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President and CEO

January 27, 2014

The Honorable Thomas R. Carper
U.S. Senate
Washington, D.C. 20510

The Honorable Roy D. Blunt
U.S. Senate
Washington, D.C. 20510

Dear Senators Carper and Blunt:

On behalf of the nearly 7,000 community banks represented by the Independent Community Bankers of America, I write to thank you for introducing the Data Security Act of 2014 (S. 1927). As you know, ICBA supported this legislation when you first introduced it in 2011.

Recent data breaches at the large retailers Target and Neiman Marcus, affecting more than 100 million consumers, highlight the ongoing risk to our payments system and to consumer data. Your bill provides a reasonable legislative response which is critical to protecting consumers from identity theft and account fraud and restoring confidence in our payments system.

ICBA is pleased that your bill recognizes the value of the rigorous data security protocols of the Gramm-Leach-Bliley Act (GLBA) that already apply to community banks and other financial institutions. GLBA has worked effectively in protecting consumer data at financial institutions. Additional, redundant and potentially conflicting requirements on community banks would only increase compliance burden without increasing data security or rectifying point-of-sale retail breaches. The most effective way to enhance current data security is to apply rigorous, GLBA-like standards to other entities that pose greater risk, including retailers. We are also pleased that your bill provides for uniform national standards to replace the current complex patchwork of federal and state data security standards and that the standards will be enforced by functional regulators. Any private right of action would only give rise to frivolous litigation that does nothing to enhance data security.

In addition, it is ICBA's position that the party at fault for a breach should bear responsibility for fraud losses and the cost of mitigation when consumer information is compromised. This change would better align incentives to keep consumer data safe and foster good business practices.

Thank you again for introducing S. 1927. ICBA intends to work with you to advance this important legislation.

Sincerely,

/s/

Camden R. Fine
President and CEO