

Amendment Offered by Mrs. Maloney

**To the Amendment in the Nature of a
Substitute Offered by Mr. Oxley**

Page 160, after line 2, insert the following new subchapter (and conform the table of contents accordingly):

1 **Subchapter C—Financial Infrastructure**
2 **Preparedness**

3 **SEC. 5090. ESTABLISHMENT OF CRITICAL FINANCIAL IN-**
4 **FRAStructure SUPPORT PROGRAM.**

5 (a) ESTABLISHMENT.—

6 (1) IN GENERAL.—The Secretary of the Treas-
7 ury, in consultation with the Federal functional reg-
8 ulators, shall establish a program to support State
9 and local government efforts to protect the most
10 critical financial infrastructure operations or facili-
11 ties in the United States.

12 (2) PROGRAM.—In carrying out the program,
13 the Secretary, in consultation with the Federal func-
14 tional regulators, shall—

15 (A) make and track grants to grant recipi-
16 ents;



1 (B) provide for technical assistance and
2 training, data collection, and dissemination of
3 information on state-of-the-art practices that
4 the Secretary determines to be effective in pro-
5 tecting critical financial infrastructure oper-
6 ations or facilities; and

7 (C) provide for the general administration
8 of the program.

9 (3) ADMINISTRATION.—The Secretary shall ap-
10 point an administrator to carry out the program.

11 (4) CONTRACTING.—The Secretary may employ
12 any necessary staff and may enter into contracts or
13 agreements with Federal and State government
14 agencies to delegate authority for the execution of
15 grants and for such other activities necessary to
16 carry out this section.

17 (b) DETERMINATION OF 5 MOST CRITICAL FINAN-
18 CIAL INFRASTRUCTURE OPERATIONS OR FACILITIES.—

19 (1) IN GENERAL.—The Secretary, in consulta-
20 tion with the Federal functional regulators, shall se-
21 lect and designate 5 local operations or facilities
22 within the United States as the most critical finan-
23 cial infrastructure operations or facilities based on
24 the determination of the Secretary that the loss of
25 operational capacity of such operations or facilities,



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1 whether due to terrorist attack, war, natural dis-
2 aster, or other emergency situation, would cause the
3 most costly damage and the greatest disruption to
4 the Nation's financial system, including the payment
5 system.

6 (2) CLASSIFICATION OF DESIGNATION.—The
7 identity of the 5 operations or facilities shall be clas-
8 sified at an appropriate level.

9 (3) PERIODIC REVIEW OF DESIGNATIONS.—The
10 Secretary, in consultation with the Federal func-
11 tional regulators, shall periodically review the des-
12 ignations of local operations and facilities under
13 paragraph (1) and make changes in such designa-
14 tions as appropriate under the circumstances.

15 (c) GRANT ELIGIBILITY.—To be eligible to receive an
16 initial grant or a renewal grant under this section, a State
17 or local government which has jurisdiction over an area
18 designated by the Secretary as a critical financial infra-
19 structure site shall meet each of the following criteria:

20 (1) APPLICATION.—The State or local govern-
21 ment shall submit an application to the Secretary.

22 (2) ACCOUNTABILITY.—The State or local gov-
23 ernment shall—

24 (A) establish a system to measure and re-
25 port outcomes—



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1 (i) consistent with common indicators
2 and evaluation protocols established by the
3 Secretary; and

4 (ii) approved by the Secretary;

5 (B) conduct surveys (or incorporate local
6 surveys in existence at the time of the evalua-
7 tion) to measure the progress and effectiveness
8 of the program; and

9 (C) provide assurances that the entity con-
10 ducting an evaluation under this paragraph, or
11 from which the applicant receives information,
12 has experience in gathering data related to
13 measuring risk factors for financial infrastruc-
14 ture operations.

15 (d) GRANT AWARDS.—

16 (1) IN GENERAL.—The Secretary, in consulta-
17 tion with the Federal functional regulators, may re-
18 view, select, and award grants to State and local
19 governments which are eligible applicants under this
20 section, for any fiscal year, in amounts determined
21 by the Secretary to be appropriate.

22 (2) SUSPENSION OF GRANTS.—If a grant re-
23 cipient fails to continue to meet the criteria specified
24 in subsection (c), the Secretary may suspend the



1 grant, after providing written notice to the grant re-
2 cipient and an opportunity to appeal.

3 (3) RENEWAL GRANTS.—The Secretary may
4 award a renewal grant to a State or local govern-
5 ment grant recipient under this subsection for each
6 fiscal year following the fiscal year for which an ini-
7 tial grant is awarded.

8 (e) ROLLING GRANT APPLICATION PERIODS.—In es-
9 tablishing the program under this section, the Secretary
10 shall take such action as may be necessary to ensure, to
11 the extent practicable, that—

12 (1) applications for grants under this section
13 may be filed at any time during a fiscal year; and

14 (2) some portion of the funds appropriated
15 under this section for any such fiscal year will re-
16 main available for grant applications filed later in
17 the fiscal year.

18 (f) AUTHORIZATION OF APPROPRIATIONS.—There
19 are authorized to be appropriated to the Secretary such
20 amounts as may be necessary to carry out the purposes
21 of this section for fiscal years 2005, 2006, 2007, 2008,
22 and 2009.

23 (g) DEFINITIONS.—For purposes of this section, the
24 following definitions shall apply:



1 (1) FEDERAL FUNCTIONAL REGULATOR.—The
 2 term “Federal functional regulator” has the same
 3 meaning as in section 509 of the Gramm-Leach-Bl-
 4 ley Act.
 5 (2) SECRETARY.—The term “Secretary” means
 6 the Secretary of the Treasury.
 7 (h) TERMINATION OF PROGRAM.—The program shall
 8 terminate at the end of the 5-year period beginning on
 9 the date of the enactment of this Act.

