

January 16, 2014

The Honorable Thomas Carper
United States Senate
513 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Roy Blunt
United States Senate
260 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Carper and Senator Blunt:

On behalf of the members of the American Bankers Association (ABA), I am writing to thank you for introducing S. 1921, the Data Security Act of 2014.

Your bill is especially timely in light of the recent data security breaches at major retailers that put literally millions of consumers at risk. These breaches impose significant costs on banks and other financial institutions of all sizes because our first priority is to protect consumers and make them whole. Our members provide the relief to card holders and not retailers that have been breached. In our view, protecting consumer information is a shared responsibility of all parties involved.

This important legislation would apply to all industries that handle sensitive information and would provide meaningful and consistent protection for consumers nationwide. S. 1921 recognizes that it is not necessary or productive to duplicate data protection and consumer notice requirements that are already in place for banks under the Gramm-Leach-Bliley Act and subsequent regulations. Banks already have a system in place that protects sensitive customer information and it makes sense to extend similar requirements to other industries that handle sensitive information.

We agree with you that it would effectively replace the current patchwork of state and federal regulations for identity theft with a national law that provides uniform protections across the country. This comprehensive approach would better serve consumers by making it easier for businesses and government agencies to take the steps necessary to adequately protect all Americans from identity theft and account fraud.

Our existing payments system serves hundreds of millions of consumers, retailers, banks, and the economy well. Protecting this system is a shared responsibility of all parties involved and we need to work together and invest the necessary resources to combat increasingly sophisticated threats to breach the payments system.

We look forward to working with you and your colleagues in the Senate on this important issue.

Sincerely,



James C. Ballentine