

NATIONAL INFRASTRUCTURE ADVISORY COUNCIL

MEETING AGENDA

Tuesday, January 8, 2008

1:30 – 4:30 p.m. EDT

National Press Club

529 14th Street NW

Washington, D.C. 20045

- I. OPENING OF MEETING** *Nancy Wong*, Designated Federal Officer (DFO), NIAC, Department of Homeland Security (DHS)
- II. ROLL CALL OF MEMBERS** *Nancy Wong*, DFO, NIAC, DHS
- III. OPENING REMARKS AND INTRODUCTIONS** NIAC Chairman *Erle A. Nye*, Chairman Emeritus, TXU Corp.
Michael Chertoff, Secretary, DHS
- PARTICIPATING BUT NOT EXPECTED TO MAKE REMARKS:** *Robert Jamison*, Under Secretary for National Protection and Programs, DHS
Robert B. Stephan, Assistant Secretary for Infrastructure Protection, DHS
Thomas P. Bossert, Acting Senior Director for Preparedness Policy, Homeland Security Council
Neill Sciarrone, Special Assistant to the President for Homeland Security and Senior Director for Cybersecurity and Information Sharing Policy
- IV. APPROVAL OF OCTOBER 2007 MINUTES** NIAC Chairman *Erle A. Nye*
- V. WORKING GROUP FINAL DELIBERATIONS** NIAC Chairman *Erle A. Nye* Presiding
- A. CHEMICAL, BIOLOGICAL, AND RADIOLOGICAL EVENTS AND CRITICAL INFRASTRUCTURE** *Chief Rebecca F. Denlinger*, Fire Chief, Cobb County, Georgia Fire and Emergency Services, NIAC Member; *Martha H. Marsh*, President and CEO, Stanford

NATIONAL INFRASTRUCTURE ADVISORY COUNCIL

Meeting Minutes for January 8, 2008 Meeting

Page 2

- | | |
|--|---|
| WORKFORCE | Hospital and Clinics, NIAC Member; and <i>Bruce A. Rohde</i> , Chairman and CEO Emeritus, ConAgra Foods, Inc., NIAC Member |
| VI. WORKING GROUP STATUS UPDATE | NIAC Chairman <i>Erle A. Nye</i> Presiding |
| A. THE INSIDER THREAT TO CRITICAL INFRASTRUCTURES | <i>Edmund G. Archuleta</i> , President and CEO, El Paso Water Utilities, NIAC Member, and <i>Thomas E. Noonan</i> , General Manager, IBM Internet Security Systems, NIAC Member |
| VII. NEW BUSINESS | NIAC Chairman <i>Erle A. Nye</i> , NIAC Members |
| VIII. CLOSING REMARKS | <i>Robert B. Stephan</i> , Assistant Secretary for Infrastructure Protection, DHS |
| IX. ADJOURNMENT | NIAC Chairman <i>Erle A. Nye</i> |

NATIONAL INFRASTRUCTURE ADVISORY COUNCIL

Meeting Minutes for January 8, 2008 Meeting

Page 3

MINUTES

NIAC MEMBERS PRESENT IN WASHINGTON:

Mr. Alfred R. Berkeley, III; Chief Rebecca F. Denlinger; Lt. Gen. (ret.) Albert J. Edmonds; Ms. Margaret E. Grayson; Mr. James B. Nicholson; and Mr. Thomas E. Noonan.

NIAC MEMBERS ATTENDING VIA CONFERENCE CALL:

Mr. Erle A. Nye; Mr. Edmund G. Archuleta; Chief (ret.) Gilbert G. Gallegos; Ms. Martha H. Marsh; Hon. Tim Pawlenty; Mr. Bruce Rohde; and Dr. Linwood H. Rose.

MEMBERS ABSENT:

Dr. Craig R. Barrett; Mr. George H. Conrades; Commissioner Raymond W. Kelly; Mr. Gregory Peters; and Mr. John W. Thompson.

SUBSTANTIVE POINTS OF CONTACT PRESENT IN WASHINGTON:

Mr. Peter Allor (for Mr. Thomas E. Noonan); Mr. Scott Blanchette (for Ms. Martha H. Marsh); Joan Gehrke (for Mr. James B. Nicholson); Dr. Ronald Luman (for Mr. Alfred R. Berkeley, III); and Mr. Bill Muston (for Mr. Erle A. Nye).

SUBSTANTIVE POINTS OF CONTACT ATTENDING VIA CONFERENCE CALL:

Mr. Rob Clyde (for Mr. John W. Thompson); Mr. David Hoffman (for Mr. Craig R. Barrett); Lt. Paul Mauro (for Commissioner Raymond W. Kelly); Mr. Jason Rohloff (for Gov. Tim Pawlenty); and Diane VanDe Hei (for Mr. Edmund Archuleta).

OTHER DIGNITARIES PRESENT:

Michael Chertoff, Secretary, DHS; Robert Jamison, Under Secretary for NPPD, DHS; Col. Robert B. Stephan, Assistant Secretary, OIP, DHS; Mr. Thomas P. Bossert, Acting Senior Director for Preparedness Policy, HSC; Ms. Neill Sciarrone, Special Assistant to the President for Homeland Security and Senior Director for Cybersecurity and Information Sharing Policy; and Ms. Nancy J. Wong, DFO, NIAC, DHS.

I. OPENING OF MEETING

Nancy Wong, DFO, NIAC, DHS

Ms. Nancy J. Wong introduced herself as the NIAC DFO and welcomed Secretary Chertoff; Under Secretary for NPPD Robert Jamison; Assistant Secretary for Infrastructure Protection Col. Robert B. Stephan; Mr. Thomas P. Bossert, Acting Senior Director for Preparedness Policy, HSC; Ms. Neill Sciarrone, Special Assistant to the President for Homeland Security and Senior Director for Cybersecurity and Information Sharing Policy; Mr. Erle A. Nye, NIAC Chairman; all NIAC members and members' staffs present or on the teleconference; other Federal government representatives, as well as members of the press and public. She reminded the members the meeting was open to the public and, accordingly, members should remember to exercise care when discussing potentially sensitive information. Pursuant to her authority as DFO, Ms. Wong called to order the NIAC's 22nd meeting and the first meeting of 2008.

NATIONAL INFRASTRUCTURE ADVISORY COUNCIL

Meeting Minutes for January 8, 2008 Meeting

Page 4

II. ROLL CALL

Nancy Wong, DFO, NIAC, DHS

After bringing the meeting to order, Ms. Wong, called roll.

III. OPENING REMARKS AND INTRODUCTIONS

NIAC Chairman, *Erle A. Nye*, Chairman Emeritus, TXU Corp.

Chairman Nye thanked everyone for attending and asked Secretary Chertoff if he would care to make any opening remarks.

Secretary Chertoff thanked Chairman Nye and all the Council and wished everyone a Happy New Year. He pointed out Frances Fragos Townsend recently finished her tenure at the White House as Assistant to the President for Homeland Security and Counterterrorism (APHS/CT) and added Ms. Townsend made a tremendous contribution to Homeland Security.

The Secretary thanked the Council for its service, adding its diverse background provides DHS tremendous insight, experience, and knowledge that significantly impacts DHS' policy-making process when it looks at protecting the nation's critical infrastructure and key resources (CIKR). Past NIAC reports and recommendations addressing issues ranging from Pandemic Preparedness to Intelligence Coordination led to national strategies and significant planning activities informed by the Council's contributions and experience. This has aided the U.S. in making substantial progress in mitigating threats, managing risk, and building partnerships through all government and private-sector levels.

Secretary Chertoff thanked the *Prioritization of Critical Infrastructure for a Pandemic Outbreak in the United States* Working Group co-chaired by Council members Ms. Martha H. Marsh, Chief Rebecca F. Denlinger, and Mr. Bruce A. Rohde and the *Insider Threat to Critical Infrastructures* Working Group chaired by Mr. Thomas E. Noonan and Mr. Edmund G. Archuleta. Indications point to DHS incorporating much of these recommendations from the two reports into their mission. The Council made tremendous contributions and generated much discussion in the past addressing cyber security and cyber threats. This led in part to the development of a national cyber security strategy that will serve to expand the country's ability to protect its cyber assets. The Secretary expressed his appreciation for the Council's contributions that become a large part of planning and implementation of homeland security.

Chairman Nye thanked Secretary Chertoff for his comments and support. The Council will be adopting two additional topics at this meeting. Despite the limited number of Council members, it produces excellent work. Chairman Nye apologized for not being present in person at the meeting. Chairman Nye asked if Under Secretary Jamison had any comments.

Under Secretary Jamison reiterated Secretary Chertoff's comments and thanked the NIAC members for the value they add to DHS. He anticipated hearing the reports the Working Group would present at the meeting. In particular, he was interested in the Insider Threat report and how it may address the cyber security concerns in the sectors.

NATIONAL INFRASTRUCTURE ADVISORY COUNCIL

Meeting Minutes for January 8, 2008 Meeting

Page 5

Chairman Nye thanked the Under Secretary for his support and asked if Assistant Secretary Stephan had any comments.

Assistant Secretary Stephan deferred his comments to the closing portion of the meeting.

IV. APPROVAL OF OCTOBER 9, 2007 MINUTES NIAC Chairman, *Erle A. Nye*,
Presiding

Chairman Nye asked the Council if it recommended any changes or additions to the October 9, 2007. The members voiced no corrections or comments and the Council unanimously approved them.

V. WORKING GROUP FINAL DELIBERATIONS NIAC Chairman, *Erle A. Nye*
Presiding

A. CHEMICAL, BIOLOGICAL, AND RADIOLOGICAL EVENTS AND CRITICAL INFRASTRUCTURE WORKFORCE *Chief Rebecca F. Denlinger*,
Fire Chief, Georgia Fire and Emergency Services, NIAC Member; *Martha H. Marsh*,
President and CEO, Stanford Hospital and Clinics, NIAC Member; and *Bruce A. Rohde*,
Chairman and CEO Emeritus, ConAgra Foods, Inc., NIAC Member

Chairman Nye introduced the *Chemical, Biological, and Radiological Events and the Critical Infrastructure Workforce* Working Group co-chaired by Council members Ms. Martha H. Marsh, Chief Rebecca F. Denlinger, and Mr. Bruce Rohde.

Chief Denlinger thanked Chairman Nye for the introduction. This Working Group's presentation represented the culmination of over a year and a half study on Chemical, Biological, and Radiological events. The Working Group engaged members of government, industry, and academia to work together to understand the unique threats and vulnerabilities these scenarios present. They established a baseline understanding of planning, preparedness, and response capabilities and developed a series of recommendations that when full implemented will provide the capability to deter, respond to, and recover from a CBR event in ways not seen anywhere else in the world. They wanted to recognize the tremendous progress made by industry and the public sector since 9/11. There has been an intensive focus on CBR events since that time and as a result the Working Group found many examples of public-private coordination and collaboration that continue to strengthen the nation's capabilities. This progress does not suggest the nation should cease capitalizing on this momentum—rather, it should continue to bolster these CBR capabilities. The Working Group will brief the Council on its recommendations and ask for its endorsement. Chief Denlinger then introduced Mr. Scott Blanchette, the Study Group's co-chair.

Mr. Blanchette thanked Chief Denlinger and commented the Study Group focused on producing a concise and manageable report. A number of recommendations remained common across the CBR spectrum and demonstrated the potential to leverage these recommendations in order to address

NATIONAL INFRASTRUCTURE ADVISORY COUNCIL

Meeting Minutes for January 8, 2008 Meeting

Page 6

multiple threats and vulnerabilities. In addition to numerous unique recommendations, many recommendations touch upon planning and preparedness, training and educations, response coordination, and communications.

The Study Group sought to provide recommendations preparing those working in and maintaining areas considered Critical Infrastructure (CI) for a CBR event and ensuring they possess the tools, training, and equipment necessary to identify, respond to, and recover from a CBR event. The Study Group used six key questions as the baseline for data collection in surveys and interviews:

1. Do organizations have employee awareness, preparedness and response training programs?
2. Is there a market incentive to invest in CBR preparedness and response programs?
3. Is there sufficient communication infrastructure in place to respond to a CBR event?
4. What tools and technologies currently support CBR response capability?
5. Is there sufficient coordination between Federal, state, local and private-sector entities?
6. What can the Federal government do to encourage or facilitate enhanced preparedness and response capabilities across and between the public and private sectors?

To address the chemical component, the Study Group suggested evaluating chemical threats against comprehensive, national assessment priorities, and establishing a risk-based prioritization schema for chemical response measures. The Federal government should also support the development of second-generation surveillance and detection devices for both indoor and outdoor use, including mobile applications for first responder vehicles. This includes engaging the chemical industry more fully on research priorities to accelerate deployment of tools and technologies under development. The nation should provide accelerated development, training, and support of local Fusion Centers to enhance robust on-the-ground capabilities. This includes continued joint training exercises conducted at chemical facilities to enhance and expand knowledge of chemical event responsiveness. There should also be improved information sharing and outreach efforts via the Homeland Security Information Network (HSIN) chemical portal.

The Study Group further suggested ensuring the availability of adequate funding and personnel to support implementing the new Chemical Facility Anti-Terrorism Standards (CFATS). The nation should expand DHS' Chemical Review Program (CRP) to regions across country in an effort to help reduce duplicative efforts and promote all-hazards planning by emergency responders. There should be more extensive participation in the program to include other first responders, including local law enforcement. The nation should fully integrate lessons learned into the National Incident Management System (NIMS) and other preparation and response programs. Eighth was to ensure full implementation of the Worker Adjustment and Retraining Notification Act (WARN) Act and SAFECOM. The Study Group suggested the Working Group recommend eliminating conflicting regulations for the chemical industry among Federal agencies as to eliminate or reduce duplicative requirements.

The government should continue to improve operability and interoperability of communications among responders and consider solutions to propagate communications technologies to those who may potentially engage in a chemical event response. This would include the private sector. The country should improve controls over hazardous material transportation by working with the private sector to ensure controls are consistent with risk assessment results. It should also assist responders

NATIONAL INFRASTRUCTURE ADVISORY COUNCIL

Meeting Minutes for January 8, 2008 Meeting

Page 7

in identifying and acquiring the most appropriate and effective tools for surveillance, detection, and mitigation. This is of particular importance to local fire, police and EMS. Public/private-sector relationships remain significant through information sharing and protecting competitive and sensitive data as well as assist the private sector to better identify information needed by governmental agencies.

There should be enhanced efforts to obtain international support for chemical safety and security initiatives and to work with International Coalition of Chemical Associations, or continue to work with U.S. based companies with significant overseas footprints to improve global chemical controls and response capabilities. The government should evaluate the efficacy of border control measures to ensure a robust customs and border control program. They should also ensure all agencies follow the DHS lead on facility, navigable waters, transportation and supply chain security, and disaster planning and response initiatives. This includes providing training for both the public and private sectors, especially local governments and responders, on implementation of NIMS and the new NRP Framework.

Mr. Blanchette continued with the Study Group's proposed Radiological recommendations. The Study Group suggested developing and deploying training materials for all first responders. While content remained readily available and deployable, the government could enable awareness and distribution through directed marketing and communications with the inclusion of structured exercises, or other mechanisms already in place.

He asserted the nation should clearly establish, communicate, and reinforce a radiological event focal point, lead agency, chain of command, and protocol for response coordination and communication. This includes defining the roles and responsibilities for lead and supporting Federal agencies.

The government should leverage industry knowledge, tools, or experience in radiological event planning, preparedness, and response efforts and should establish, in advance, mechanisms to leverage industry resources in radiological events and employ tools and technologies in place today to advance capabilities. The Study Group proposed the continued progress on plans and response programs that assess and prioritize radiological threats and vulnerabilities within the context of other events and to improve knowledge around specific scenarios, impact, and likelihood of events. This should also include assessing the usability and availability of data, making necessary information available to first responders who will benefit from additional intelligence and to continue to deploy tools to support planning and response scenarios. There should be a maximization of opportunities to advance technologies that will improve response capabilities and the continued funding of collaborative, public-private efforts to develop more advanced detection solutions. The nation needs to establish or align the Science and Technology (S&T) roadmap with radiological event collection, analysis, reporting tools, and technologies to improve event detection. It should accelerate promising detection or response technologies currently under development; identify and seize commercialization opportunities for the same.

Addressing proposed Biological recommendations, the Study Group suggested pre-defining, to the greatest extent possible, a consistent biological event communications plan, complete with tailored communications to specifically target audiences based on various possible scenarios. The nation

NATIONAL INFRASTRUCTURE ADVISORY COUNCIL

Meeting Minutes for January 8, 2008 Meeting

Page 8

should develop and pre-position, to the greatest extent possible, communications in all distribution channels, including radio, television, telephone, print, and online media. It should continue to engage the private sector to augment the distribution of communications to the critical workforce. The public- and private-sector Critical Infrastructure partners should continue refining their existing communications plans, processes, and success metrics through series of response exercises. These exercises should include participation from appropriate state and local representatives where feasible. The Federal government, in consultation with the critical infrastructure owners and operators, should develop a mechanism to refine and identify those priority workforce groups within and across the 17 CIKR sectors.

The Federal government should continue developing a clearly defined vaccine and anti-viral medication distribution strategy and consider the Study Group's work on biological events planning and preparedness as a starting, not an ending, point for further discussion and clarification about the Federal government's ultimate distribution strategy. They should consider alternative distribution strategies and guidance to give critical infrastructure owner-operators a stronger voice in determining which employees receive higher prioritization for vaccines and anti-viral medications. Build flexibility into distribution frameworks to allow the private sector to receive, distribute, and, with appropriate medical support, dispense vaccine and anti-viral medications to their critical workforce. There should be more clearly defined response and containment roles and responsibilities. The Study Group directionally recommends the Federal government continue to better define its expected response timelines and milestones.

All public-and private-sector partners should continue educating their relevant stakeholders on biological plans, processes, and priorities to engage appropriate resources to ensure adherence to the distribution strategy and the economical use of limited vaccine and anti-viral resources. The public and private sectors should align their communications, exercises, investments, and support activities absolutely with both the plan and priorities during a biological event. This includes continued data gathering, analysis, reporting, and open review.

The Study Group directionally recommends the Federal government improve its effort to engage key elements of the private sector in proactive surveillance and monitoring activities, including:

- extending public health surveillance to occupational health professionals;
- developing a formal framework designed to engage international components of U.S. corporations in global bio-data collection efforts;
- supplementing exiting surveillance investments, acquisition, monitoring, and response capabilities to increase threat visibility and geographic coverage; and
- engaging data acquisition and management resources within the commercial workforce in surveillance, collection, and analysis.

The nation should develop a clearly defined vaccine and anti-viral distribution strategy to ensure deployment as planned, and consider alternative distribution methods that engage the private sector in directly distributing antiviral medications and vaccines to in-scope critical workforce. Public and private partners should work closely to define more clearly response and containment roles and responsibilities, as well as response timelines and milestones. The Federal government must do a

NATIONAL INFRASTRUCTURE ADVISORY COUNCIL

Meeting Minutes for January 8, 2008 Meeting

Page 9

better job in educating all stakeholders on plans, processes, and priorities. Using this report's findings as a baseline for future work, the Federal government should develop an innovative and easy-to-use mechanism to identify the priority work force groups clearly. They ought to engage appropriate resources to ensure adherence to distribution strategies and the economical use of limited vaccine and anti-viral resources.

Mr. Blanchette commented the Study Group engaged a large number of resources to address these issues. He thanked everyone for their collaborative work.

Chief Denlinger pointed out Mr. Blanchette's hard work to coordinate all the moving parts of the Study Group. She thanked him for all his work and asked if there were any questions for the group.

Ms. Marsh reiterated the amount of effort that went into this report and added she believed the Working Group produced an excellent product.

Mr. Rohde highlighted the importance of establishing distribution strategies and spoke of his concern of a private sector in chaos during a CBR event.

Chairman Nye thanked the Working Group for their leadership and pointed out Mr. Blanchette continuously enlists a large amount of effort in helping the Council achieve its goals. Chairman Nye added Mr. Berkeley has chosen to abstain from the discussions and recommendations of this group because of a conflict of interest. Chairman Nye asked if there were any questions or comments before the Council finalize the report. He asked the Council move to approve the *Chemical, Biological, and Radiological Events and the Critical Infrastructure Workforce* report.

The Council moved to approve the report and a member seconded the motion. The Council unanimously approved the report.

Chairman Nye thanked everyone for all the work put into creating this report.

**VI. WORKING GROUP STATUS
UPDATES**

NIAC Chairman, *Erle A. Nye*
Presiding

**A. THE INSIDER THREAT TO
CRITICAL INFRASTRUCTURES**

Edmund G. Archuleta, President and CEO,
El Paso Water Utilities, NIAC Member;
and *Thomas E. Noonan*, General Manager,
IBM Internet Security Systems, NIAC
Member

Chairman Nye introduced the *Insider Threat to Critical Infrastructures* Working Group chaired by Mr. Thomas E. Noonan and Mr. Edmund G. Archuleta. Mr. John W. Thompson and Ms. Margaret E. Grayson also serve on the Working Group. The Chairman introduced Mr. Noonan to provide a progress report from the Working Group.

Mr. Noonan thanked Chairman Nye, the NIAC, and partners in government for being present. The Working Group devoted an extensive amount of time in addressing this topic. The group divided its

NATIONAL INFRASTRUCTURE ADVISORY COUNCIL

Meeting Minutes for January 8, 2008 Meeting

Page 10

study into two phases. The first phase sought to define the insider threat and obstacles to mitigating the threat. The second phase looked at the legal, procedural, and policy barriers associated with managing the insider threat. The insider threat to critical infrastructures is one of the least understood threats. Inconsistently managed risks at a time when globalization and a rapidly expanding information technology environment provide insiders with the ability to perpetrate attacks of an increasingly greater consequence and impact. The Working Group's ultimate objective focuses on recommendations on improving CIKR operator's ability to address the insider threat. The group seeks to provide guidance within the legal and policy framework. The group anticipates to deliver its final deliverable and findings at the April 2008 NIAC business meeting. Mr. Noonan asked if Mr. Archuleta had any comments.

Mr. Archuleta thanked Chairman Nye and those present. As the Working Group spoke with the Study Group, it became clear they needed more time to finalize the Working Group's recommendations. There were many people devoting a large amount of time to producing this report. Mr. Archuleta thanked Mr. Michael Schelble for working so hard to help coordinate this study.

Mr. Noonan thanked Mr. Archuleta and asked if Mr. Allor would like to begin his presentation.

Mr. Peter Allor thanked Mr. Noonan and Mr. Archuleta. The deliverables for the study were outlined in a letter from Secretary Chertoff: The Study Group completed the tasks outlined in its first phase in October of 2007. These tasks included defining the insider threat in both its physical and cyber, including potential consequences, economic or otherwise; analyzing the dynamics and scope of the insider threat including critical infrastructure vulnerabilities; analyzing the potential impact of globalization on the critical infrastructure marketplace and insider issues; and identifying/defining the obstacles to addressing the insider threat. Phase II tasks were to identify issues, potential problems, and consequences associated with screening employees; to identify legal, policy, and procedural barriers aspects of the issue, as well as any potential obstacles, from the perspective of the owners and operators; and to identify and make policy recommendations on potential remedies for addressing the insider threat. Completion of the study may produce potential recommendations for improving operators' ability to address the insider threat to critical infrastructures, and seek to provide guidance on a clear legal environment for operators in dealing with potentially hostile insiders. These recommendations will address both the private sector as well as the Federal government.

During Phase I, the Study Group, held two workshops and 25 conference call discussions. Deliverables provided in Phase I draft included definition for the insider threat to critical infrastructure, identified the scope of the insider threat, understanding of the psychology of the Insider Threat, understanding of the technology and globalization dynamics, and outlining the obstacles to effective insider threat programs. These obstacles include information sharing on insider threats, education and awareness, background investigation processes, technology tools, and cultural and organizational obstacles.

With the start of Phase II, the Study Group elevated its work pace. It held another workshop and more conference call discussions on Phase II topics and report development. It also held discussions with nine outside subject matter experts (SMEs) to gain understanding of the issues involved. The group worked on developing findings and recommendations for a Phase II draft of the report, which

NATIONAL INFRASTRUCTURE ADVISORY COUNCIL

Meeting Minutes for January 8, 2008 Meeting

Page 11

is near complete. The findings and recommendations need final review by the Working Group prior to forwarding to the full NIAC.

Recent studies and events have shown that the Insider Threat is real. Many incidents remain unreported to protect corporate image and lack of trusted reporting centers. CIKR companies are under-estimating the risk posed by insider threats. Many CIKR companies are unprotected against some Insider Threat vulnerabilities and have unverified trust with employees in positions of significant trust. Improper incident response magnifies losses. Insider attacks at CIKR companies have the potential to cause significant, widespread damage to economic activity and public health and the growing economic espionage threat has significant potential effect to national security.

While several sectors have comprehensive plans in place to deal with this issue, most do not. CIKR companies can reduce their insider threat risk by establishing insider threat policies. Critical infrastructure companies should develop and implement a comprehensive security policy to address internal threats. These should be developed and supported by senior executive leadership and include implementation plans and goals.

Lack of information on insider threats has obscured the level of risk involved. Improved information sharing will improve Insider risk assessments and decisions. The government needs to establish a mechanism to provide critical infrastructure owner-operator timely and relevant strategic-level (intelligence agency) information on insider threats. The should develop a mechanism for sharing information on Insider Threat and National Security investigations, which currently does not exist. Each sector should establish a trusted process and protected mechanism to share incident information on insider threats. Government should coordinate a clearinghouse resource for owner-operators to assist in the process of assessing and mitigating their insider threat risks.

Education and awareness has a tremendous impact. Securing our infrastructures will require improvement of CIKR operator understanding of insider threats. Education and awareness offers the biggest return for critical infrastructure owner-operators in addressing insider threats. The nation should establish leadership program on insider threats to coordinate government support to CIKR operators on education and awareness of insider threats. Program goals will include development of a common baseline understanding of the emerging and dynamic insider threat issues and situations among CIKR companies. This will include working directly with critical infrastructure executive leaders, communicating enterprise-level risks posed by insider threats, partnering with leading companies in each sector, assisting development of education and training programs, and identifying and funding needed research

The group found background investigations are a very valuable tool to mitigate the insider threat. To improve CIKR operator risk assessment and mitigation for high-trust, critical positions, CIKR operators need access to Federal and state criminal history records. The government should adopt needed measures from April 2006 Attorney General's Report Criminal History Record Checks. Measures should include consideration of CIKR operator needs and concerns including voluntary participation. CIKR operators should make their own risk decisions. There should also be third party screening company participation, improved records accuracy and standardization, and near-term solutions.

NATIONAL INFRASTRUCTURE ADVISORY COUNCIL

Meeting Minutes for January 8, 2008 Meeting

Page 12

Technology trends are accelerating and combining with globalization forces, creating significant insider security challenges for CIKR operators. Virtual aspect of network environments also poses challenges for establishing accountability and ethical behavior. The government should seek to steer groups of IT technology experts to explore insider threat technology solutions. There should also be improved CI worker IT/network ethics, accountability, and understanding of appropriate conduct on critical infrastructure IT networks, down through university levels. CI companies should establish priority to maintain current network/IT security best practices.

The group's next steps include coordinating initial findings with Federal Agencies and Privacy group as well as to publish a coordinating draft prior to the April NIAC meeting. The group will deliver final findings for deliberation at the April 2008 NIAC meeting.

With that, Mr. Allor closed his remarks.

Chairman Nye thanked Mr. Allor for his work with the Study Group and said he anticipated the Working Group's final presentation at the April meeting.

VII. NEW BUSINESS

NIAC Chairman, *Erle A. Nye*, NIAC
Members

Chairman Nye noted, with the completion of the CBR project, the Council has the opportunity to consider two more Working Group topics. He did not anticipate the Insider Threat report taking much longer. Mr. Bill Muston solicited all the members for their views and opinions on possible new work topics. The Secretariat provided the members four of the most notable topics in their meeting materials. Mr. Nye hoped to have a discussion followed by voting to select two topics and the leadership for the respective Working Groups. The four topics the Council was discussing were:

- 1) Framework for Dealing with Disasters
- 2) Regional Cooperation Framework
- 3) Interdependencies
- 4) Critical Infrastructure Partnership Strategic Assessment

Chairman Nye commented all the topics are worthy of the Council's attention. The White House and DHS had reviewed the topics before they forward them along the Council. Chairman Nye asked if Mr. Berkeley could begin the discussion by giving a description of the first topic, *Framework for Dealing with Disasters*.

Mr. Berkeley noted former NIAC member Mr. John Chambers, Chairman of the Board and CEO of Cisco Systems, Inc., brought this topic to the Council several years ago. When the events of September 11, 2001 occurred, there was no established authority for law enforcement to carry out what they needed to accomplish. One example is the events during the Gulf War in regards to the withdrawal of insurance on oil tankers. The commercial insurance agencies would no longer insure tankers moving through the Straits of Hormuz. The only way for oil to continue to move through the area was with the help of one of the Sheikhs. The nation needs to have the authorities in place to move things past such obstacles and not rely on the help of a single individual, as was the case with tankers during the Gulf War. Another example was the use of Posse Comitatus during the response to Hurricane Katrina where the response was slow because of dated Federal laws. The first topic

NATIONAL INFRASTRUCTURE ADVISORY COUNCIL

Meeting Minutes for January 8, 2008 Meeting

Page 13

would address hypothetical scenarios proposed by each of the sectors with the application of stand by authority.

Chairman Nye thanked Mr. Berkeley. The Chairman pointed out Mr. Nicholson had mentioned his interest in this topic.

Mr. Nicholson agreed with Mr. Berkeley. Having a situation with multiple individuals claiming authority merely adds to a disaster. A streamline process would have saved much time, money, and even lives in a situation such as during the response to Hurricane Katrina.

Chairman Nye thanked Mr. Nicholson. He concurred with his comments adding that having no one stepping forward to take charge could be equally disastrous. He asked if there were any other questions or comments from the members.

Governor Pawlenty reiterated that the first topic would be of particular interest as his state of Minnesota had faced droughts, floods, and bridge collapses recently.

Assistant Secretary Stephan, who resides as the head of the National Infrastructure Protection Plan (NIPP) Federal Leadership Council, stated the NIPP Council in collaboration with the Partnership for Critical Infrastructure Security (PCIS) would be taking on studies around developing a regional cooperation framework under the NIPP as well as a strategic assessment piece. The PCIS Chairman, Mr. Mike Wallace, President and Chief Executive Officer of Constellation Energy Group, would be glad to assist in the NIAC's efforts with the resources of the PCIS.

Chairman Nye thanked Assistant Secretary Stephan and noted the Council will certainly be looking for help and support outside of the NIAC membership. Mr. Nye moved on to the second topic, *Regional Cooperation Framework*, and asked if Chief Denlinger could give her view on the issue.

Chief Denlinger commented the NIAC would be an optimal forum from which to discuss the second topic. The Chief has been working on the local level to effectively plan and prepare for events that are not typical response scenarios. There exist seams that do not favor regional response as a priority to national security. The private sector may be more apt at dealing with this issue as they are accustomed to working across jurisdictional boundaries. There are many instances across the nation where private and public sectors have blended. It may be of interest to evaluate those instances and extract the most effective strategies.

Chairman Nye thanked Chief Denlinger and asked if anyone else wanted to comment or elaborate on the second topic. Hearing no comments, he moved onto the third topic dealing with *Interdependencies*. This topic has significant breadth seeking to chart interdependencies amongst the sectors. He asked if any of the members would comment on the topic.

Mr. Archuleta noted it has become clear through many of the discussions with the sectors that many sectors are dependant upon one another. For a single sector to recover its operations from an incident, it requires other sectors to recover as well. In developing the NIAC report *Prioritization of Critical Infrastructure for a Pandemic Outbreak in the United States*, it became clear at least in the water sector that there is no guidance defining the Federal government's role regarding supply chain

NATIONAL INFRASTRUCTURE ADVISORY COUNCIL

Meeting Minutes for January 8, 2008 Meeting

Page 14

prioritization. During a pandemic, there is no guidance instructing chemical companies to provide water infrastructure systems the chemicals necessary to fulfill its function during a time of limited resources. This topic could even be a supplement to either of the first two topics as it is applicable across any issue.

Chairman Nye agreed with Mr. Archuleta's idea to roll the third topic into one of the first two. He asked which of the first two topics would be better associated with the interdependency issue.

Mr. Archuleta believed the third topic would fit well with the second topic dealing with regional cooperation.

Chairman Nye asked for any other comments.

Lt. Gen. Edmonds pointed out the Council had previously discussed selecting topics with the intent of giving guidance to the next Presidential administration. He believed the Council could incorporate a tailored exercise into these topics similar to what National Security Telecommunications Advisory Committee (NSTAC) had accomplished. With the help of DHS, one could scope such an exercise to fit even a venue such as Minnesota or Atlanta with a large amount of activity in the different sectors and to find any weak points.

Chairman Nye thanked Lt. Gen. Edmonds and asked for any other comments. Hearing none, the Chairman moved onto the fourth topic, *Critical Infrastructure Partnership Strategic Assessment*. The Council does not intend this topic to be critical of the substantial progress DHS and others have made in this area. The question at hand is if the nation is taking full advantage of that work and if all those organizations involved are working as effectively as they can, in a manner that serves the national interest. This topic could act as a guideline for the next administration as well. The Chairman asked if Mr. Berkeley had any comments on this topic.

Mr. Berkeley said this topic could be useful to the White House or DHS in pulling together the various programs in place. He suggested posing the question of whether this would be useful to the White House and DHS.

Chairman Nye asked if anyone else had any comments on this topic.

Assistant Secretary Stephan explained the fourth topic would be of benefit to the current administration in its final year as well as to any successive administration. DHS has spend much time in organizing structures and developing plans, risk assessment methodologies and approaches, and risk reduction activities across the country and across the various sectors. DHS is seeking to integrate cyber and physical security against such issues as the insider threat. The Department wants to ensure they have left no issue unaddressed. DHS understands the nation's infrastructure is a dynamic structure whose threat level, risk environment, operating environment, and business environment change on nearly a daily basis. DHS wants to ensure the structural organizations are going to be adaptable enough to fit an emerging new world of infrastructure resiliency as the nation moves into a new administration. A year of study on such a topic would be incredibly beneficial.

Chairman Nye thanked Assistant Secretary Stephan.

NATIONAL INFRASTRUCTURE ADVISORY COUNCIL

Meeting Minutes for January 8, 2008 Meeting

Page 15

Mr. Berkeley pointed out Mr. Bossert and Ms. Sciarrone had some comments on the issue.

Mr. Bossert pointed out all four topics are worthwhile studies. One consideration is the amount of time and resources left in this administration. The third topic on interdependencies might work well with the first topic for the White House’s ongoing review of the Defense Production Act and the Stafford Act as well as in their planning efforts. The second topic on Regional Coordination is also extremely important when dovetailed into the larger planning effort. The fourth topic is important, but perhaps the last in which the Council should engage as the work of the first three topics deserve a greater degree of attention especially in light of moving into a new administration.

Chairman Nye thanked Mr. Bossert. He agreed subsuming topic three into the first or second topic would be appealing. Choosing between the topics is difficult as they all contain significant value. It would be possible with significant leadership for the Council to take on three topics, but the Council needs to come to a collective prioritization. Each member should express their preference for the two topics that they deem of greatest importance and interest. Presuming the Council will encompass topic three in one of the first two topics, the members should choose between topics one, two, or four.

Ms. Sciarrone asked if she could make a comment.

Mr. Nye welcomed Ms. Sciarrone and congratulated her on her recent promotion.

Ms. Sciarrone thanked Chairman Nye. She mentioned the White House will likely request relatively soon for a continuation of the NIAC’s work in some form of cyber issue. She asked the Council not to place too much work on its program in consideration that the White House will request a good portion of the Council’s time addressing some sensitive issues of utmost importance.

Chairman Nye noted several of the topics are more physical than cyber in nature, but hoped to be able to draw on the expertise of the members from the cyber sectors. Likewise, the Council should not over commit. He hoped the White House would soon bring forward new members for service on the Council as to give more resources in its membership.

Ms. Sciarrone believed the Council would have no problems finding work for new members.

Mr. Nye thanked Ms. Sciarrone and proceeded with a vote on the topics in alphabetical order. Voting results were as follows:

Member	Topic One	Topic Two	Topic Four
Mr. Edmund G. Archuleta	x	x	
Dr. Craig R. Barrett	x		x
Mr. Alfred R. Berkeley, III	x		x
Chief Rebecca F. Denlinger	x		x
Lt. Gen. (ret.) Albert J. Edmonds	x		x
Chief (ret.) Gilbert G. Gallegos	x	x	

NATIONAL INFRASTRUCTURE ADVISORY COUNCIL

Meeting Minutes for January 8, 2008 Meeting

Page 16

Ms. Margaret E. Grayson	x		x
Ms. Martha H. Marsh	x	x	
Mr. Thomas E. Noonan	x	x	
Mr. James B. Nicholson	x	x	
Hon. Tim Pawlenty	x	x	
Mr. Bruce Rohde	x		
Dr. Linwood H. Rose	x	x	
Mr. John W. Thompson		x	X

Chairman Nye deferred to the leadership of the Council. He proposed combining the first three topics into one Working Group topic as the Council has a remarkable amount of capability to address such a workload and take on difficult subject matter.

Chief Denlinger agreed with combining the first three topics and taking the fourth topic as the second project the Council would address.

Mr. Noonan stated any study of topic one or two would have to take into account topic three, as there are interdependencies on all levels of private and public sectors. A national framework without regional cooperation is a failure.

Chief Denlinger added the approach the CBR Events Working Group utilized would be useful for breaking down the subject matter in such a report.

Chairman Nye pointed out topics one and two have the greatest number of votes, but are so closely related, with topic three fitting well with both. At the committee's behest, he suggested taking on topics one, two, and three as one project with topic four as a second project. He asked the Council, Mr. Bossert and Ms. Sciarrone, and Assistant Secretary Stephan if they have any comments on this idea.

Assistant Secretary Stephan concurred with the recommendations of the council and offered the support of the NIPP Senior Leadership Council and PCIS as well as his office's resources with any of the projects.

Chairman Nye pointed out all the topics are worth the time of the Council and thus would take on topics one, two, and three as one project with topic four as a second project. Given the scope of the first project, he suggested at least three co-chairs. He asked if anyone could step forward.

Mr. Berkeley offered his services in either project.

Governor Pawlenty, Mr. Nicholson, and Mr. Archuleta stated they would help with the combined topics in the first project.

Chairman Nye asked if Mr. Berkeley could help chair the second project with topic four.

Ms. Grayson and Chief Gallegos offered their help with the second project.

NATIONAL INFRASTRUCTURE ADVISORY COUNCIL

Meeting Minutes for January 8, 2008 Meeting

Page 17

Lt. Gen. Edmonds offered his services with any potential Working Group dealing with cyber issues.

Chairman Nye suggested holding Lt. Gen. Edmonds' services for a possible topic from the White House. The Chairman identified the chairs of the first project as Governor Pawlenty, Mr. Nicholson, and Mr. Archuleta and the chairs of the second project as Mr. Berkeley, Ms. Grayson, and Chief Gallegos. He requested any support from Chief Denlinger with the time she has left with the Council. Mr. Nye proposed a resolution for the authorization of the first project combining the first three topics with Governor Pawlenty, Mr. Nicholson, and Mr. Archuleta as Chairs and a second project focused on topic four with Mr. Berkeley, Ms. Grayson, and Chief Gallegos as chairs.

The Council moved to accept the resolution on the two new Working Groups and proceeded to second the motion. The Council unanimously approved the resolution.

Chairman Nye thanked the Council for their support and expressed his excitement over the new topics. The Council has thus far accomplished some significant work. The combining of the three topics into one creates a substantial undertaking. The Chairman assured Ms. Sciarrone the Council would put forward all necessary resources for any topic the White House put forward. He asked if there were any more comments on the new topics or any other new business.

VIII. CLOSING REMARKS

*Robert B. Stephan, Assistant Secretary for
Infrastructure Protection, DHS*

Chairman Nye asked if Under Secretary Jamison, Assistant Secretary Stephan, Mr. Bossert, or Ms. Sciarrone had any comments.

Mr. Bossert announced the President appointed in November Ms. Sciarrone as the Special Assistant to the President for Homeland Security and Senior Director for Cybersecurity and Information Sharing Policy. Both are part of the largest homeland security initiatives the White House has underway. This nomination is a well-deserved promotion for Ms. Sciarrone. Mr. Bossert hoped that he would be able to fill the gap that she left behind and ensure the security of the nation's infrastructure. In this, he anticipated working more closely with the Council in accomplishing this mission.

Ms. Sciarrone noted though she will be leaving many of her infrastructure protection responsibilities in the hands of Mr. Bossert, she would still be able to work closely with the Council in her new role. She appreciated the Council's commitment of resources and the White House will rely heavily on these as it looks to address cyber security issues. The President sees this as an important issue and the Council should expect to see more developing on this topic. Ms. Sciarrone thanked Chairman Nye.

Chairman Nye thanked Ms. Sciarrone and congratulated her on her promotion. The Council appreciates her support, as she has been a great help in guiding their initiatives. The NIAC looks forward to working closely with Ms. Sciarrone and Mr. Bossert in the future. Chairman Nye asked if Assistant Secretary Stephan had any comments.

NATIONAL INFRASTRUCTURE ADVISORY COUNCIL

Meeting Minutes for January 8, 2008 Meeting

Page 18

Assistant Secretary Stephan said he was overwhelmed to take part in the work the NIAC continues to accomplish. The Council dedicates themselves to their mission and puts forward a significant amount of time, energy, and resources to fulfilling its initiatives. DHS, the White House, and the Homeland Security Council diligently review the projects the Council completes. As seen in the recently published *Office of Infrastructure Protection (OIP) Strategic Plan for FY 2008-2013*, the NIAC projects fit well with what DHS sees as the paths forward in bridging the work accomplished in this administration into the next.

In December, Assistant Secretary Stephan had developed two lists. This first list was an inventory of the nation's critical infrastructure that he delivered to Congress. The second list went to the Secretary of Homeland Security asking for continued support of the NIAC Council as well as for a new Deputy Assistant Secretary. Assistant Secretary Stephan introduced the new Deputy Assistant Secretary of Infrastructure Protection, Kevin Reardon. Mr. Reardon comes from a distinguished career in the United States Navy as well as fifteen years in the private sector in business. He brings some strong leadership and management skills to the position as well as much experience in bridging the government with the private sector.

OIP codified its initiatives for the year into four areas. First, OIP hoped to continue to implement the work of the NIPP and its corresponding sector specific plans. This tasked was fundamental to bridging gaps and unifying perspectives between different elements of the private sector and government at all levels. While DHS and the sectors accomplished much in 2007, there remains a significant amount of work towards implementation as the project moves forward.

Second, OIP will be utilizing the recommendations the NIAC produced in its report, *The Prioritization of Critical Infrastructure for a Pandemic Outbreak in the United States*. DHS produced a guidelines document in 2007 based on some of the work from this project. DHS will sponsor workshops with the sector coordinating councils (SCCs) in 2008 to help guide each of the sectors.

Third, OIP will be looking to expand the infrastructure partnership model and bring more participants from the private sector into the sector-coordinating framework. OIP hopes to expand the State, Local, Tribal, and Territorial Government Coordinating Council (SLTTGCC) led by Brigadier General Michael McDaniel, Homeland Security Advisor and Assistant Adjutant General for Homeland Security, State of Michigan. He is leading thirty individuals from across disciplines and various levels of government to address policy planning and risk reduction issues.

On an international level, OIP launched initiatives through the Homeland Infrastructure Threat and Risk Assessment Center (HITRAC) in partnership with the intelligence community and national labs to figure out what things are important in regards to those assets important to the U.S. that may not reside inside U.S. borders. DHS is working with the State Department and other agencies to figure out how to secure these key assets, systems, and networks outside the country's direction but are vital to the U.S. economy. DHS will be looking to expand and leverage regional coalitions divided by function and jurisdiction. The Department seeks to bring groups that share interests either economically or otherwise into the NIPP partnership model so the nation may leverage their resources and expertise.

NATIONAL INFRASTRUCTURE ADVISORY COUNCIL

Meeting Minutes for January 8, 2008 Meeting

Page 19

On a partner level, DHS is looking to expand state and local government capacity to protect the nation's infrastructure and build in resiliencies to these assets. DHS has several initiatives they are developing including a program piloted in Los Angeles called the Automated Critical Asset Management System (ACAMS). ACAMS is a tool that helps state and local governments or jurisdiction catalogue critical assets within their region for enhancing vulnerability and risk assessment and information sharing on a national level. DHS based much of this work on NIAC recommendations.

DHS through the Office of Intelligence and Analysis will continue to work with its partners on the information sharing environment project headed by Ambassador McNamara, Program Manager of the Information Sharing Environment (ISE), Office of the Director of National Intelligence (ODNI). This work will focus on the State, Local, and Regional fusion centers as a catalyst for developing state and local infrastructure protection and resiliency utilizing these centers as a tool for distributing expertise and information.

The next pillar of the OIP Strategic Plan focuses on perfecting the incident management systems, processes, and protocols developed in response to Hurricane Katrina. DHS has been working under the lead of FEMA in producing a new annex to the National Response Framework (NRF) dedicated to infrastructure protection, resiliency, restoration, and recovery. Tracy Haynes, NRF Branch Chief, FEMA, has provided critical leadership for the NRF development. DHS has been working with FEMA and the State and Local representatives through Protective Security Advisors to develop IT incident management. DHS had the opportunity to practice some of these plans during the wildfires in California. DHS worked with first responders at emergency operations centers to identify critical infrastructure assets put at risk from the wildfires and to mitigate any potential risk. Through this communication, DHS was able to transfer a heightened degree of situational awareness all the way up to the President of the United States. NIAC recommendations helped the Department find solutions that DHS may not have otherwise been able to identify. DHS will keep in mind this incident management structure heading into the hurricane season as well as when dealing with the ongoing terrorist threat.

DHS will utilize the resources provided by Congress in the 2008 budget to implement the chemical security regulatory framework to improve protection of those facilities identified as high-risk to buttress physical, cyber, and insider threat precautions.

OIP has much planned for 2008. Assistant Secretary Stephan remarked he has an excellent staff backing him up and he will continue to rely on the support of the NIAC. DHS will continue focusing in such areas as information security and the security of the control and process systems upon which physical infrastructures rely.

Assistant Secretary Stephan noted Chief Rebecca Denlinger is retiring after thirty years of dedicated service, beginning her career as a firefighter in 1977 and moving up to Chief ten years ago. She has a tremendous reputation in the fire service and has faced equal challenges in her service in Washington DC. Assistant Secretary Stephan thanked Chief Denlinger for her work and hoped this commitment would continue into the future. The Assistant Secretary presented Chief Denlinger with a plaque of appreciation for her service and dedication to the nation during her time on the NIAC.

NATIONAL INFRASTRUCTURE ADVISORY COUNCIL

Meeting Minutes for January 8, 2008 Meeting

Page 20

Chairman Nye thanked Assistant Secretary Stephan and Chief Denlinger. He commended the Chief for the tremendous work she has accomplished in the three years she has spent with the Council including her leadership in *the Prioritization of Critical Infrastructure Workers for a Pandemic Outbreak in the United States Working Group* and the *Chemical, Biological, and Radiological (CBR) Events and the Critical Infrastructure Workforce Working Group*.

Chairman Nye asked if there were any additional matters the Council needed to address.

Ms. Wong noted the Council had accomplished quite a lot of work and that there was nothing further on the agenda.

IX. ADJOURNMENT

NIAC Chairman, *Erle A. Nye*

Chairman Nye offered his support towards addressing the Council's new initiatives. He said the Council had accomplished much at this meeting and thanked everyone for their time. Chairman Nye proceeded to adjourn the meeting.

I hereby certify the foregoing minutes accurately represent the discussion and events that transpired at the meeting held on the date first noted above.

By: /s/ Erle A. Nye
Erle A. Nye, Chairman

Dated: April 8, 2008