



P.O. Box 218 • Maugansville, MD • 21767-0218

August 11, 2011

Mary Rupp, Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexander, VA 22314-3428
Email: regcomments@ncua.gov

Re: Comments to the Proposed
Amendments to the NCUA Regulations re:
CUSOs 12 CFR Parts 712 and 741

Dear Ms. Rupp:

Please be advised that Ongoing Operations, LLC opposes the above referenced Amendment to the NCUA Regulations regarding CUSOs.

Our CUSO provides disaster recovery & business continuity services to hundreds of credit unions nationwide through direct and indirect solutions. By working together, our credit union owners have helped protect themselves and their peers from the financial risks associated with a service disruption. The financial impact on a credit union can be significant and grow very quickly if service cannot be resumed. Depending on asset size and the credit union's complexity, financial losses can amount to millions of dollars in a matter of days.

We employ a team of certified business continuity professionals who work step-by-step with credit unions to develop complete business continuity solutions to meet their regulatory requirements and continue to serve their members under any circumstance. Our four data centers allow credit unions to co-locate equipment and streamline their connections to critical third parties. And our unique server backup solutions help them recover faster with current data by continuously mirroring it off-site. We provide these critical disaster recovery services at fees which are typically 40% to 50% lower than non-CUSO providers with service ability guarantees that do not exist elsewhere.

In addition to our disaster recovery services, we are constantly developing new technology solutions to help credit unions further reduce costs by leveraging our shared infrastructure. CUSOs like ours create efficiencies and help credit unions of all sizes remain technically current without making large, capital expenditures to develop their





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own infrastructure. Ongoing Operations has to be able to adapt and move quickly when credit union needs and opportunities arise. We have been successful because there is an innovative and entrepreneurial culture that is 100% devoted to credit unions. If this proposal results in NCUA directly regulating CUSOs, the successful culture we have developed will be adversely impacted.

As a CUSO focused on the rapidly evolving field of technology, we believe that NCUA's information disclosure and regulation of CUSOs will be detrimental to our ability to provide the best collaborative solutions to credit unions.

The increased regulatory burdens would put us at a competitive disadvantage with non-CUSO competitors. By submitting confidential information such as our business plans and customer lists to the NCUA, our ability to develop new technical solutions would be impacted. In gathering and holding this information, NCUA puts Ongoing Operations and other CUSOs at risk by exposing private business secrets to public dissemination through FOIA requests.

NCUA already has the ability to examine the books and records of CUSOs and exercise full leverage over the credit union owners to resolve any safety and soundness issues. In fact, we have had examiners in to our own data centers on multiple occasions to accompany their credit union clients.

As a healthy, growing CUSO, Ongoing Operations is also concerned that the proposed regulation would result in less investment in the types of shared infrastructure credit unions need most. Technology continues to advance and pooling resources through CUSOs is inherently less risky for the entire industry. It also makes more business sense than individual investments or duplicate efforts.

For the reasons listed above, we ask NCUA to withdraw the proposed Amendment.

Sincerely,

Kirk Drake, CEO
Ongoing Operations, LLC

cc. The Honorable Debbie Matz, Chairman
The Honorable Michael Fryzel, Board Member
The Honorable Gigi Hyland, Board Member