

September 8, 2004

Opening Statement by Congressman Paul E. Gillmor
House Financial Services Committee
Full Committee Hearing entitled "Protecting our Financial Infrastructure: Preparation and Vigilance"

Thank you, Mr. Chairman, for holding this important hearing and for your continued leadership in protection for our critical financial infrastructure. This Committee acted swiftly in investigating the economic impact of market closures and other results of the devastation of September 11, 2001 and has worked with both government and private sector officials to develop and implement policies to ensure our economic security in times of crisis.

Just last month, we were warned by Homeland Security Secretary Tom Ridge of possible al-Qaeda terrorist attacks against several financial institutions, naming specific buildings in New York City, northern New Jersey, and Washington, DC as potential targets. Many of us heard on the nightly news of additional security measures that were taken by the responsible police departments, including the closing of streets, limiting access to bridges and tunnels, and increased identity verification procedures. I am interested to hear from our distinguished witnesses this morning on the reaction of our financial system, both our regulators and the financial institutions involved, to these specific threats.

Our U.S. markets demonstrated their strength and resiliency in the quick recovery that followed September 11, 2001 but vulnerabilities were also shown. I am interested to learn more today regarding the cooperation between the Department of Homeland Security, Federal Reserve, Treasury Department and industry executives in the initiatives addressing such concerns and going forward.

Two years ago, this Committee requested the Government Accountability Office (GAO) to undertake a comprehensive examination of the preparations that financial market participants have taken since 9/11 to protect themselves from physical and electronic attacks. Last year the GAO produced a report that recommended additional steps to be taken by financial market participants to protect themselves from further attacks. I would

like to revisit those recommendations today and hear what steps have been taken toward their implementation.

Thank you again, Mr. Chairman, for calling this timely and important hearing. I look forward to an informative session.