

Gottlieb, Mary H

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From: Hurwitz, Evelyn S on behalf of Public Info
Sent: Friday, August 25, 2000 4:55 PM
To: Gottlieb, Mary H
Subject: FW: Interagency Guidelines Comments - First Union Corporation

-----Original Message-----

From: jim.ramsay@firstunion.com [mailto:jim.ramsay@firstunion.com]
Sent: Friday, August 25, 2000 2:25 PM
To: regs.comments@occ.treas.gov; regs.comments@federalreserve.gov;
comments@fdic.gov; public.info@ots.treas.gov
Subject: Interagency Guidelines Comments - First Union Corporation

First Union Corporation
Information Security Division, NC0291
1525 West W.T. Harris Boulevard
Charlotte, NC 28288-0291
(704) 590-6844

VIA ELECTRONIC SUBMISSION
(Copies Via Overnight Delivery)

August 25, 2000

Department of the Treasury	Ms. Jennifer J. Johnson
Office of the Comptroller of the	Secretary
Currency	Board of Governors of
Communications Division	The Federal Reserve
System	20th and C Streets, NW
250 E Street, SW.	Washington, DC 20551
Washington, DC 20219	Attention: Docket No.
Attention: Docket No. 00-13	
R-1073	

Robert E. Feldman	Manager, Dissemination
Branch	Information Management &
Executive Secretary	Division
Services	Office of Thrift Supervision
Federal Deposit Insurance Corporation	1700 G Street, NW.
550 17th Street, NW.	Washington, DC 20552
Washington, DC 20429	
Attention: Comments/OES	

Re: Proposed Interagency Guidelines Establishing Standards for
Safeguarding Customer Information and Recession of Year 2000 Standards
for
Safety and Soundness

Dear Sir/Madam:

First Union Corporation ("First Union "or "the Company") submits
this
letter in response to the requests by each of the above regulatory
agencies
(collectively, the "Agencies") for comments on their proposed
Interagency
Guidelines Establishing Standards for Safeguarding Customer Information
and
Recession of Year 2000 Standards for Safety and Soundness.

First Union is a diversified financial holding company with
approximately \$253 billion in assets and financial center offices in
approximately 41 states. Through its bank and non-bank subsidiaries,
First
Union is a leading provider of a wide variety of financial services to
approximately 16 million retail and corporate customers throughout the
nation. Many of the Company's services are also available by telephone,
through a large network of automated teller machines and the Company's
website, www.firstunion.com.

First Union recognizes the difficulty faced by the Agencies in
attempting to craft regulations within the rather broad legislative
mandate
and the stringent deadlines of the GLB Act. We are also mindful of the
expectation that the Proposals will elicit a large number of detailed
comments from a wide variety of constituencies. Further, First Union
representatives have participated actively in the development of
comments
by the Financial Services Roundtable and the Roundtable's technology
group,
BITS. We therefore do not believe it would be helpful to the Agencies to
merely reiterate wholesale the points made in the Roundtable/BITS
submission.

There are, however, additional comments and points of clarification
that First Union would like to bring to your attention.

Manage and Control Risk

The agencies list several elements of a comprehensive risk
management
plan that an institution should consider when evaluating their security
policies. The first of these, element III(C)(1)(a), applies to "access
rights to customer information". First Union believes that this element
is
intended to ensure that financial institutions have appropriate security
measures in place to prevent unauthorized access to customer
information.
First Union believes, however, that the wording of this statement should
be
clarified to ensure that institutions do not mistake this element as
applying to a customer's right to access financial information resident
on

a financial institution's systems.

First Union believes this factor should be deleted. If this element is intended to promote appropriate standards against unauthorized access to customer information, other elements, including III(C)(1)(b) and (c) appropriately address this area. If the element is not removed, at a minimum, the agencies should clarify that factor III(C)(1)(a) is not intended to create a new customer right to access financial information. First Union suggests that an effective way of clarifying this intent is to utilize wording that reflects that access to customer information should be authorized, on a need to know basis, or required as part of the individual's job function.

In addition, First Union seeks clarification on the intent of "companies" in element III(C)(1)(b). Without further clarification, it is uncertain whether "companies" refers to the employees of affiliates, service providers, and/or vendors, or has some other meaning.

With respect to element III(C)(1)(h), First Union seeks clarification as to the scope of the word "intrusion". Is it intended to mean that the necessary monitoring systems and procedures should protect against people who already have valid access to customer information systems but misuse it (typically an insider), or is it just focused on those who don't have authorized access and break in (e.g., a hacker)?

The proposed guidelines also mention the need for a training component and associated regulatory and/or law enforcement reporting processes. First Union seeks clarification on whether these proposed guidelines are intended to change the current reporting requirements.

Oversee Outsourcing Arrangements

In the proposed guidelines, the agencies request comment on outsourcing arrangements. First Union believes that another third party issue that these guidelines should address is in the area of aggregators. First Union recognizes that many aggregators are not financial institutions that would fall under the auspices of the agencies' rules; however we feel that some means is needed for providing similar guidelines to non-banks that handle financial information.

Respectfully submitted,
FIRST UNION CORPORATION

By: /s/

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