



Congress of the United States
House of Representatives
Washington, DC 20515-1403

July 1, 2022

Vanessa A. Countryman
Secretary
Securities and Exchange Commission
100 F Street NE Washington, DC 20549-1090

Dear Ms. Countryman:

I have concerns with the Commission's proposed rule on Cybersecurity Risk Management, Strategy, Governance, and Incident Disclosure (File No. S7-09-22). Some of the requirements in the proposed rule could be needlessly burdensome and duplicative for public companies given the existing layers of federal cybersecurity reporting already in existence. Additionally, some of the proposed disclosures could ultimately endanger the national security of the United States by publicly exposing sensitive information, including to hackers and America's adversaries.

The Commission should provide an explicit reporting exemption for classified information and should allow companies to delay or forgo incident reports if necessary to protect the national security of the United States. In some instances, the risk of premature disclosure is broader than the potential impacts on an individual company and its investors. For many businesses that work with the federal government, including those that contract with or are subject to regulations promulgated by agencies like DOD, DHS, and the State Department, reporting information about a cybersecurity incident could implicate classified information or endanger the United States' national security. Further, businesses experiencing a cybersecurity incident may have access to information critical to national security that is not specifically classified. The existence of the attack itself also may implicate national security. Reporting this information could expose sensitive information and endanger all Americans.

I hope that the Commission's final rule will provide companies with the flexibility to balance the need for prompt reporting against the risks inherent in exposing sensitive cybersecurity information to the public. Please feel free to contact my office should you require any further clarification.

Sincerely,


JIM BANKS
Member of Congress