

must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than January 2, 2003.

A. Federal Reserve Bank of Atlanta (Sue Costello, Vice President) 1000 Peachtree Street, N.E., Atlanta, Georgia 30303:

1. *First Commerce Bankshares, Inc.*, Douglasville, Georgia; to become a bank holding company by acquiring 100 percent of the voting shares of First Commerce Community Bank, Douglasville, Georgia (in organization).

B. Federal Reserve Bank of Chicago (Phillip Jackson, Applications Officer) 230 South LaSalle Street, Chicago, Illinois 60690-1414:

1. *FEB Bancshares, Inc.*, Neshkoro, Wisconsin; to become a bank holding company by acquiring 100 percent of the voting shares of Golden Sands Bankshares, Inc., Neshkoro, Wisconsin, and thereby indirectly acquire voting shares of Farmers Exchange Bank of Neshkoro, Wisconsin.

2. *F T Bancshares, Inc.*, Aurelia, Iowa; to become a bank holding company by acquiring 61.58 percent of the voting shares of Aurelia F T & S Bankshares, Inc. Aurelia, Iowa, and thereby indirectly acquire voting shares of The First Trust & Savings Bank, Marcus, Iowa.

C. Federal Reserve Bank of Kansas City (Susan Zubradt, Assistant Vice President) 925 Grand Avenue, Kansas City, Missouri 64198-0001:

1. *Heritage Bancshares, Inc.*, Topeka, Kansas; to become a bank holding company by acquiring 100 percent of the voting shares of Heritage Bank, Topeka, Kansas (in organization).

Board of Governors of the Federal Reserve System, December 3, 2002.

Robert deV. Frierson,

Deputy Secretary of the Board.

[FR Doc. 02-30973 Filed 12-6-02; 8:45 am]

BILLING CODE 6210-01-S

FEDERAL RESERVE SYSTEM

[Docket No. R-1137]

Federal Reserve Board Sponsorship for Priority Telecommunication Services of Organizations That Are Important to National Security/Emergency Preparedness

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Notice.

SUMMARY: The Board is updating its sponsorship policy and procedures for National Security/Emergency Preparedness telecommunication

programs administered by the National Communications System. The Board has expanded its sponsorship criteria for the Telecommunications Service Priority (TSP) and has adopted sponsorship criteria for the Government Emergency Telecommunications Service and the Wireless Priority Service programs that are similar to its TSP sponsorship criteria. The Board believes that these programs will help facilitate the operation and liquidity of banks and the stability of financial markets, particularly during periods of substantial operational disruptions.

EFFECTIVE DATE: December 9, 2002.

FOR FURTHER INFORMATION CONTACT: Ken Buckley, Assistant Director (202/452-3646), Karen Cunigan, Manager (202/452-2027), or Wayne Pacine, Senior IT Analyst (202/452-2210), Division of Reserve Bank Operations and Payment Systems; for users of Telecommunication Devices for the Deaf (TDD) only, contact 202/263-4869.

SUPPLEMENTARY INFORMATION:

I. Background

The National Communications System (NCS) was established in 1963 to provide priority communications support to critical government functions during emergencies. In 1984, NCS NS/EP responsibilities expanded, and NCS became an interagency group of 22 federal departments and agencies, including the Federal Reserve Board. This interagency group coordinates and plans NS/EP telecommunications to respond to crises and disasters. The NCS has developed a number of priority telecommunications services that are also available to private-sector entities through sponsorship by an NCS member department or agency. The events of September 11, 2001, put a new focus on the importance of these programs to the nation and to the financial sector.

In November 1988, the FCC adopted rules establishing the Telecommunications Service Priority (TSP) program for expedited restoration of disrupted telecommunication services and expedited provision of new telecommunication services that support national security and emergency preparedness (NS/EP) functions (47 CFR part 64, Appendix A). Telecommunication services necessary for NS/EP are defined as: "those that are used to maintain a state of readiness or to respond to and manage any event or crisis (local, national, or international) which causes or could cause injury or harm to the population, damage to or loss of property, or degrades or threatens the NS/EP posture of the United States."

Two categories of telecommunication services fall within this definition: Emergency NS/EP and Essential NS/EP. Under the FCC rule, Emergency NS/EP telecommunication services are those new services that are "so critical as to be required to be provisioned at the earliest possible time without regard to the costs of obtaining them." An example of Emergency NS/EP service is federal government activity in response to a Presidential declared disaster or emergency.

Essential NS/EP telecommunication services must qualify under one of four subcategories: (A) National security leadership (the President of the United States); (B) national security posture and U.S. population attack warning; (C) public health, safety, and maintenance of law and order; and (D) public welfare and maintenance of national economic posture. Essential services are assigned a priority on a scale of 1 to 5 (with 1 as the highest priority) based on the appropriate subcategory. Services in subcategory A qualify for priority levels 1-5; those in subcategory B qualify for priority levels 2-5; those in subcategory C qualify for priority levels 3-5; and services in subcategory D qualify for priority levels 4-5.

The FCC delegated the administration of the NS/EP TSP program to the Executive Office of the President (EOP). The EOP's responsibilities under the NS/EP TSP program are administered by the NCS, established by Executive Orders 12472 and 13231.¹ In 2001 the NCS' mission was expanded to include protection of critical information assets as directed by the Office of Homeland Security. The NCS has enacted a range of priority telecommunications access programs to support its mission. In particular, NCS has established the Government Emergency Telecommunications Service (GETS) program, which provides emergency access and priority processing of local and long-distance calls over the terrestrial public switched network, and

¹ The administrative structure of the NCS consists of the executive agent, (the Secretary of Defense, as designated by the President), the Manager (designated by the executive agent) and the Committee for National Security and Emergency Preparedness (representatives from federal departments, agencies, and entities with significant national security or emergency preparedness telecommunications responsibilities). The Federal Reserve System was designated as a "participating independent entity" on the Committee for National Security and Emergency Preparedness. The EOP has assigned to the NCS Manager the administrative authority delegated to the EOP by the FCC, as well as the authority to administer the NS/EP programs after invocation of the President's war emergency powers. NCS policies and procedures for administering NS/EP telecommunication programs are available on NCS' Web site at <http://www.ncs.gov>.

the Wireless Priority Service (WPS) program, which provides priority routing of cellular calls during periods of severe network congestion. The Board's Division of Reserve Bank Operations and Payment Systems has responsibility for the Federal Reserve's NS/EP services and a division officer serves as a member of the Committee for National Security and Emergency Preparedness Communications.

Organizations other than federal government agencies must apply to participate in NCS NS/EP programs through a federal agency authorized to provide sponsorship. The Board and designated member agencies of the Financial and Banking Information Infrastructure Committee (FBII) of the President's Critical Infrastructure Protection Board may sponsor these organizations under the national economic posture category.² In its role as a sponsoring Federal organization, the Board supports the Treasury's specific NS/EP responsibilities as described in Executive Order 12656 on matters related to "operation and liquidity of banks" and "maintenance and restoration of stable and orderly markets."

II. Criteria for Sponsorship of Organizations for NS/EP Telecommunication Programs

Telecommunications services are designated as essential where a disruption of "a few minutes to one day" could seriously affect the continued operations that support an NS/EP function. In 1993, the Board established policies and procedures for its sponsorship of organizations for priority provision and restoration of telecommunications services under the TSP program (58 FR 38569, July 19, 1993).³ Under these policies, the Board sponsors:

(1) Backbone circuits used in large-value interbank funds transfer, securities transfer, or payment-related services (such as Fedwire, CHIPS, and SWIFT) that require same-day recovery and are critical to the operation and liquidity of banks or to the stability of financial markets,

(2) Access circuits connecting participants or their third-party processors to a sponsored large-value network that transmit a daily average aggregate value of funds and/or securities transfers of at least \$2 billion,⁴

(3) Eligible dedicated voice circuits from the Federal Reserve Bank of New York to primary dealers,

(4) The domestic components of circuits from the New York Reserve Bank to foreign exchange counterparties and foreign central banks,

(5) Circuits used to connect the large competitive bidders using the Treasury Automated Auction Processing System to the New York Reserve Bank, and

(6) Other circuits that meet an alternate criterion acceptable to the Board's director of the Division of Reserve Bank Operations and Payment Systems.

The Board has expanded its 1993 TSP sponsorship criteria to explicitly include the following:

(7) Access circuits that connect settlement agents that settle a daily average of at least \$2 billion (net, one side) to the Federal Reserve's net settlement service,

(8) Backbone circuits used by the networks of ACH operators, as well as the access circuits connecting depository institutions and third-party processors that originate a daily average of at least \$2 billion to their ACH operator,

(9) Access circuits connecting customers of Fedwire, CHIPS, or SWIFT participants that originate a daily average of at least \$2 billion per day to their bank,

(10) Backbone circuits used for the CLS Bank network, access circuits connecting customers to the CLS Bank, and circuits connecting CLS Bank customers to Fedwire,

(11) Access circuits connecting settlement banks to the Depository Trust Company, the Government Securities Clearing Corporation, the National Securities Clearing Corporation, the Options Clearing Corporation, the

Mortgage Backed Securities Clearing Corporation, the Chicago Mercantile Exchange, the Board of Trade Clearing Corporation, or the New York Mercantile Exchange, and

(12) Additional circuits used internally by a sponsored organization that are essential for the smooth operation of the function for which its other circuits are given TSP designation.

The Board sponsors circuits meeting these criteria for a TSP priority level 4.

Under criterion 6, the Board may sponsor circuits leased by an organization that may not meet any of the other sponsorship criteria, if a disruption of that circuit for a few minutes to one day could seriously affect operations that support the maintenance of the national economic posture. If a financial institution believes that one or more of its circuits meet this standard and wishes that those circuits be given TSP designation, its application for TSP status should include an explanation of how the circuit is critical to the maintenance of the national economic posture. The Board will consult with the organization's primary regulator in considering such applications for TSP sponsorship.

Since 1993, the NCS has established two other NS/EP telecommunications programs in which the Board participates. The Government Emergency Telecommunications Service (GETS) program provides emergency access and priority processing of local and long-distance calls over the terrestrial public switched network. GETS is intended to be used in emergency or crisis situations when heavy call volumes decrease the probability of completing a call. The Board has sponsored key Federal Reserve staff and staff from organizations that qualify under its TSP criteria for the GETS program.

The Wireless Priority Service (WPS) program provides priority routing of cellular calls to provide participants a higher likelihood of completing calls during periods of severe network congestion. Key Federal Reserve, CHIPS, and SWIFT staff currently participate in the pilot WPS program being conducted in the Washington, DC and New York City metropolitan areas. The program should move to full nationwide rollout by late 2003.

The Board has adopted criteria for GETS sponsorship that are analogous to its TSP sponsorship criteria. Unlike the TSP program, where the Board sponsors specific leased-line circuits, in the GETS program the Board sponsors individuals in eligible organizations who play critical roles in the operation of the

² FBII is a standing committee of the President's Critical Infrastructure Protection Board, and is charged with coordinating federal and state financial regulatory efforts to improve the reliability and security of the U.S. financial system. Treasury's Assistant Secretary for Financial Institutions chairs the committee. Members of the FBII include representatives of the Commodity Futures Trading Commission, the Conference of State Bank Supervisors, the Federal Deposit Insurance Corporation, the Federal Reserve Bank, the National Association of Insurance Commissioners, the National Credit Union Administration, the Office of the Comptroller of the Currency, the Office of Federal Housing Enterprise Oversight, the Office of Homeland and Cyberspace Security, the Office of Thrift Supervision, and the Securities and Exchange Commission.

³ Clearing systems operated by SEC-registered clearing agencies, securities exchanges, and other securities industry participants registered with the SEC should request TSP sponsorship from the SEC. Contract markets or clearing organizations for contract markets registered under the Commodity

Exchange Act and other futures and options market participants subject to the jurisdiction of the CFTC should request TSP sponsorship from the CFTC.

⁴ The Board currently sponsors Fedwire access circuits for 300 institutions, CHIPS access circuits for 56 institutions, and SWIFT access circuits for 18 institutions.

organization's payment services, business continuity, or crisis management structure. Unless another federal agency has primary responsibility for sponsoring the organization, the Board will sponsor for the GETS program key individuals in organizations whose circuits are eligible for TSP sponsorship as described above.^{5,6} Once it reaches full-production status, the Board plans to sponsor individuals in eligible organizations for the WPS program using the same criteria it uses for GETS sponsorship.

The TSP and GETS programs have proven to be very valuable, particularly in the days following the September 11 attacks. During this period, the Board used the TSP program to provision eighty-four circuits to support the continued transmission of critical payments-related data. Use of the GETS program increased the likelihood of completing calls over the public switched network when there was significant congestion of the telecommunications network.

III. Confidentiality of NS/EP Information

The Board believes that information provided to acquire NS/EP telecommunication service designations and information included in subsequent reports will be, in most cases, proprietary. Applicants for NS/EP services may be required to provide information about individuals critical to their business continuity and crisis management, including telephone numbers, e-mail addresses, and operations center addresses. In addition, applicants for TSP designation may be required to describe the topology of their payments network and disaster-recovery capabilities and may be required to identify telecommunication service providers and the unique circuit identifiers. Because of the sensitive nature of this information, the Board will generally consider information related to NS/EP services exempt from the Freedom of Information Act under exemption 4 to protect both the interests of commercial entities that submit proprietary information to the government and the interests of the

government in receiving continued access to such data (5 U.S.C. 552(b)(4)).

IV. Revocation of NS/EP Eligibility

Organizations whose circuits or employees are sponsored for NS/EP status must abide by NCS regulations governing each particular service and must keep accurate records and monitor for fraud or abuse. The Board may periodically revalidate the eligibility of the circuits or employees to continue their participation in NCS programs. The Board reserves the right, after consultation with the primary regulatory agency (if applicable), to cancel its sponsorship of any circuit or employee if the organization is not fulfilling the necessary requirements. The Board may also cancel sponsorship if it changes its sponsorship policies and the circuit or employee is no longer qualified.

V. Telecommunications Service Priority

The Telecommunications Service Priority (TSP) program was developed to ensure priority treatment for the nation's most important telecommunication services, services supporting either national security or emergency preparedness (NS/EP) missions. Following disasters, telecommunications service vendors may become overwhelmed with requests for new services and requirements to restore existing services. The TSP program authorizes and requires service vendors to provision and restore TSP assigned services prior to non-TSP services and provides vendors with legal protection for giving preferential treatment to NS/EP users over non-NS/EP users.

The TSP program has two components: (1) Expedited restoration of disrupted telecommunication service and (2) expedited provision of new telecommunication services. A restoration priority is applied to new or existing telecommunication services to ensure their restoration before any non-TSP services. Priority restoration is necessary for a TSP service because interruptions may have a serious adverse effect on the supported NS/EP function. TSP restoration priorities must be requested and assigned before a service outage occurs. In the event of a telecommunication disruption, carriers are obligated to restore TSP-designated circuits according to their priority and preempt, if necessary, any other restoration agreement for non-TSP circuits. As a matter of general practice, telecommunication service vendors restore existing TSP services before provisioning new TSP services. A provisioning priority is obtained to

facilitate priority installation of new telecommunication services.

Provisioning on a priority basis becomes necessary when a service user has an urgent need for a new NS/EP service that must be installed immediately, such as relocating to or establishing new facilities. Telecommunication service providers assess recurring monthly charges on circuits assigned TSP and a surcharge for providing new service.

TSP status can only be assigned to leased point-to-point circuits, including circuits that are leased between specific endpoints (such as between locations within a sponsored network) and "last mile" access circuits between a telecommunications central office switch and a sponsored network or customer location (such as data switch or PBX trunk lines). TSP status cannot be applied to switched services, such as voice or frame relay. TSP status should be limited to the minimum number of telecommunication circuits necessary to support an NS/EP function. TSP is invoked only as a last resort; therefore, telecommunication services covered by TSP should already have a high level of disaster-recovery and contingency capability.

In addition to the eligibility criteria for NS/EP program sponsorship described in section II, the following additional conditions will be applied for TSP sponsorship: (1) The organization seeking TSP sponsorship must clearly delineate its network and the endpoints of each access circuit; (2) network backbone circuits and the access circuits must be subject to adequate contingency backup; and (3) the organization must provide the Board with the opportunity to verify continuing TSP eligibility for sponsored circuits.

The party that leases the circuit is responsible for completing the application for TSP sponsorship.⁷ An organization requesting sponsorship for TSP restoration of existing circuits must complete form SF-315, "TSP Request for Service Users," for each circuit for which TSP status is sought. This form is described and included in the NCS Web site at www.ncs.gov. Applications for TSP sponsorship may be sent to the assistant director, Information Technology, Division of Reserve Bank Operations and Payment Systems, Board of Governors of the Federal Reserve System, Washington, DC 20551. Applications that warrant TSP status will be forwarded to the Office of the Manager NCS, which is responsible for

⁵ An organization's eligibility for TSP status is based on criteria applied to determine a specific circuit's support of an NS/EP service, while eligibility for the GETS and WPS programs is based on criteria applied to the organization's overall NS/EP role.

⁶ The Board's sponsorship criteria for the GETS program implements the policy recently adopted by FBIIC. Organizations should seek sponsorship from their primary regulatory agency. A copy of the FBIIC GETS policy and the application for organizations seeking Board sponsorship for GETS are included as an appendix to this notice.

⁷ The Federal Reserve Banks are responsible for requesting sponsorship of eligible leased-line access circuits connecting institutions to Fedwire and other Federal Reserve services.

making TSP assignments. Any applicants determined to be ineligible would be informed of the decision.

The Board can invoke TSP to provision new telecommunication services on an as-needed basis as a result of emergencies or disasters warranting extraordinary action. The Board will consider requests from sponsored organizations to provision new service under TSP using the same sponsorship criteria adopted for the sponsorship of TSP restoration services. Board staff will submit form SF-315, "TSP Request for Service Users," to the NCS for each circuit eligible for provisioning under TSP. The Board does not consider the emergency provision of new services to be an appropriate substitute for adequate network contingency-planning measures.

A. Reconciliation of TSP Information

NCS requires that telecommunication service providers maintain an accurate inventory of circuits that are assigned TSP status and reconcile this inventory against NCS records annually. Reconciliation is necessary to ensure that the user, service provider, and NCS maintain accurate TSP information in the event that a disaster or emergency requires the restoration of NS/EP telecommunication services. As a sponsoring organization and program administrator on behalf of participating FBIIC members, the Board must maintain accurate records of the assignment and disposition of TSP codes provided to sponsored payments system participants. Organizations receiving TSP assignments from the Board will be required to (1) provide information to the assistant director, Information Technology, Division of Reserve Bank Operations and Payment Systems, pertaining to the telecommunication carrier with identification codes for each circuit receiving a TSP assignment, (2) notify the assistant director of any engineering changes affecting TSP assigned circuits, and (3) notify the assistant director of any TSP codes that should be revoked. The Board may periodically review records pertaining to TSP-sponsored circuits and work with the sponsored organization to resolve any discrepancies identified in TSP service information. Sponsored organizations are responsible for maintaining current TSP records.

B. Costs of TSP status

Telecommunication carrier tariffs for providing TSP are filed with the FCC and state regulatory agencies. The tariffs permit carriers to assess a one-time

charge and a monthly charge for each circuit assigned a TSP restoration authorization code. In the event new service is provisioned under TSP, carriers can apply a surcharge to the normal installation charges for each telecommunication service ordered. Finally, telecommunication carriers can assess a penalty to TSP customers for reporting an erroneous outage on a TSP circuit that is traced to the customer's premise equipment.

The TSP tariffs are cost-based and are not uniform between states or carriers. Tariffs are charged for Local Access and Transport Area (LATA) and inter-exchange TSP services. A single carrier generally collects TSP charges for all portions of the end-to-end service. TSP restoration assignment involves a one-time "set-up" charge and an ongoing monthly charge. For example, the one-time charge for assigning TSP currently ranges from \$15 to \$360 and ongoing monthly charges range from \$.90 to \$7.50 by LATA. TSP restoration charges for an inter-exchange circuit include LATA charges for each end of the circuit and currently incur an additional one-time charge of \$235 and a recurring monthly charge of \$9.00 for the inter-exchange portion of the circuit.⁸ Under the TSP tariff, surcharges for the emergency provision of new service currently range from \$50 to \$200 for endpoint access circuits, depending on the LATA, and \$400 for the inter-exchange portion of a circuit. The cost for initiating a service call resulting from an erroneous report of an outage on a TSP circuit is based on time and material charges.

The costs associated with TSP status for leased Federal Reserve owned access circuits used for priced services will be recovered through the electronic access fees charged to depository institutions.⁹ The costs associated with TSP assignments for backbone circuits used for eligible services are distributed to the services and activities that use these services, and in the case of priced services, are recovered through the fees assessed for that service. The incremental costs associated with TSP

⁸ For example, the cost of TSP restoration priority on an intra-LATA Fedwire access circuit in Philadelphia would include a one-time charge of \$47.72 and monthly charges of \$1.34. TSP restoration priority on an inter-LATA circuit from a Philadelphia endpoint to a Los Angeles endpoint would include the costs referenced above as well as an additional one-time charge of \$358.46 and monthly charges of \$5.20 for the Los Angeles LATA access portion of the circuit as well as an additional \$235 one-time charge and monthly charges of \$9.00 for the inter-exchange portion of the circuit.

⁹ Depository institutions that use their access circuits solely for non-priced services are not assessed electronic connection fees and are not charged for TSP.

status have not significantly affected Federal Reserve fees.

Private-sector organizations that lease circuits that are granted TSP status must bear the cost of all tariffs for TSP. In addition, the Federal Reserve will not reimburse any costs incurred by the sponsored organization for improvements to network facilities necessary to comply with NCS standards.

VI. Government Emergency Telecommunications Service

Under the GETS program, selected critical employees of eligible organizations are assigned a card and corresponding PIN, which they can use to obtain priority access to the public switched network.¹⁰ The Federal Reserve will consider requests for GETS sponsorship for critical employees of organizations for which the Federal Reserve is the primary supervisor. Federal Reserve supervised organizations should complete the Board's Request for GETS Sponsorship form, which is available on the Board's Web site at <http://www.federalreserve.gov/forms/getssponsorship.pdf>. Other financial organizations should complete the GETS sponsorship form that is available on the FBIIC Web site at <http://www.fbiic.gov> and submit the completed form to their primary regulator. A GETS point of contact (POC) must be established within the requesting organization to administer cards and coordinate billing. The POC will have the authority to administer the GETS program within its organization. Once approved, the organization's information will be forwarded to the NCS for further processing and the issuance of GETS cards. Organizations whose employees obtain GETS cards are responsible for complying with all NCS guidelines and restrictions, monitoring fraudulent use, and revoking GETS cards from individuals no longer performing qualified activities.

Sponsored organizations are responsible for all costs associated with GETS. While there is no subscription fee, GETS calls are currently billed at the rate of \$0.15 per minute for calls within the United States, Mexico, and most of the Caribbean. International calls are billed at commercial rates. More information about the GETS program, including Frequently Asked Questions, is available on the NCS Web

¹⁰ The NCS publication "GETS Planning Guide," which provides a detailed description of the GETS program and administrative procedures, is available on www.ncs.gov.

site (<http://www.ncs.gov>) under Programs.

VII. Competitive Impact Analysis

The Board conducts a competitive impact analysis when considering an operational, legal, or other policy change, if that change would have a direct and material adverse effect on the ability of other service providers to compete effectively with the Federal Reserve in providing similar services due to differing legal powers or constraints, or due to a dominant market position of the Federal Reserve deriving from such differences.¹¹ Under the Board's policies for sponsorship for NS/EP services, the Federal Reserve Banks are subject to the same eligibility criteria as private-sector service providers; therefore, the Board does not believe that its policy adversely affects the ability of other service providers to compete effectively with Federal Reserve Banks in providing similar services.

VIII. Paperwork Reduction Act

In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3506; 5 CFR part 1320 Appendix A.1), the Board reviewed the notice under the authority delegated to the Board by the Office of Management and Budget (OMB).

This notice announces several collections of information for the TSP and GETS programs. An organization requesting Board sponsorship for TSP restoration of existing circuits must complete and submit application SF-315. An organization that received TSP assignments pursuant to Board sponsorship is subsequently required to notify Board staff of certain information affecting the TSP assignments. An organization requesting GETS sponsorship must complete and submit the GETS forms. To help ease the reporting burden, organizations can obtain copies of the TSP and GETS forms from the NCS and Board web sites.

The NCS is responsible for determining the paperwork burden associated with these collections of information. The NCS will submit all required information to OMB in compliance with the Paperwork Reduction Act.

The Federal Reserve has a continuing interest in the public's opinions of our collections of information. At any time, comments regarding any aspect of these collections of information may be sent

to: Secretary, Board of Governors of the Federal Reserve System, 20th and C Streets, NW., Washington, DC 20551; and to the Office of Management and Budget, Paperwork Reduction Project (NCS), Washington, DC 20503.

By order of the Board of Governors of the Federal Reserve System, December 3, 2002.

Jennifer J. Johnson,

Secretary of the Board.

Appendix

Financial and Banking Information Infrastructure Committee

Sponsorship of Priority Telecommunications Access for Private Sector Entities Through the National Communications System Government Emergency Telecommunications Service (GETS).

The National Communications System (NCS) was established in 1963 to provide priority communications support to critical government functions during emergencies. In 1984 the National Security and Emergency Preparedness (NS/EP) capabilities of NCS were broadened and an interagency group (currently 22 federal departments and agencies) was formed to help coordinate and plan NS/EP services. The NCS has developed a number of priority telecommunications services that are also available to private sector entities through sponsorship by an NCS member department or agency. The events of September 11, 2001, put a new focus on the importance of these programs to the nation and to the financial sector.

In order to provide guidance to financial organizations seeking sponsorship for NCS services, the Financial and Banking Information Infrastructure Committee (FBIIIC)¹² is developing a series of policies on the sponsorship of priority telecommunications access for private sector entities through the NCS. The goal of the policies is twofold: first, to make financial organizations aware of NCS programs and, second, to provide a consistent set of guidance regarding qualification criteria and the appropriate process for organizations that want to gain access to the programs.

As a first step, the FBIIIC has established this policy and process to sponsor qualifying financial sector institutions for Government Emergency Telecommunications Service

(GETS).¹³ GETS is designed to help assure communication between key public and private sector personnel during times of crisis.

GETS is a telecommunications voice service that supports Federal, State, and local government; industry; and non-profit organizations in performing their NS/EP missions by providing emergency access and priority processing for voice communications services in the local and long-distance segments of the Public Switched Network (PSN). GETS is intended to be used in an emergency or crisis situation when heavy usage of the PSN by organizations and the public decreases the probability of completing a call. Private sector organizations that need to participate in the GETS program must be sponsored by an NCS member. While there is no subscription fee, GETS calls are billed at the rate of \$0.15 per minute for calls within the United States, Mexico, and most of the Caribbean. International calls are billed at commercial rates. More information about the GETS program, including Frequently Asked Questions, is available on the NCS Web site (<http://www.ncs.gov/>) under Programs.

There are five broad categories that serve as guidelines for determining who may qualify as a GETS user: (1) National Security Leadership, (2) National Security Posture and U.S. Population Attack Warning, (3) Public Health, Safety, and Maintenance of Law and Order, (4) Public Welfare and Maintenance of National Economic Posture and (5) Disaster Recovery. The FBIIIC agencies have determined that to qualify for GETS sponsorship, organizations must support the performance of NS/EP functions necessary to maintain the national economic posture during any national or regional emergency. In particular, the FBIIIC agencies view maintenance of the national economic posture as the minimization of systemic disruption to the financial system directly related to the operation of critical financial markets and related essential services and systems.

Essential services and systems are those that have no easily accessible substitute and that are necessary to support one of three critical NS/EP functions in key financial markets and payment mechanisms: Necessary crisis response and coordination activities; resumption and maintenance of economic activity; and the orderly completion of outstanding financial transactions and necessary offsetting transactions. For example, essential services and systems include: critical funds transfers systems (wholesale/large-value payment systems), securities and derivatives clearing and settlement systems, supporting communication systems and service providers, and key financial market trading systems and exchanges.

Private sector financial organizations and their service providers may qualify for GETS sponsorship if they play a significant role in one or more financial markets or essential

¹¹ These procedures are described in the Board's policy statement "The Federal Reserve in the Payments System," as revised in March 1990 (55 FR 11648, March 29, 1990).

¹² The Financial and Banking Information Infrastructure Committee (FBIIIC) is a standing committee of the President's Critical Infrastructure Protection Board, and is charged with coordinating federal and state financial regulatory efforts to improve the reliability and security of the U.S. financial system. Treasury's Assistant Secretary for Financial Institutions chairs the committee. Members of the FBIIIC include representatives of the Commodity Futures Trading Commission, the Conference of State Bank Supervisors, the Federal Deposit Insurance Corporation, the Federal Reserve Board, the National Association of Insurance Commissioners, the National Credit Union Administration, the Office of the Comptroller of the Currency, the Office of Federal Housing Enterprise Oversight, the Offices of Homeland and Cyberspace Security, the Office of Thrift Supervision, and the Securities and Exchange Commission.

¹³ It is anticipated that subsequent policies will address other NCS programs, for example, Telecommunications Service Priority (TSP) and Wireless Priority Service (WPS).

services or systems. Factors which the appropriate FBIIC member agency will consider in determining whether individual organizations play a significant role in an essential market, service or system include consideration of whether the organization: (1) Is a registered securities or futures exchange, self-regulatory organization, registered securities clearing agency/depository and futures clearinghouse, and their critical service providers and utilities; (2) acts as market utility for effecting payments or clearance and settlement of transactions; (3) processes a large aggregate value of daily payments; (4) provides critical services or systems to financial institutions; (5) has a national or large regional presence in one or more product lines; or (6) demonstrates other

facts or circumstances that suggest facilitating the organization's access to the GETS priority service in times of national emergency would serve to maintain the national economic posture.

Organizations seeking GETS sponsorship should complete the attached FBIIC Request for GETS Sponsorship and submit it to their primary financial regulator. Requesting organizations must support their request for sponsorship under the general NS/EP criteria stated above.

The FBIIC agencies may contact those organizations that clearly qualify under these criteria and inform them of the availability of GETS Sponsorship.¹⁴

Individuals being nominated for GETS usage should be limited to those individuals

who play critical roles in the organization's business continuity or crisis response management structure.

Board of Governors of the Federal Reserve System

Request for GETS Sponsorship

Upon reviewing the Government Emergency Telecommunications Service (GETS) information provided and based on our emergency telecommunications requirements, our organization requests Financial and Banking Information Infrastructure Committee sponsorship to the GETS program for the following individual(s):

NAME OF ORGANIZATION: _____

Name and Title of Individual	Critical Role	Citizenship
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		

We acknowledge that our organization:

(1) May not reference the GETS card in our marketing activities or for other competitive advantage purposes.

(2) Must establish a GETS Point of Contact (POC) for administering GETS and to ensure accountability for each card issued to it.

(3) Will withdraw the GETS card from any individual that no longer fulfills the designated role or function that meets the criteria.

(4) Must establish a billing contact for payment of bills for GETS usage. We understand that upon approval of this request, we will be provided a letter notifying us of the sponsorship and requesting that we establish a Billing Account with a Program Designator Code (PDC) for billing and payment of our GETS calls.¹⁵

We further understand that cards issued under this sponsorship program may be cancelled at the discretion of the National Communications System or the Federal Reserve Board.

GETS Point of Contact

Name: _____
 Title: _____
 Mail Address: _____
 Phone: _____
 FAX: _____
 E-Mail: _____

Please fax this request to (202) 872-7574 to the attention of Edna Jacobs.

*Please note that other FBIIC agencies members have a sponsorship application for their institutions.

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FEDERAL RETIREMENT THRIFT INVESTMENT BOARD

Sunshine Act Meeting

TIME AND DATE: 2 p.m. (EST). December 16, 2002

under the criteria and ask them to provide the names of individuals who should receive GETS cards. The Federal Reserve will notify the other FBIIC agencies of institutions they have contacted.

PLACE: 4th Floor, Conference Room, 1250 H Street, NW., Washington, DC

STATUS: Parts will be open to the public and parts closed to the public.

MATTERS TO BE CONSIDERED: Parts Open to the Public

1. Discussion of the minutes of the November 18, 2002, Board member meeting.

2. Thrift Savings Plan activity report by the Executive Director (including Legislation and New System Development).

3. Review of the Labor Department's Executive Summary of its FY 2002 audit program.

¹⁴ In its role as a payments system operator, the Federal Reserve has traditionally sponsored significant participants in the payments system for NCS services. The Federal Reserve therefore intends to contact those organizations that clearly qualify

¹⁵ While there is no subscription fee, GETS calls are billed at the rate of \$0.15 per minute for calls within the United States, Mexico, and most of the Caribbean. International calls are billed at commercial rates.