incident.*

The importance of crisis planning and preparedness emerged as a key insight from the exercise. Participants were confronted with numerous impediments to the normal operations of their financial organizations, including telecommunications and power outages, inaccessible facilities, and employee absenteeism. With dispersed employees and very limited means of communication, participants quickly realized that coordinating an effective response in the midst of a crisis would be very difficult. The participants subsequently developed several insights regarding pre-crisis preparations.

### **Lessons Learned:**

- ▶ Because organizations and the environments in which they exist continually evolve, regular testing of business continuity plans is necessary to ensure that financial organizations have viable up-to-date plans.
- ▶ Plans should also be specific. Generalized plans will not have much utility in a disaster environment where decisive action is needed. They need to address in detail issues such as employee payroll and cash distribution contingencies. However, financial organizations should ensure that their plans are flexible enough to adapt to a variety of crisis situations.
- ▶ Financial organizations need to make sure they have the proper equipment necessary for their response plans. This equipment may include power generators and cell phones for employees. Attempting to acquire such equipment in the immediate aftermath of an emergency will likely be unsuccessful.

### **Possible ARCFS Action:**

- ▶ ARCFS can work to promote sector-wide understanding of the importance of planning and preparedness. The ARCFS website contains links to important disaster planning related sites and is continuously updated and augmented to serve as an important resource for its members.

## **INCIDENT RESPONSE AND RECOVERY ISSUE 2**

*Financial organizations need to establish contacts and build relationships with local emergency operations centers and other emergency response authorities – Federal, State, and local – prior to a crisis.*

During the exercise, the financial teams had numerous questions for the State and local government and emergency management team. They inquired about issues related to highway and airport closures, and the activities of the National Guard, the Red Cross, and FEMA.

In the artificial exercise environment, the teams were able to ask for information and receive answers, but the teams were aware that this could be more challenging in a real emergency. Even if the telecommunications infrastructure escaped damage and communications could occur, receiving answers promptly would be improbable. Emergency response organizations would be flooded with information requests while simultaneously striving to fulfill their primary missions of protecting lives and restoring basic services. Without pre-established communication pathways, it would be difficult for the financial sector to get needed timely information and assistance. For this reason, the participants determined that it was important to identify and build relationships with local emergency operations centers (EOCs) and other authorities involved in emergency response.

### **Lessons Learned:**

- ▶ During the planning phase, financial organizations should reach out to EOCs in order to develop a contact list for specific emergency situations. Readily available contact information will enable quicker mitigation of adverse situations.
- ▶ The financial services sector should articulate its operational requirements to EOCs and other governmental authorities so that the government will have a better understanding of what is needed during a crisis and a more rapid and effective response.

### **Possible ARCFS Actions:**

- ▶ ARCFS has obtained seats on the State and Jefferson County EOCs. ARCFS can serve as a model for its member financial organizations as they reach out to their local EOCs.

- ▶ ARCFS could encourage its member financial organizations to hold regional disaster preparedness exercises/conferences in order to build relationships with local EOCs.

## **INCIDENT RESPONSE AND RECOVERY ISSUE 3**

***Financial organizations should prepare for high levels of absenteeism during a crisis.***

Another specific area of disaster preparedness that the participants focused on was preparation for high levels of absenteeism within their workforces. The scenario contained several elements that would result in individuals being unable to work, including damage to power and telecommunications services, impassible roads and bridges, and the displacement of individuals due to damage to their homes. Recognizing the complexity of workforce issues during an emergency, the teams generated several insights into the planning that must occur prior to a crisis.

### **Lessons Learned:**

- ▶ Financial organizations should identify and have a firm understanding of the functions that are critical to their organizations' operations. When absenteeism is high during a crisis situation, organizations should plan to shift available employees to mission critical functions while scaling back activities from non-mission critical functions.
- ▶ Financial organizations need to explore options for utilizing backup sites and having employees work from home in order to prepare for the possibility of employees being unable to access primary facilities.
- ▶ Financial organizations need to identify and document the skill sets of their employees so that they can be fully utilized during a crisis. Cross-training should be conducted for those critical areas that are identified as having the fewest skilled employees.

### **Possible ARCFS Actions:**

- ▶ As financial organizations explore their strategies for managing absenteeism, ARCFS can serve as the centralized forum for discussion of the issue. Having the opportunity to exchange ideas and benchmark their plans against one another will lead to better planning and, ultimately, better crisis response.
- ▶ During a crisis, ARCFS could serve as the coordinating body for the sharing of personnel resources between banks in different regions of the state.



## **INCIDENT RESPONSE AND RECOVERY ISSUE 4**

*During a crisis, credentialing that is recognized by State and local officials will play an important role in enabling financial organizations to maintain critical functions.*

Following a disaster, law enforcement will take actions to contain the situation. This often involves limiting access to impacted areas. In the exercise scenario, the flooding of roadways, structural damage to facilities, and the institution of curfews in several cities all raised the issue of access. Participants had to consider how they would get key personnel access to critical facilities.

### **Lessons Learned:**

- ▶ Credential cards/badges will be very important for business continuity during a crisis, as authorities are likely to restrict the access of non-emergency response personnel to the areas that were impacted.
- ▶ Financial organizations need to familiarize authorities with the credential cards/badges that will be used during a crisis so that they recognize their validity and authorize access for the individuals that hold the cards/badges.

### **Possible ARCFS Actions:**

- ▶ ARCFS has established a credential badge which has been approved by the Alabama State Emergency Management Association. Over 1,200 badges have been printed for participant banks in the event of an emergency. ARCFS can guide banks through the process of ensuring that local EOCs and law enforcement organizations are familiar with the badge and will recognize it during a crisis situation.
- ▶ ARCFS should convene meetings at the State and local levels to introduce its credential badge to individuals within emergency management organizations.

## INCIDENT RESPONSE AND RECOVERY ISSUE 5

*Access to reliable methods of communication will be extremely important for the financial services sector during a crisis.*

In a crisis, financial organizations need to not only communicate with emergency responders, but also with their employees, customers, and vendors. The exercise challenged the participants to consider the issue of communication while taking into account the numerous infrastructure outages described in the scenario. Participants carefully considered the information that they would need to receive and distribute, and the possible ways in which the communication could occur.

### Lessons Learned:

- ▶ In an emergency, the following information will be important for organizations to obtain from authorities:
  - A damage assessment of the area
  - Timeline for the restoration of utilities
  - Transportation access details
  - Which areas are restricted or prohibited
  - Locations of shelters
  
- ▶ In an emergency, the following information will be important for financial organizations to distribute to their employees, customers, and vendors:
  - Hours and locations of operations
  - Which services will and will not be available
  - How information updates will be provided as the situation changes
  
- ▶ Financial organizations will need to utilize any available means to communicate, including radio, backup websites, posted notices, and flyers.
  
- ▶ Financial organizations should apply for a Government Emergency Telecommunications Service (GETS) and/or Wireless Priority Services (WPS) cards, which allow personnel access and priority processing in the public telephone and cell phone networks during any disaster or emergency event. GETS and WPS cards will be valuable communication resources.<sup>2</sup>

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<sup>2</sup> More information about these services is available at <http://gets.ncs.gov> and <http://wps.ncs.gov>.

**Possible ARCFS Actions:**

- ▶ ARCFS can use its seats on both the State and Jefferson County EOC to facilitate communications to the financial sector. It will have access to up-to-date information concerning damage assessments and response efforts, and the EOCs' communication technologies.
- ▶ ARCFS could use its website to post information during a crisis.

## **INCIDENT RESPONSE AND RECOVERY ISSUE 6**

*During a crisis, financial organizations should communicate with each other and coordinate the pooling of resources in order to maintain services to the public in impacted areas.*

Disasters often have geographically uneven impacts, and consequently some businesses are affected more than others. The exercise scenario described a situation where several cities were hard hit, while others, particularly those in the northern part of Alabama, sustained less damage. Participants developed insights into how financial organizations could work together and pool resources in order to enable those organizations that have been hardest hit by a crisis to continue to operate.

### **Lessons Learned:**

- ▶ During a crisis, financial organizations could look into the sharing of cash, equipment, personnel, websites, and facilities with the goal of maintaining operability.
- ▶ Financial organizations could issue joint information updates to the public during a crisis.

### **Possible ARCFS Actions:**

- ▶ ARCFS could serve as the central body to help coordinate cooperation between members and to broker reciprocal support agreements.
- ▶ The ARCFS website could potentially provide links to websites that are shared during an emergency.

## **INCIDENT RESPONSE AND RECOVERY ISSUE 7**

*While government, through entities like FEMA and the National Guard, will support the financial sector to the fullest extent possible during and after a crisis, the sector cannot be reliant upon these entities to address its critical challenges. The sector must learn to be self-reliant in its recovery efforts.*

As events unfolded during the exercise, several financial teams asked the State and local government and emergency management team about how authorities would be assisting them in their recovery efforts. A particular area of concern for the financial teams was how authorities would protect their individual businesses from the looting and civil unrest that was described in Move Two. As a result of these discussions, insights emerged concerning the roles of authorities versus those of the financial sector following events such as those in the scenario.

### **Lessons Learned:**

- ▶ Authorities will prioritize public safety over the protection of private property. Law enforcement will do all it can for businesses, but financial organizations should not assume that they will receive law enforcement protection for their facilities if, for example, there is civil unrest.
- ▶ Financial organizations need to recognize that the National Guard is mission/task oriented and is not the default organizations to turn to for all problems.
- ▶ Financial organizations should prepare to operate without the aid of authorities for a minimum of seventy-two hours. Ideally, organizations will prepare to operate unaided for seven days. This preparation includes having a stockpile of food, potable water, clothing, etc. for employees.

### **Possible ARCFS Actions:**

- ▶ ARCFS, in coordination with the leaders of the State's National Guard units, can help its members to gain an understanding of the National Guard's roles and responsibilities following a crisis so that they have realistic expectations.
- ▶ The ARCFS website currently contains a link to the Federal Financial Institutions Examination Council's (FFIEC) *IT Examination Handbook on*

*Business Continuity Planning.*<sup>3</sup> ARCFS can promote the use of such materials among its membership in order to encourage disaster preparedness and self-reliance following a crisis.

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<sup>3</sup> This document can be found at [http://www.ffiec.gov/ffiecinfobase/booklets/bcp/bus\\_continuity\\_plan.pdf](http://www.ffiec.gov/ffiecinfobase/booklets/bcp/bus_continuity_plan.pdf).

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Alabama Recovery Coalition  
for the  
Financial Sector  
RESILIENCE EXERCISE

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Appendices

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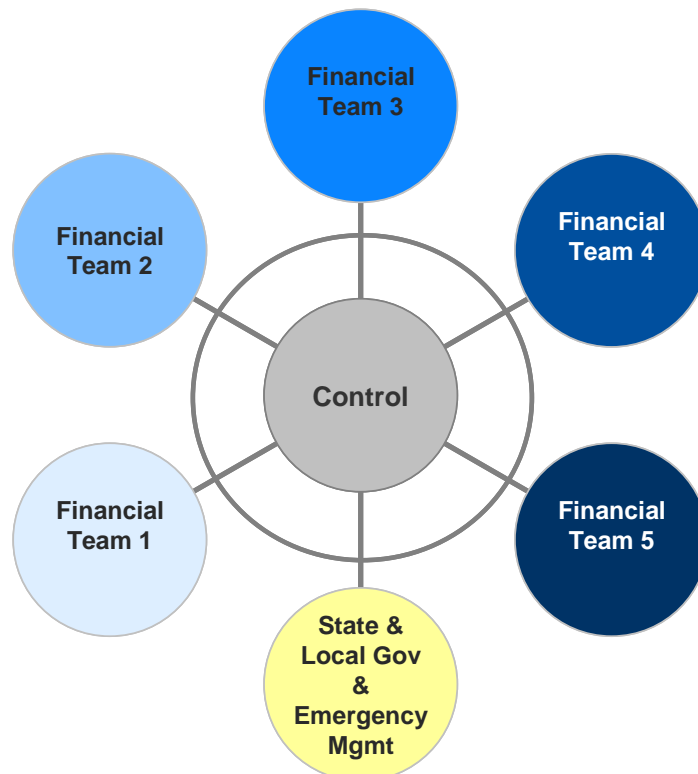
# APPENDIX A:

## EXERCISE ORGANIZATION & STRUCTURE

During the exercise, teams were required to respond to simulated circumstances based on their real-world roles, responsibilities, and plans. Exercise participants were organized into seven teams. A list of participating organizations can be found in Appendix B. There were five financial services teams. The financial services teams were composed of financial institutions, both large and small, from all regions of the State in order to provide rich discussions within each team. The sixth team represented State and local emergency management and government.

The seventh team, the Control Team, included representatives from the Federal government and the exercise design team. This team orchestrated exercise injects (i.e., updates to the scenario) and played the roles of other entities not directly represented on the other teams, such as the media, the general public, and key Federal agencies (e.g., the Treasury Department, the Department of Homeland Security, and Federal financial regulatory agencies).

*Exercise Teams and Team Structure*





The exercise scenario was presented to the participants in two phases, called moves. During each move, the participants received information as to what was simulated to be occurring, and then separated into their teams to discuss their responses. At the end of each move, a plenary session was held to allow representatives from each team to brief the entire group on their team's major decisions and actions. Team leaders were identified prior to the exercise to speak for their teams and present each briefing.

The teams were assisted by facilitators who kept team discussions on track, and ensured that briefings were prepared in a timely manner. A rapporteur served as the central point of contact for incoming and outgoing email messages, recorded key points, and assisted in the preparation of plenary session briefings.

During the moves, email communication between teams was made possible by a portable network system. A commercial company made the system available in order to demonstrate the types of internet technologies that are available when traditional services are interrupted.

# APPENDIX B:

## EXERCISE PARTICIPANTS

The ARCFS Resilience Exercise brought together senior officials from Alabama's financial sector, and from Federal, State, and local governments.

PRIVATE SECTOR ORGANIZATIONS	
Alabama Bankers Association	MidSouth Bank
AmeriFirst Bank	New South Federal Savings Bank
AuburnBank	Nexity Bank
Bank of Vernon	NobleBank & Trust
Bank of Walker County	Peoples Independent Bank
Bank of Wedowee	Phenix-Girard Bank
Bank of York	Pinnacle Bank
BankTrust	Regions Bank
Bryant Bank	ServisFirst Bank
CapitalSouth Bank	Small Town Bank
Citizens' Bank	Sterling Bank
Colonial Bank	Synovus Financial
Community Bankers Association	The Citizens Bank of Winfield
Compass Bank	The Exchange Bank of Alabama
First Bank of Linden	Traders and Farmers Bank
First Community Bank	United Bank
First Lowndes Bank	Valley State Bank
Heritage First Bancshares	West Alabama Bank & Trust
Keystone Bank	

PUBLIC SECTOR ORGANIZATIONS
Alabama EMA Regional Coordinator
Alabama State Banking Department
Birmingham Fire Department
Board of Governors of the Federal Reserve System
City of Birmingham Mayor's Office
US Department of Homeland Security
Federal Deposit Insurance Corporation
Federal Reserve Bank of Atlanta
Jefferson County Commissioner
Jefferson County EMA
US Department of the Treasury

# APPENDIX C:

## **ONLINE EXERCISE**

While the exercise was being conducted, excerpts from the scenario were posted on the ARCFS website. In addition, individuals' observing what was occurring within the team breakout rooms provided highlights of discussions for online posting. Members of the coalition were able to logon to the website's message board, view the posted information, and conduct an internal exercise for their financial organizations. Online participants were given the opportunity to ask questions and comment on how the scenario was impacting them by posting messages to the web site. Types of feedback from the online participants included:

- ▶ The implementation of their continuity plans;
- ▶ Details regarding the likely impact of infrastructure outages on specific banks;
- ▶ Methods of communication still operational that would permit financial organizations to reach their customers; and
- ▶ Offers to provide assistance to other coalition members.

# APPENDIX D:

## EXERCISE SCENARIO

The exercise scenario consisted of two moves, followed by an insights and next steps session. After the scenario for each move was presented, the groups broke out and discussed how the described impacts affected their institution and how they could cooperate with each other. The first move described a hurricane making a direct landfall on Mobile, Alabama and then proceeding northward into the State. As it moved into the State, the hurricane spawned several tornados across the State. The second move progressed forward three days. This move focused on the possible effects of a hurricane and tornados beyond the initial damage, including public health issues and economic impacts. During the final segment of the exercise, the teams focused on lessons learned and key insights.

### Move One: Hurricane Josephine Makes Landfall in Alabama

The first move was simulated to commence on August 16, 2008. Participants were informed that a tropic storm had just reached hurricane status in the Gulf of Mexico. Seven days were simulated to pass during the move, with participants receiving updates each day regarding the progress of Hurricane Josephine. The following are highlights of the information given to participants:

- ▶ Hurricane Josephine, a Category 4 hurricane with winds of 142 mph, made landfall on August 20th at Mobile Bay and continued into the state of Alabama on a north/northeasterly path.
- ▶ The next morning, there were widespread reports of collapsed buildings, uprooted trees, and downed power lines throughout the southern part of the state.
- ▶ The media reported that an unprecedented number of Alabama's residents could be homeless as a result of Josephine.
- ▶ In Mobile, flood waters reached a depth of 14 feet downtown.
- ▶ Buildings and structures outside the direct path of the hurricane sustained catastrophic damages during the overnight landfall of the hurricane, suggesting that powerful tornados had been generated by the storm.

- ▶ In the heart of the downtown Birmingham, the worst tornado destruction appeared to be concentrated around the intersection of 19th Street North and 4th Avenue North.
- ▶ In Montgomery, the storms were reported to have destroyed a shopping mall and trapped residents of a local university's dormitory in debris.
- ▶ With key hubs damaged, power, telecommunications, and transportation services all appeared to have been severely impacted throughout the state.
- ▶ AT&T reported that major switching centers housing assets key to switching and transport had been damaged in Birmingham, Huntsville, Mobile, and Montgomery,.
- ▶ Alabama Power recorded its largest ever number of power outages Statewide at more than 500,000.
- ▶ The remnants of Hurricane Josephine stalled over Alabama, causing torrential rain in the central and northern parts of the state.

### **Move Two: Cascading Effects of the Storms**

Move Two took place on August 25, 2008, five days after the initial landfall of the hurricane in Mobile. During this move, participants were faced with the need to begin the clean up of the damage from the hurricane and tornados, while simultaneously confronting new problems arising from the continuing impacts of the storms. Information provided to the participants included the following:

- ▶ 60% of businesses in those cities hardest hit –Birmingham, Mobile, and Montgomery – remained closed due to continued power outages and telecommunications disruptions.
- ▶ Regions Bank, Compass Bank, and BankTrust in Mobile reported significant damage and estimated that their doors would remain closed for several weeks.
- ▶ In Birmingham, the buildings of several businesses were declared structurally unsound and slated for demolition.
- ▶ Flood waters at Lake Purdy, Birmingham's largest water source, overwhelmed the down stream filtration systems, causing the Jefferson

County Department of Health to warn Birmingham residents that their tap water was not safe for consumption.

- ▶ Due to power and telecommunications outages, financial organizations in many cities were not receiving reliable services from the vendors which support their businesses.
- ▶ Individuals who were selling supplies, such as drinking water, on street corners and manual laborers helping with clean up would only accept payment in cash, causing a high demand for cash.
- ▶ Longer term negative financial impacts appeared likely and underwater oil pipelines were believed to have been damaged.
- ▶ Many individuals were expressing frustration with the continued lack of available supplies and looting had been reported, leading to the institution of curfews in Mobile, Birmingham, and Montgomery.

**Next Steps and Key Insights Discussion:**

The exercise closed with a review of key insights from an overall exercise perspective. The exercise teams came together in one room to participate in the review. No additional scenario information was given to the participants during this segment of the exercise. The identification of potential next steps and the roles that ARCFS members could play in that process was part of this review.

# APPENDIX E:

## TEAM ACTIONS

### Move One Response:

In the aftermath of the catastrophic hurricane and subsequent tornados described in the scenario, teams began identifying critical concerns, determining key actions to be taken, and identifying the entities that the teams would need to rely on to support their responses to the situation.

Issues considered as the teams planned their actions during this move included:

- ▶ **Transportation** – Movements of people and relief materials were hampered by storm damage to the State's transportation infrastructure and by continuing bad weather. Teams had to consider the impact of restrictions on movement to their abilities to conduct business. Questions considered included: Can you assume law enforcement officials will let you travel through obstructed areas? What/who should have priority? What plans are in place to deal with this situation and have they been tested?
- ▶ **Access** – Even if individuals were able to travel to their places of business, it was likely that the storm had damaged the facilities themselves. Questions considered included: Will local authorities allow you to enter a building if it could have structural issues? How do you overcome this? Is there or should there be agreements put into place concerning this?
- ▶ **Power** – The storms caused massive power outages throughout the State. Effects of these outages included not only the closure of businesses, but also the inoperability of ATMs. Questions considered included: What actions will you take to restore the functioning of your ATMs or otherwise increase the availability of cash? What safety and security issues will the high demand for cash cause for those banks that are able to dispense cash? Will security guards be available?
- ▶ **Telecommunications** – Telecommunications nodes were damaged and fibers destroyed by the storms. Questions considered included: How well will people be able to communicate? Will financial organizations be able to conduct normal business transactions? What are the alternate plans for this? Have they been tested?

### **Move Two Response:**

As more information had become available during the passage of time from Move One to Move Two, the participants were provided with a clearer picture of the extent of the damage caused by the storms, including specific locations and the names of financial organizations that had been most impacted.

The new issues that emerged as the teams planned their actions during Move Two included:

- ▶ **Bank Operations** – Businesses providing core processing services to the financial sector were negatively impacted by the storms and unable to provide their usual services. Questions considered included: Is there going to be an impact on doing routine transactions and record keeping? How widespread? Is there the potential of a regulatory issue?
- ▶ **Water Supply** – As a result of flooding and power outages, Birmingham experienced a problem with water filtration and maintaining water pressure during Move Two. Questions considered included: What will health officials do? Will access to facilities that are structurally sound still be an issue because of sanitation concerns? What agreements need to be developed?
- ▶ **Economic Impact** – Longer term economic impacts of the hurricane became evident during Move Two. These impacts included damage to oil pipelines. Questions considered included: How will damage to the oil industry impact the State's economy and what will this mean for banks? What assistance will this industry need?
- ▶ **Public Safety** – Looting occurred as a result of increasing public frustration with the lack of available goods, causing Birmingham, Mobile, and Montgomery to institute curfews. Questions considered included: With police and other emergency management people occupied with restoring order, what will the impact be to the financial sector? What help can the financial sector expect?



The graphic below summarizes the significant actions taken by participants in response to Moves One and Two.

MOVE ONE MAJOR TEAM ACTIONS
<p>▶ <b>Financial Teams</b></p> <ul style="list-style-type: none"> <li>– Activate predetermined contingency teams/plans</li> <li>– Work with the local Emergency Management Agency to identify emergency procedures</li> <li>– Assess damage to personal and corporate property</li> <li>– Determine if there are housing issues for employees - rent housing or hotel rooms</li> <li>– Institute access control for facilities through credential badges</li> <li>– Pre-position/reposition cash and resources at critical sites and direct customers to use debit cards at alternate locations (grocery stores, etc.) if cash supplies become low</li> <li>– Establish a central command center outside of the disaster area for employees, customers and vendors to get up-to-date information</li> <li>– Work with vendors that provide services to the financial sector as they activate their own contingency plans</li> <li>– Leverage relationships within the financial sector to access available resources to assist in recovery operations relative to cash needs, customer services, processes, etc.</li> <li>– Notify the FDIC, Alabama Bankers Association, Community Bankers Association, and State Department of Banks of current conditions of individual banks</li> </ul> <p>▶ <b>State and Local Government and Emergency Management</b></p> <ul style="list-style-type: none"> <li>– Determine major impacts on infrastructure and how essential services (fire/rescue/medical) are affected</li> <li>– Determine the impacts on the business community</li> <li>– Work to restore services with utmost speed</li> <li>– Distribute accurate public information</li> </ul>

MOVE TWO MAJOR TEAM ACTIONS
<p>▶ <b>Financial Teams</b></p> <ul style="list-style-type: none"> <li>– Ensure to the fullest extent possible the continuity of banking operations, including couriering of checks, protection of customer information, and manual contingencies</li> <li>– Review bank policy on credit and documentation</li> <li>– Revert to alternative vendor locations as available</li> <li>– Determine which employees are available and what jobs they will perform (dual controls), taking into consideration future regulatory reviews</li> <li>– Provide alternative support if primary employees are not available: ID skill sets of employees/cross pollination of skill sets, and provide step-by-step instructions for some services (checklists)</li> <li>– Augment staffing at call centers in order to maintain a presence for customers</li> <li>– Limit number of employees and hours of banking facility operations as a response to resource scarcity</li> <li>– Work with local and State authorities to ensure credentials are recognized so that personnel can get to work locations after curfew hours</li> <li>– Use local/regional marketing agreements for public relations and information dissemination on location operation status</li> <li>– Set up “tent city” for employees with alternative water sources if employees are not allowed to enter their building: Contact EMA, FEMA and National Guard to provide portable showers and toilets</li> <li>– Make sure back-up and mobile generators are in place</li> <li>– In anticipation of a possible second hurricane, begin to review plans and prepare to rotate available staff to prevent fatigue</li> </ul> <p>▶ <b>State and Local Government and Emergency Management</b></p> <ul style="list-style-type: none"> <li>– Work to restore services</li> <li>– Provide assistance to business community, but anticipate that businesses have planned to be self-sufficient to the fullest extent possible</li> </ul>

# APPENDIX F:

## EXERCISE EMAIL COMMUNICATIONS

The following is a transcript of the email communications that took place during the moves of the exercise.

### Move One

#### ATM Vendors

10:50 am

AL\_Control

**To:** AL\_Financial4; AL\_Financial1; AL\_Financial3; AL\_Financial2; AL\_Financial5; AL\_GovEmerg

**Cc:**

Several major vendors that stock ATMs are experiencing high absenteeism as their employees cope with the aftermath of the storm. The fact that machines are not being regularly stocked is causing ATMs to run out of cash throughout the state.

11:22

AL\_GovEmerg

**To:** AL\_Control; AL\_Financial4; AL\_Financial1; AL\_Financial3; AL\_Financial2; AL\_Financial5

**Cc:** AL\_Control

What is the contingency plan to support this?

11:25

AL\_Financial2

**To:** AL\_GovEmerg; AL\_Control; AL\_Financial4; AL\_Financial1; AL\_Financial3; AL\_Financial5

**Cc:** AL\_Control

Banks loading ATMs themselves and not relying on vendors. Prepositioning cash in critical locations. Mobile ATMs with self contained power sources.

11:27

AL\_Financial3

**To:** AL\_GovEmerg; AL\_Control; AL\_Financial4; AL\_Financial1; AL\_Financial2; AL\_Financial5

**Cc:** AL\_Control

Vendors have provided detailed contingency plans for armored car service prior to contracting.

Vendor is not restricted to market area - can call on another service.

We're directing customers to go to other point of service locations.

When possible we are self-stocking (branch managers, etc).

Have back-up generators at several locations and a mobile unit to hand out cash.

---

#### Impact on the Fed

10:53

AL\_Financial5

To: AL\_Control

Cc: AL\_Control

What is the overall impact on the Federal Reserve for cash reserve availability in Alabama?

10:59 am  
AL\_Control  
To: AL\_Financial5  
Cc:  
No impact at this time.

11:02  
AL\_Financial5  
To: AL\_Control  
Cc:  
Are there any cash delivery problems based on absenteeism from the vendors who transport the cash?

11:18 am  
AL\_Control  
To: AL\_Financial5  
Cc:  
There are some isolated issues with banks that don't normally order cash from the Fed (those that get cash from other banks). Some banks are working together to get cash delivered to a centralized point.

---

### **Evacuee Situation**

10:59 am  
AL\_Control  
To: AL\_Financial4; AL\_GovEmerg; AL\_Financial5; AL\_Financial2; AL\_Financial3; AL\_Financial1  
Cc:  
News reports show many areas with poorly built houses have been reduced to rubble. Thousands of evacuees have no money and no place to go. Destroyed bridges and highways, combined with the sheer breadth of the impacted area, make response efforts slow and inadequate.

11:02  
AL\_Financial2  
To: AL\_Control; AL\_Financial4; AL\_GovEmerg; AL\_Financial5; AL\_Financial3; AL\_Financial1  
Cc: AL\_Control  
Can you identify where these effected areas are?

11:10 am  
AL\_Control  
To: AL\_Financial2; AL\_Financial4; AL\_GovEmerg; AL\_Financial5; AL\_Financial3; AL\_Financial1  
Cc:  
Mobile, Baldwin, Escambia, Washington, Clarke, Montgomery, Autauga, Shelby, Jefferson, and Covington.

---

### **Status of FEMA / Red Cross / National Guard Distribution**

11:03  
AL\_Financial5  
To: AL\_GovEmerg  
Cc: AL\_Control  
What is the status of the FEMA / Red Cross / National Guard distribution in the affected areas?

11:13 am

AL\_Control

To: AL\_Financial5; AL\_GovEmerg

Cc:

FEMA and the Red Cross have been setting up evacuation points across the state at local schools and churches. National Guard has been called up and deployed.

11:24

AL\_GovEmerg

To: AL\_Financial5

Cc: AL\_Control

Distribution of what items are you inquiring about?

11:26

AL\_Financial5

To: AL\_GovEmerg

Cc: AL\_Control

The distribution of relief checks? Distribution points at schools? churches?

11:29

AL\_GovEmerg

To: AL\_Financial5

Cc: AL\_Control; AL\_Control

FEMA does not distribute checks for individual assistance. Red Cross is doing what they can do. National Guard is not involved in distribution of checks.

---

### **Update from State Government of Alabama**

11:04

AL\_GovEmerg

To: AL\_Control; AL\_Financial5; AL\_Financial4; AL\_Financial3; AL\_Financial2; AL\_Financial1

Cc: AL\_Control

State of Alabama has declared a state of emergency before the hurricane strikes. Now going into disaster declaration of the entire state. Requesting assessment teams to help conduct situational awareness. Standing up EMA teams which will help determine requests and who can fill them.

11:18

AL\_Financial2

To: AL\_Control

Cc: AL\_GovEmerg; AL\_Control

What is the status of cellular and all types of communication, esp. in areas 2 and 3?

11:31 am

AL\_Control

To: AL\_Financial2

Cc: AL\_GovEmerg

Numerous cell sites are down, however providers are currently working to restore services in impacted areas. Also, businesses are encouraged to use GETS/WPS access to facilitate communication. In addition, work with your federal communication regulators to possibly obtain emergency access to these options.

---

**Public Notice**

11:05 am

AL\_Control

To: AL\_Financial5; AL\_Financial4; AL\_Financial1; AL\_Financial3; AL\_Financial2; AL\_GovEmerg

Cc:

EXERCISE EXERCISE EXERCISE  
PUBLIC NOTICE

Due to impending severe weather conditions associated with Hurricane Josephine, banks in the affected areas may not be able to operate in a safe manner without substantial risk to officers and employees. As provided in Section 5-5A-32 of the Alabama Banking Code, I hereby declare an emergency and authorize all banks within the affected areas to close and remain closed as long as unsafe conditions exist.

Banks in areas affected by Hurricane Josephine and its associated weather events are reminded that, as soon as weather conditions permit, they should call in to our Bank Emergency Call-in Number: 1-877-242-3455 to report their condition and the status of bank operations. Bank customers and consumers who have questions concerning the status of their financial organizations or other financial questions related to this severe weather event should call our department at 1-866-465-2279. Depending upon the severity of the weather event, important notices and information concerning the status of institutions and impacted financial services may be posted on our website: [www.banking.alabama.gov](http://www.banking.alabama.gov) or, if our website is down, at the following alternate emergency websites: [www.csbs.org](http://www.csbs.org) (Conference of State Bank Supervisors) or [www.fdic.gov](http://www.fdic.gov) (Federal Deposit Insurance Corporation).

Banks with offices located near Hurricane Evacuation Routes or in cities to which hurricane evacuees may relocate should evaluate their supplies of cash on hand and make every prudent effort to stock their ATMs and make funds available to evacuees. Banks in affected areas or near to affected areas that hold accounts for the American Red Cross and other relief agencies should, as soon as possible, communicate with those agencies to assess cash needs which may arise from the agencies' disaster relief activities.

Witness my hand and seal of this office this the 17 day of August, 2008.

John D. Harrison  
Superintendent of Banks

**Major Highways**

11:09

AL\_Financial3

To: AL\_Control; AL\_GovEmerg

Cc: AL\_Control

Would like specific information on highway closures and major travel routes that are impassable. What is the impact of the Telco outage? Geographic scope? What vendors are affected?

11:16 am

AL\_Control

To: AL\_GovEmerg; AL\_Financial3

Cc:

Emergency Management Team, please respond to this question.

**Press Release**

11:16

AL\_GovEmerg

To: AL\_Financial1; AL\_Financial2; AL\_Financial3; AL\_Financial4; AL\_Financial5

Cc: AL\_Control

Local cautionary messages are being distributed eg: avoid standing water, downed power. Teams are assessing infrastructures, such as power and gas, so please do not overwhelm the phones.

Location of assistance centers will be announced.

Announcements on transportation routes will be made.

---

**Insurance Update**

11:18

AL\_GovEmerg

To: AL\_Financial5; AL\_Financial4; AL\_Financial3; AL\_Financial2; AL\_Financial1

Cc: AL\_Control

Major insurers will have adjuster teams staging in Baton Rouge and Tallahassee. Waiting to come in once all clear is given.

11:27

AL\_GovEmerg

To: AL\_Control; AL\_Financial5; AL\_Financial3; AL\_Financial1; AL\_Financial4; AL\_Financial2

Cc: AL\_Control

Announcement has been made by the insurance commissioner that insurance cannot be non-renewed for a 90 day period due to non-payment. All HMO services will be treated as a network.

---

**National Guard**

11:19

AL\_Financial3

To: AL\_GovEmerg; AL\_Control

Cc: AL\_Control

Is the National Guard in the area?

11:24 am

AL\_Control

To: AL\_Financial3; AL\_GovEmerg

Cc:

Yes.

11:25

AL\_GovEmerg

To: AL\_Financial3; AL\_Control

Cc: AL\_Control; AL\_Control

Which area and for what reason?

11:29

AL\_Financial3

To: AL\_GovEmerg; AL\_Control

Cc: AL\_Control; AL\_Control; AL\_Control

We're concerned about looting and security in vulnerable areas (Mobile, AL). Need to protect any locations that may have power when others are down. Can we rely on the NG to support?

11:33

AL\_GovEmerg

To: AL\_Financial3; AL\_Control

Cc: AL\_Control; AL\_Control; AL\_Control; AL\_Control

State and law enforcement will do what they can. NG cannot participate in law enforcement activities. Additional law enforcement will be requested through mutual aid and EMAC.

---

### **Needs Assessment**

11:31

AL\_GovEmerg

To: AL\_Control; AL\_Financial5; AL\_Financial3; AL\_Financial1; AL\_Financial4; AL\_Financial2

Cc:

Through the coalition liaisons that are within the EOC's, we are seeking a needs assessment of the financial institutions. Please respond.

---

## Move Two

### Couriers Operating After Curfew

1:07

AL\_Financial4

To: AL\_Control; AL\_GovEmerg

Cc: AL\_Control

How can couriers and bank employees bypass curfew in order to transport money/cash letters?  
Can we get additional security to escort our couriers/bank employees?

1:35

AL\_Control

To: AL\_Financial4; AL\_GovEmerg

Cc:

Work with EMA on credentialing for access and assistance with escort.

1:47

AL\_GovEmerg

To: AL\_Financial4; AL\_Control

Cc: AL\_Control; AL\_Control

Can obtain access through coordination through local EOC. Get private security.

---

### Birmingham Airport

1:30

AL\_Financial3

To: AL\_Control; AL\_GovEmerg

Cc: AL\_Control

Is the Birmingham Airport open or closed?

Thanks!

1:34

AL\_Control

To: AL\_Financial3

Cc: AL\_GovEmerg

The airport is open.

---

### Power Review

1:37

AL\_Control

To: AL\_GovEmerg; AL\_Financial5; AL\_Financial4; AL\_Financial3; AL\_Financial1; AL\_Financial2

Cc:

Alabama Power has concluded its review of damage to power lines and power stations. The Mobile metropolitan area will be without power for a minimum of 10 days, while some areas on the outskirts of the city will take up to 15 days to regain electricity.

1:47

AL\_Financial4

To: AL\_Control

Cc: AL\_Control

Can we get an update on Birmingham, Montgomery, and Huntsville?



1:54

AL\_Control

To: AL\_Financial4

Cc:

Priority grids have been restored in these cities. Other grids should be restored within 2-4 days.

---

### **ETA for Potable Water?**

1:39

AL\_Financial3

To: AL\_Control; AL\_GovEmerg

Cc: AL\_Control

Please provide timeline for good water if possible.

Thanks.

1:50

AL\_GovEmerg

To: AL\_Financial3; AL\_Control

Cc: AL\_Control; AL\_Control

Good water for what use?

For who, for what?

---

### **Government Assistance**

1:44

AL\_Financial3

To: AL\_Control; AL\_GovEmerg

Cc: AL\_Control

Is the government (local and federal) able to provide portable showers/toilets? Potable water?

How much?

1:53

AL\_Financial3

To: AL\_GovEmerg; AL\_Control

Cc:

We'd like to open doors and need to provide employees with solutions to be able to come to work.

1:59

AL\_GovEmerg

To: AL\_Financial3; AL\_Control

Cc:

They need to buy their own drinking water for individual consumption.

---

### **High Call Volumes**

1:47

AL\_Control

To: AL\_GovEmerg; AL\_Financial5; AL\_Financial3; AL\_Financial4; AL\_Financial2; AL\_Financial1

Cc:

As telephone services are being restored, local banks throughout the state are finding themselves overwhelmed with high call volumes. Inquiries regarding loans for repairs to property and reports of ATMs without cash constitute the majority of the calls.

---

## **Birmingham Water**

1:56

AL\_Control

To: AL\_GovEmerg; AL\_Financial4; AL\_Financial5; AL\_Financial3; AL\_Financial1; AL\_Financial2

Cc:

The Jefferson County Department of Health has issued a statement saying that the area's water filtration plants are now functioning properly after three days of emergency repairs. Tap water is now safe to consume.

---

## **Vendor Outage**

1:58

AL\_Control

To: AL\_Financial5; AL\_Financial4; AL\_Financial3; AL\_Financial2; AL\_Financial1

Cc:

What is the impact of the vendor outages on your operations?

2:00

AL\_Financial5

To: AL\_Control

Cc: AL\_Control

Everyone here would be affected.

The understanding is that there are contingency plans in place.

2:01

AL\_Financial5

To: AL\_Control

Cc: AL\_Control

It would impact the ability to check account balances of people claiming to have money in bank accounts and trying to cash checks.

2:02

AL\_Financial3

To: AL\_Control; AL\_Financial5; AL\_Financial4; AL\_Financial2; AL\_Financial1

Cc: AL\_Control

Most institutions were able to rely on JH institutions outside of disaster area. Can physically move data to location if communications are down.

2:03

AL\_Financial1

To: AL\_Control

Cc: AL\_Control

Impact is minimal to Financial Group 1 due to alternative service providers/locations.

2:03

AL\_Financial2

To: AL\_Control

Cc: AL\_Control

Minimal. It depends on what services you are using them for.

2:04

AL\_Financial4

To: AL\_Control

Cc: AL\_Control

The vendor outage has not impacted in-house banks unless they were w/o power or w/o telecom, but banks outsourced to JH would be affected if JH data services had problems or were w/o power.

---

### **Water Supply**

1:59

AL\_Financial4

To: AL\_Control

Cc: AL\_Control

Are bank branches allowed to operate despite the mandated closure of businesses on slide 34?

2:03

AL\_Control

To: AL\_GovEmerg

Cc: AL\_Financial4

What does the fire chief have to say about this?

2:07

AL\_GovEmerg

To: AL\_Control

Cc: AL\_Financial4; AL\_Control

Re-read top bullet on slide 34. There is no mandated closure.

2:09

AL\_Financial4

To: AL\_GovEmerg

Cc: AL\_Control

Here is the bullet:

Businesses affected by either the contaminated water supply or the lack of running water must remain closed due to health regulations.

2:15

AL\_GovEmerg

To: AL\_Financial4

Cc: AL\_Control; AL\_Control

The issue is for restaurants or places utilizing the water for consumption.

---

### **Tropical Storm**

2:08

AL\_Control

To: AL\_GovEmerg; AL\_Financial4; AL\_Financial5; AL\_Financial3; AL\_Financial2; AL\_Financial1

Cc:

The National Hurricane Center reports that a tropical storm is strengthening in the Caribbean. Early projections have the storm following a very similar path to that of Josephine. If the storm does take a path towards the Gulf Coast, landfall will occur in a week's time.

2:18

AL\_Financial1

To: AL\_Control

Cc: AL\_Control

Assess critical business functions; any recovery efforts at risk will be bypassed. Stockpile cash, nonperishable food, and water.

---

### **Regulatory Relief**

2:09

AL\_Financial2

To: AL\_Control

Cc: AL\_Control

Is there any regulatory relief that have been issued for the financial organizations in the disaster area?

2:17

AL\_Control

To: AL\_Financial2

Cc: AL\_Financial4; AL\_Financial5; AL\_Financial3; AL\_Financial1

For FDIC supervised institutions, the following may be considered on a case by case basis:

- Brokered Deposit Waivers

- Application procedures for main office and branch relocations

- Extension of regulatory reporting deadlines

- Forbearance offered by the FDIC to banks relating to certain regulatory compliance issues

Contact your local FDIC regional office.