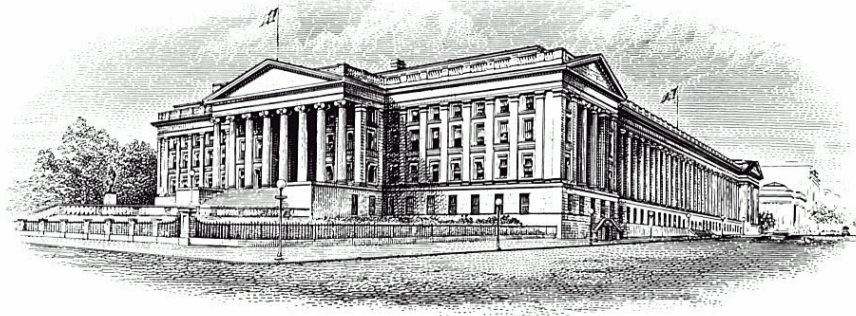




DEPARTMENT OF THE TREASURY

OFFICE OF PUBLIC AFFAIRS

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**Financial and Banking Information Infrastructure Committee
Sponsorship of Priority Telecommunications Access for Private Sector Entities
through the National Communications System
Telecommunications Service Priority (TSP) Program**

Background

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 twenty-two 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 Committee¹ (FBIIC) 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 and service providers aware of NCS programs and, second, to provide a consistent set of guidelines regarding qualification criteria and the appropriate process for organizations that want to gain access to the programs.

¹ The Financial and Banking Information Infrastructure Committee (FBIIC) is a standing committee of the President's Critical Infrastructure Protection Board, serves as the Office of Homeland Security Financial Markets Work Group, 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 FBIIC include representatives of the Commodity Futures Trading Commission, the Conference of State Bank Supervisors, the Federal Deposit Insurance Corporation, the Federal Housing Finance Board, the Federal Reserve Bank of New York, 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.

As a first step, on July 22, 2002 the FBIIC established a policy and process to sponsor qualifying financial organizations for Government Emergency Telecommunications Service (GETS)². The enclosed policy addresses the FBIIC's policy and process to sponsor qualifying financial sector organizations for the NCS Telecommunications Service Priority (TSP) Program.

TSP Program

The TSP Program was developed to ensure priority treatment for the Nation's most important telecommunication services, services supporting NS/EP missions. Following natural or technical 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 before 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: restoration and provisioning. 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. As a matter of general practice, telecommunications 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 (e.g., in an emergency) or in a shorter than normal interval.

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. Private-sector organizations that lease circuits that are granted TSP status must bear the cost of all tariffs for TSP. More information about the TSP program is available on the NCS website (<http://www.ncs.gov>) under *Programs*.

All NS/EP missions fall into one of five TSP Program categories. All NS/EP telecommunication services qualify for some level of TSP protection. The level is determined in part by the category that represents the organization's mission. The five categories are: (A) National Security Leadership, (B) National Security Posture and US Population Attack Warning, (C) Public Health, Safety, and Maintenance of Law and Order, (D) Public Welfare and Maintenance of the National Economic Posture, and (E) Emergency (Provisioning Requests Only). Categories A through D are referred to as "essential services".

² The GETS Policy is posted at www.fbiic.gov.

FBIIC Telecommunications Service Priority (TSP) Sponsorship Policy

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. 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.

Any organization, Federal government, State government, local government, private industry, or foreign government that has telecommunication services supporting an NS/EP mission is eligible to participate in the TSP Program. All non-Federal TSP requests must be sponsored by a Federal agency. A sponsor can be any federal agency with which a non-Federal user may be affiliated. The sponsoring Federal agency ensures the telecommunications service supports an NS/EP function and merits TSP.

Sponsorship Criteria

The FBIIC policy builds upon and extends the TSP sponsorship policies established by the Federal Reserve Board. The FBIIC policy contains additional sponsorship criteria to explicitly encompass a broader group of eligible telecommunication circuits.

The FBIIC agencies have determined that to qualify for TSP sponsorship, financial organizations and their service providers must support the performance of NS/EP functions necessary to maintain the national economic posture (category D above). The FBIIC agencies will sponsor circuits which meet the criteria described below.

1) Circuits Supporting Critical Payment System Participants (Depository Institutions, Financial Utilities)

The Federal Reserve Board originally established policies and procedures for its sponsorship of organizations for priority provisioning and restoration of telecommunications services under the TSP program in 1993 (58 FR 38569, July 19, 1993). The Board recently updated its sponsorship policy and expanded its sponsorship criteria. Further information is available through the Board's website www.federalreserve.gov.

2) Circuits Supporting Key Securities & Derivatives Markets Participants

In addition, the Securities and Exchange Commission and the Commodity Futures Trading Commission will sponsor circuits owned or leased by organizations that play key roles in the conduct or operation of the securities and derivatives markets and related clearance and settlement systems.

3) Circuits Supporting Other NS/EP Services

The FBIIC agencies will also sponsor circuits owned or leased by an organization that do not meet the above sponsorship criteria if a disruption of those circuits could seriously affect operations that support the maintenance of the national economic posture.

Sponsorship Process

The individual FBIIC agencies will contact appropriate financial organizations and service providers for which they are the primary regulator and inform them of the process to be followed to apply for TSP sponsorship.

If a financial organization or service provider believes that one or more of its circuits qualify for TSP sponsorship, it should submit a sponsorship request in accordance with the process established by its primary regulator.