

NATIONAL INFRASTRUCTURE ADVISORY COUNCIL

J.W. Marriott Hotel
Capitol Ballroom (Salons E&F)
1331 Pennsylvania Avenue, NW
Washington, D.C. 20004

BUSINESS MEETING AGENDA

Tuesday, October 14, 2008
1:30 – 4:30 p.m. EDT

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|---|---|
| I. ROLL CALL OF MEMBERS/SWEARING-IN | <i>Carlos Kizzee</i> , Alternate Designated Federal Officer (ADFO), NIAC, Department of Homeland Security (DHS) |
| II. OPENING OF MEETING | <i>Carlos Kizzee</i> , ADFO, NIAC, DHS |
| III. OPENING REMARKS AND INTRODUCTIONS | NIAC Chairman <i>Erle A. Nye</i> , Chairman Emeritus, TXU Corp.

NIAC Vice Chairman, <i>Alfred R. Berkeley, III</i> , Chairman and CEO, Pipeline Trading LLC.

<i>Michael Chertoff</i> , Secretary, DHS

<i>Robert D. Jamison</i> , Under Secretary for the National Protection and Programs Directorate

PARTICIPATING BUT NOT EXPECTED TO MAKE REMARKS:

<i>Scott Charbo</i> , Deputy Under Secretary for the National Protection and Programs Directorate, DHS

<i>Robert B. Stephan</i> , Assistant Secretary for Infrastructure Protection, DHS |
| IV. APPROVAL OF JULY 8, 2008 MINUTES | NIAC Chairman <i>Erle A. Nye</i> |
| V. WORKING GROUP FINAL PRESENTATION | NIAC Chairman <i>Erle A. Nye</i> Presiding |
| A. THE CRITICAL INFRASTRUCTURE PARTNERSHIP STRATEGIC | <i>Alfred R. Berkeley III</i> , Chairman and CEO, Pipeline Trading, LLC., NIAC Vice |

NATIONAL INFRASTRUCTURE ADVISORY COUNCIL

Meeting Minutes for the October 14, 2008 Meeting

Page 2

- ASSESSMENT WORKING GROUP** Chairman, *Chief (ret.) Gilbert G. Gallegos*, Albuquerque, New Mexico Police Department, NIAC Member, and *Margaret E. Grayson*, President, Coalescent Technologies, Inc., NIAC Member
- VI. WORKING GROUP STATUS UPDATE** NIAC Chairman *Erle A. Nye* Presiding
- A. THE FRAMEWORKS FOR DEALING WITH DISASTERS AND RELATED INTERDEPENDENCIES WORKING GROUP** *Edmund G. Archuleta*, President and CEO, El Paso Water Utilities, NIAC Member, NIAC Member; *James B. Nicholson*, Chairman and CEO, PVS Chemicals, Inc., NIAC Member; and *The Honorable Tim Pawlenty*, Governor, The State of Minnesota, NIAC Member
- VII. NEW BUSINESS** NIAC Chairman *Erle A. Nye*, Vice Chairman *Alfred R. Berkeley III*, NIAC Members
- VIII. CLOSING REMARKS** *Robert B. Stephan*, Assistant Secretary for Infrastructure Protection, DHS
- A. CONSIDERATION/DELIBERATION OF CRITICAL INFRASTRUCTURE PARTNERSHIP STRATEGIC ASSESSMENT STUDY RECOMMENDATION FOR FOLLOW-ON STUDY** NIAC Chairman *Erle A. Nye* Presiding
- B. CONSIDERATION/DELIBERATION ON SUBMISSION OF NIAC CRITICAL INFRASTRUCTURE PARTNERSHIP STRATEGIC ASSESSMENT WORKING GROUP PUBLIC COMMENT TO THE NIPP PUBLIC COMMENT PERIOD**
- VII. CLOSING REMARKS** *Robert B. Stephan*, Assistant Secretary for Infrastructure Protection, DHS
- IX. ADJOURNMENT** NIAC Chairman *Erle A. Nye*, Presiding

NATIONAL INFRASTRUCTURE ADVISORY COUNCIL

Meeting Minutes for the October 14, 2008 Meeting

Page 3

MINUTES

PARTICIPATING NIAC MEMBERS PRESENT IN WASHINGTON:

Mr. Erle A. Nye; Mr. Alfred R. Berkeley III; Mr. Edmund G. Archuleta; Dr. Craig R. Barrett; Mr. Wesley Bush; Lt. Gen. (ret.) Albert J. Edmonds; Ms. Margaret E. Grayson; Mr. Phillip Heasley; Mr. James B. Nicholson; Hon. Tim Pawlenty; Mr. Bruce A. Rohde; Mr. John Williams; and Ms. Martha Wyrsh.

ABSTAINING NIAC MEMBERS PRESENT IN WASHINGTON:

Mr. Greg Wells; and Mr. D.M. Houston.

NIAC MEMBERS ATTENDING VIA CONFERENCE CALL:

Chief (ret.) Gilbert G. Gallegos; Mr. Thomas E. Noonan; and Dr. Linwood H. Rose;

MEMBERS ABSENT:

Mr. David J. Bronczek; Mr. George H. Conrades; Commissioner Raymond W. Kelly; Mr. David Kepler; Mr. Gregory Peters; Ms. Martha H. Marsh; Mr. James A. Reid; Mr. Matthew Rose; Mr. John W. Thompson; and Mr. Michael Wallace;

SUBSTANTIVE POINTS OF CONTACT PRESENT IN WASHINGTON:

Mr. Rob Clyde (for Mr. John Thompson); Mr. Bill Muston (for Chairman Nye); Dr. Ronald Luman (for Vice Chairman Berkeley); Ms. Brooke Lundquist (for Mr. David Kepler); Mr. Kevin J. Nietmann (for Mr. Mike Wallace); Ms. Frances Paulson (for Mr. Bronczek); Mr. Jason Rohloff (for Gov. Tim Pawlenty); and Mr. Vance Taylor (for Mr. Archuleta).

SUBSTANTIVE POINTS OF CONTACT ATTENDING VIA CONFERENCE CALL:

Mr. Scott Blanchette (for Ms. Martha Marsh); Mr. Joe Long (for Mr. Gregory Peters); and Ms. Dawn Szymanski (for Mr. David Kepler).

OTHER DIGNITARIES PRESENT:

Robert D. Jamison, Under Secretary, DHS; Scott A. Charbo, Deputy Under Secretary, DHS; Col. Robert B. Stephan, Assistant Secretary for Infrastructure Protection, DHS; Mr. R. James Caverly, Director, Partnership and Outreach Division (POD), and Mr. Carlos Kizzee, ADFO, NIAC, DHS.

OTHER DIGNITARIES ATTENDING VIA CONFERENCE CALL:

Michael Chertoff, Secretary, DHS.

I. OPENING OF MEETING

Carlos Kizzee, ADFO, NIAC, DHS

Mr. Carlos Kizzee introduced himself as the ADFO for the NIAC. He welcomed DHS Secretary Michael Chertoff; Mr. Erle A. Nye, NIAC Chairman; Mr. Alfred R. Berkeley III, NIAC Vice Chairman; Under Secretary Robert D. Jamison, Col. Robert B. Stephan, Assistant Secretary for Infrastructure Protection, DHS; and Deputy Under Secretary Scott A. Charbo; all NIAC Council members and members' staffs present or on the teleconference; other Federal government representatives, as well as members of the press and public. He reminded the members the meeting was open to the public and, accordingly, members should remember to exercise care when discussing potentially

NATIONAL INFRASTRUCTURE ADVISORY COUNCIL

Meeting Minutes for the October 14, 2008 Meeting

Page 4

sensitive information. Pursuant to his authority as ADFO, Mr. Kizzee called to order the NIAC's 25th meeting and fourth meeting of 2008.

II. ROLL CALL *Carlos Kizzee, ADFO, NIAC, DHS*

After bringing the meeting to order, Mr. Kizzee called roll.

III. OPENING REMARKS AND INTRODUCTIONS *NIAC Chairman Erle A. Nye, Chairman Emeritus, TXU Corp.*

Chairman Nye thanked Mr. Kizzee for bringing the meeting to order, welcomed Secretary Michael Chertoff, and asked Secretary Chertoff whether he had any comments for the NIAC's benefit.

IV. OPENING REMARKS *Secretary Michael Chertoff, DHS,*

Secretary Chertoff thanked Chairman Nye for the introduction. The Secretary noted the recent example of the fluctuating Dow Jones Industrial Average and how, as a result, business and government worked cooperatively. The NIAC, as an advisory council, seeks to strengthen the security and resiliency of the Nation's infrastructure—NIAC members provide crucial insight to DHS and have become valuable as an advisory council. Since the NIAC's earlier reports, there have been great strides as a result of the Council's recommendations to secure the nation's Critical Infrastructure and Key Resources (CIKR).

The most recent successes of the partnership have been the responses to Hurricanes Gustav and Ike this past summer, which demonstrated the close coordination between government and private industry. That coordinated response was expedited not only for the people in the affected areas, but the infrastructure as well. The hurricanes underscored that all CIKR is interdependent and that the ability to map and address the interdependencies is important to the resiliency of CIKR in the future.

The Secretary noted that the Frameworks Working Group is studying the disasters and interdependencies in to map, create the architecture, and underscore interdependencies of critical infrastructures. The ability to map and understand interdependencies are necessary for resiliency. The second working group, the Critical Infrastructure Protection Assessment Study will be vitally important for the upcoming administration.

Secretary Chertoff warned NIAC Members of the escalating cyber security threat. The Secretary added that cyber security touches everyone and every sector represented in the NIAC. DHS has a vigorous and accessible plan to deal with cyber security; and involvement at every level, a commitment of money, and a community effort are necessary for securing the nation's cyber infrastructure. There are examples of criminals and others impacting our cyber infrastructure. Secretary Chertoff noted that Cyber Security will be a focal point for the next administration as it is for the current administration.

NATIONAL INFRASTRUCTURE ADVISORY COUNCIL

Meeting Minutes for the October 14, 2008 Meeting

Page 5

Secretary Chertoff thanked the Council Members for their continued efforts.

Chairman Nye thanked Secretary Chertoff for his comments and his support of the Council's work and the Secretary's Leadership during the hurricanes. The Chairman noted that the NIAC has one report to consider for approval today, and we will hear from the Frameworks Study, which has made great progress recently.

- V. APPROVAL OF JULY 8, 2008
NIAC MEETING MINUTES** *NIAC Chairman Erle A. Nye,
Chairman Emeritus, TXU Corp.*

Chairman Nye moved the meeting to approve the minutes from the July 8, 2008 NIAC quarterly meeting, and entertained a motion to approve the minutes. Chairman Nye asked the staff to proof-read the minutes for typographical errors and make corrections, so long as the changes do not to disrupt the fidelity of the minutes. The Council moved and seconded the minutes' approval contingent upon the noted modification.

- VI. WORKING GROUP STATUS UPDATE** *NIAC Chairman Erle A. Nye
Presiding*
- A. THE CRITICAL INFRASTRUCTURE
PARTNERSHIP STRATEGIC ASSESSMENT
WORKING GROUP** *Alfred R. Berkeley III, Chairman
and CEO, Pipeline Trading, LLC.,
NIAC Member, Chief (ret.) Gilbert
G. Gallegos, Albuquerque, New
Mexico Police Department, NIAC
Member, Margaret E. Grayson,
President, Coalescent Technologies,
Inc., NIAC Member*

Ms. Margaret Grayson opened the presentation by thanking Chairman Nye, Vice-Chairman Berkeley, Secretary Chertoff, ASIP Stephan, and other DHS Members. Ms. Grayson commented that the work and effort put forth by this group was tremendous and the result provides value that everyone can appreciate and implement quickly.

Ms. Grayson began by presenting an overview of the study, including the study purpose, scope, approach, and participation, along with the four key messages, the report findings and recommendations, and steps to near-term implementation.

The Study purpose was to assess the effectiveness of the sector partnership model, identify options to improve the efficiency and effectiveness of the partnership, and also to identify opportunities to update the partnership model to respond to changing requirements.

The scope of the Study was to focus on the Sector Partnership Model as described in the National Infrastructure Protection Plan (NIPP) and embodied in the Critical Infrastructure Partnership Advisory Council (CIPAC), the Sector Coordinating Councils (SCC), and

NATIONAL INFRASTRUCTURE ADVISORY COUNCIL

Meeting Minutes for the October 14, 2008 Meeting

Page 6

government Coordinating Councils (GCC); the 18 sectors identified as critical infrastructures and key resources (CIKR) by the NIPP. The Study included investigation on the design, governance structure, processes, operations, and implementation approaches used to accomplish partnership activities. The Study looked at every aspect of what is being done in the partnership and what could be done to strengthen the gaps.

The Study approach, Ms. Grayson continued, began by assessing the current situation through 38 one-hour interviews with Subject Matter Experts (SMEs) from industry and government. Next, the Study identified success factors by reviewing more than 30 documents, and examining alternative approaches by facilitating sessions with the Partnership for Critical Infrastructure Security (PCIS), and recommended improvements as a result from 26 Study Group meetings and 7 CEO Roundtable meetings—CEO's committed to understanding the CIPAC Partnership.

In closing, Ms. Grayson introduced and thanked the other Working Group co-chairs, Mr. Alfred Berkeley, and Chief (ret.) Gilbert Gallegos. Ms. Grayson also thanked NIAC member, Mr. Mike Wallace, who chaired the Study Group, as well as everyone who participated in the Study Group. The Study benefited from a tremendous contribution from the private sector in what became the hallmark for this Study—the CEO Roundtable. This Group of private sector executives went above and beyond the call to make this a very comprehensive study.

Ms. Grayson finished by highlighting the Study's key messages that will be discussed in detail by Mr. Berkeley:

- the Sector Partnership Model is critical to infrastructure protection;
- the Sector Partnership Model has grown and matured significantly in recent years;
- the need to reaffirm the Sector Partnership Model for the new administration; and
- the Sector Partnership Model is based upon commitment to the Sector Partnership Model and the understanding and trust that is built over time, which is a critical enabling component of our nation's Infrastructure Protection.

With that, Ms. Grayson yielded the floor to Mr. Berkeley.

Mr. Berkeley thanked Ms. Grayson and opened by stating that the Study was tasked with looking at what aspects were done well with within the Sector Partnership Model, what was done incorrectly, and to develop policy recommendations that would improve the partnership. A foundational amount of work has already been done and the Country is further along in cooperation and communications than it was 7 years ago. The Study sought to identify basic principles of the Partnership and whether or not these were being implemented correctly. Mr. Berkeley continued, stating that the Study found that businesses and government respectively approved of the Sector Partnership Model as a preferred strategy for different reasons. Government liked the ability to communicate clearly with the owners and operators in a sector, and the private sector understands the importance of a good flow of information. The Study also found the partnership to be a better model for security than direct regulation. The Study also found that partnership,

NATIONAL INFRASTRUCTURE ADVISORY COUNCIL

Meeting Minutes for the October 14, 2008 Meeting

Page 7

trust, and sophisticated contact was a better model than using information contributed voluntarily for other programs, such as to develop regulations.

Mr. Berkeley noted that the Study found significant progress and growth in the Sector Partnership Model. In addition, the Study realized the need for a strong value proposition for the various sectors to articulate to new groups as well as refreshing the participation of foundational groups. The Study also found that protection and resilience must be viewed as complimentary. Early in the decade, there was talk about protection at the expense of resilience. The Study noted a solid understanding of the role of resilience between government and the private sector, but was not as widely understood in the media and general public as it needed to be.

Mr. Berkeley stated that regarding senior leadership commitment, after September 11th, 2001, there was an appropriate degree of senior industry executive engagement, but this has since trailed off and replaced by trade association interactions as a more functionary relationship—some of which are excellent. But the foundation of the Partnership is trust - trust built over time by the people involved in the process, both from private industry and government leaders.

One of the important questions the Study addressed was to make sure the Partnership was designed and structured properly. On this point, the Study concluded that the Partnership was structured properly and that this was largely due to its flexibility. Despite this, the Study also found that additional flexibility is needed to ensure that changes in the environment are understood and addressed in a timely manner. Problems change, personnel change, and the participants from private industry must have access to the CEO to ensure adequate briefings are communicated to the CEO as to the status of risks and vulnerabilities. Not all Sector meetings need the CEO in attendance but the commitments from CEOs must be scalable to take action, depending on urgency and whether the issue is at a CEO level of interest. In addition, the Study discovered that cross-sector dependencies are important and requires in-depth study by the Sectors themselves to uncover where these dependencies lie.

The Study also found an imbalance in the Sector Partnership Model regarding the level of available support staff available to the private sector; and concluded that adding a private-sector permanent staff could help to optimize the public-private interaction. The staffing issue is explicitly addressed in the recommendations.

The Study also examined whether we had asked the right questions regarding the Partnership structure and whether it was implemented correctly. The Study found a high potential for partnerships to end up in a quagmire of process—a culture of process. There needs to be better coordination and interfacing between government entities in the partnership.

Next, Mr. Berkeley outlined the three different themes in the recommendations that the Study established:

NATIONAL INFRASTRUCTURE ADVISORY COUNCIL

Meeting Minutes for the October 14, 2008 Meeting

Page 8

- Reaffirm the Critical Infrastructure Protection Mission and the Public-Private Partnership as the right model for Critical Infrastructure protection.
- Enforce key principles articulated of what makes the partnership successful, such as high level involvement.
- Update the partnership model to be more effective.

Mr. Berkeley expounded on reaffirming the CIP Mission, stating that the Study wants to help the new administration understand that a fundamental mission of the government is to engage the private sector in a conversational manner. The role the Partnership plays was established through the work that has been accomplished via the SCC Model – these interactions have tremendous value.

In order to reinforce key principles, senior leadership engagement and commitment to the partnership requires strengthening in both government and industry. Leveraging this public-private relationship will help to maximize senior leadership engagement on both sides. One of the advantages of being a NIAC Member is that suggestions are heard by the Secretary, Under Secretary, and Assistant Secretary for Infrastructure Protection through the advisory committee process. For the partnership, it is important that senior leadership engagement is scalable on both sides to allow leadership to address any potential crisis.

The Study sought to update the Partnership Model's efficiency and effectiveness. The sectors in the Partnership are resoundingly different and need to be flexible, especially on the national scale. The Study also sought to ensure that government develops an approach that is tailored to the specific audience. The next stage is to study inter-sector dependencies. Lastly, the Study sought to improve all interfaces and interaction with the government because the partnership process must be respectful of the demands on people's time.

The Working Group believes that the private sector should take the lead in defining the path for implementation of a scalable CEO engagement model that will assure that senior executives in the private sector are aware and committed to the partnership and the infrastructure protection mission. We believe that the private sector should have a dedicated staff to take the lead in this engagement.

Mr. Berkeley asked the NIAC if there were any questions. Mr. Berkeley echoed Ms. Grayson's comment that the CEO Roundtable was amazing and that it would be good for other NIAC working groups to emulate this model. Every three weeks, the Study had a group of CEO's evaluate the Study's progress and findings. We all learned from this process. With the Study's presentation concluded, Mr. Berkeley turned the meeting back to Chairman Nye.

Chairman Nye thanked them for their presentation, saying that this report might be the best report the NIAC has produced. Chairman Nye added that NIAC members Mr. Mike Wallace's and Mr. Gil Gallegos also participated and contributed a great amount of work

NATIONAL INFRASTRUCTURE ADVISORY COUNCIL

Meeting Minutes for the October 14, 2008 Meeting

Page 9

on this Study. Via the teleconference, Mr. Gallegos commended all those that participated in the Study and said that he has not seen a study quite like this while he has been involved in the NIAC. Mr. Gallegos added that Mr. Berkeley's leadership was outstanding as well.

Chairman Nye concurred with Mr. Gallegos and added that there are elements coming out of this report that we will consider under the new business portion of the meeting.

Chairman Nye stated that he would entertain a motion to approve the report. Mr. Berkeley made the motion to approve the report and second was given from the NIAC. Mr. Berkeley added that there was extraordinary support from Mr. Jack Eisenhower and Mr. Kevin Nietmann. The support team was very useful in moving the Study along, especially with the many interviews. This provided the study a rich amount of data to help shape the discussion on the finding. Chairman Nye asked the NIAC to vote to approve the Final Report and in response all NIAC Members voted in favor. With that, the Report was approved.

B. THE FRAMEWORKS FOR DEALING WITH DISASTERS AND RELATED INTERDEPENDENCIES WORKING GROUP

Edmund G. Archuleta, President and CEO, El Paso Water Utilities, NIAC Member, *James B. Nicholson*, Chairman and CEO, PVS Chemicals, Inc., NIAC Member; and *The Honorable Tim Pawlenty*, Governor, The State of Minnesota, NIAC Member

Gov. Pawlenty, the Working Group Chair, began by introducing his Substantive Point of Contact, Mr. Jason Rohloff from his Washington DC office. Gov. Pawlenty continued with an overview of the Frameworks for Dealing with Disasters and Related Interdependencies Working Group presentation, which will cover the study's objective, approach, status, and questions.

Gov. Pawlenty continued stating that the study focuses on the United States' ability to respond to and recover from a major disaster that could result in a prolonged loss of infrastructure services expanding beyond a local area. The Governor added that the desired outcome is to identify areas that are impediments to the Private sector and local/state government in recovery of critical infrastructures, as well to identify needed federal resources.

The findings of this Study are intended to have applicability in three areas: 1) Federal and State government legislative, regulatory and policy improvements; 2) Private Sector business continuity planning and risk mitigation efforts; and 3) Cooperation efforts between Federal, State and Local governments and the Critical Infrastructure Sectors.

As an approach, the study began with a Foundation of a facilitated one-day workshop to be held November 13, 2008, which will bring together key stakeholders from the private

NATIONAL INFRASTRUCTURE ADVISORY COUNCIL

Meeting Minutes for the October 14, 2008 Meeting

Page 10

sectors, legal community, and government to exchange views and information from their unique perspectives. During the workshop, the Study will use two hypothetical disaster scenarios that were developed to stimulate and guide the Workshop discussions. The first scenario is an accident that results in an infrastructure outage lasting 2 weeks in the DC area. The second scenario is a hypothetical terrorist attack that results in an infrastructure outage that lasts 3 weeks in the greater DC Metropolitan area, as well as adjacent counties and beyond. Both scenarios begin with an outage in the Electricity Sector with secondary cascading effects to telecommunications, water and other sectors. The scenarios were developed to allow for insight into the differences that would be encountered as a result of event duration, geographical scope and initial cause. To assist in planning of the workshop, the Study conducted a series of interviews with CEOs of select infrastructure companies.

Gov. Pawlenty explained that the scope of the Study includes most sectors identified as Critical Infrastructures and Key Resources (CIKR) by the National Infrastructure Protection Plan (NIPP). Since we are only able to examine two scenarios as part of this study, further analysis and examination will likely be required. The CEO Interviews are developing feedback on how different infrastructure sectors coordinate in planning for disaster recovery; as well as helping to identify infrastructure interdependencies that occur as a result of a disaster event and the manner in which they affect response and recovery efforts. Most importantly, these CEO interviews are helping to identify legal, regulatory, and policy issues that can hinder or enhance these response and recovery activities. Five of the nine scheduled interviews have been completed to date.

Gov. Pawlenty continued by outlining the Study's next steps which include interviews with Critical Infrastructure CEOs and Subject Matter Experts (SMEs) in September and the first half of October 2008. On November 13, 2008, the Study will conduct a one day workshop at Johns Hopkins University Applied Physics Laboratory (JHU/APL) in Laurel, Maryland. Draft results and recommendations from the Study will be presented to the NIAC at the January 2009 Quarterly NIAC Business Meeting, with the Final Report and Recommendations being presented to NIAC at the April 2009 meeting.

Gov. Pawlenty asked the Council if there were any questions before asking Mr. Jason Rohloff to add to his comments. Mr. Rohloff thanked the NIAC members who added their support to the Study and stated that the Working Group is looking forward to further participation. He added that the CEO input has been tremendously helpful in connecting with the SME's and garnering as much information as possible for the Study.

Chairman Nye asked if there had been a scenario based on communications interruption considered for the Study. Mr. Rohloff replied that the scenario is going to be based on electrical failures, and that they would be considering the effects of these failures on the Communications Sector. Chairman Nye added that CEO's could aid with their unique knowledge, the Frameworks Study by participating in one hour SME interviews. Gov. Pawlenty agreed and encouraged any CEO's present at the meeting to help the study—schedules permitting.

NATIONAL INFRASTRUCTURE ADVISORY COUNCIL

Meeting Minutes for the October 14, 2008 Meeting

Page 11

Mr. Berkeley asked Gov. Pawlenty to elaborate briefly on laws that could potentially hinder recovery. Gov. Pawlenty answered that during a power outage there will be individuals or institutions that need to make decisions of an executive nature. Given that, what are the current government impediments in regards to frameworks for dealing with utilities. More specifically, issues dealing with access, maintenance, public safety, and public health. As a governor I know what those powers are and how to invoke them; but there has not been a thorough review of a large sustained power outage that affects federal, state, local and utilities. Answers exist to these questions and it would be beneficial to pull them into a user-friendly format. Mr. Rohloff added that the Study drills down to discover what happens with that level of an outage for an extended length of time with regulatory and legal issues taken into account. Gov. Pawlenty added that each State's laws are different, but in Minnesota the governor has the authority to invoke certain legal authorities for limited periods of time which can only be reconvened by legislative laws and special legislative sessions.

Mr. Wesley Bush added that lessons learned from Katrina showed that there are impediments in regulatory issues and practices that impact the private sector. Gov. Pawlenty added that there might be another dimension regarding telecommunications and Information Technology systems concerning international borders. In closing, Mr. Edmund Archuleta thanked Gov. Pawlenty, stating that he had summarized the work of the Study well. Chairman Nye thanked everyone for all their work and asked if there were any further comments.

Under Secretary Robert Jamison stated that he will follow up on some of Secretary Chertoff's earlier comments regarding Cyber Security. There is an opportunity to address these issues and get valuable feedback on the process, which has a tremendous potential to improve the partnership and the coordinated response and posture during hurricanes, like the recent Ike and Gustav events. These were tremendous improvements over the past, but there is still work to be done, like what Gov. Pawlenty outlined here for us today. Also, the suggestion for increased senior government leadership involvement in the partnership is well-founded and we will make large strides in that area. Under Secretary Jamison thanked Chairman Nye for his leadership with the NIAC on these important issues.

Chairman Nye thanked him and asked Deputy Under Secretary (DUS) Scott Charbo if he had any comments. DUS Charbo thanked Chairman Nye and declined.

Next, Chairman Nye asked if Ms. Neil Sciarrone was on the phone. Ms. Sciarrone answered affirmatively and said that the White House is listening and that she was encouraged by all of the work coming out of the NIAC.

VII. NEW BUSINESS

NIAC Chairman *Erle A. Nye*
Presiding

A. CONSIDERATION/DELIBERATION OF CRITICAL INFRASTRUCTURE PARTNERSHIP STRATEGIC ASSESSMENT STUDY RECOMMENDATION FOR FOLLOW-ON STUDY

Next, Chairman Nye moved the Council's attention to new NIAC business, beginning with the follow-on study on CIKR resiliency recommended in the Critical Infrastructure Partnership Strategic Assessment Report. The point of this idea here is that the Partnership has spent much of our effort on protection thus far, but resiliency is an important and useful approach. Its application is important and should be explored. For the NIAC to take on this task, we must first deliberate and then and authorize it. We will all bring different perspectives to this issue and it is important we share them. Vice Chairman Berkeley added that the recent study identified many themes that begged to be addressed. Resiliency was one that we couldn't pass up, yet did not have the time and resources to address adequately. The question for this potential study is how would a resiliency approach improve infrastructure protection. Part of this is about being able to provide a service for the system. The proposal made by the Working Group is that the NIAC would take on a study on resiliency. If we chose to do so, the question is how do we move forward with it and who would lead it?

Critical Infrastructure Partnership Strategic Assessment Working Group co-chair Ms. Margaret Grayson shared her perspective to help focus the Council on the key issues. The Strategic Assessment Study explored the need to understand your own organization's resilience and how to recover quickly from an event as well as issues of cross-sector dependencies. This discussion on resilience soon became so broad that we realized that it had moved outside the Study's scope and resources. Resilience is important because no modern nation can address the risk of an attack or natural disaster without a well-considered resiliency approach. Mr. Archuleta added that having participated on the NIAC for six or seven years, we never considered resiliency specifically but that it appears to offer, in some cases, much better return on investment than a protection approach.

Chairman Nye suggested that that the group might be able to come up with useful concepts or principles, policy and practices for implementing resilience strategies. Chairman Nye asked the NIAC for further comments or more specifically if there were any strong reservation against this topic. Hearing none, Chairman Nye asked the Council for a motion to create a new Working Group for the follow-on resiliency study. He added that the Council might choose to change the name if we can find a better way of stating it. A NIAC member motioned to approve the Study, was provided a second, and the motion passed without dissent.

B. CONSIDERATION/DELIBERATION ON SUBMISSION OF NIAC CRITICAL INFRASTRUCTURE PARTNERSHIP STRATEGIC ASSESSMENT WORKING GROUP PUBLIC COMMENT TO THE NIPP PUBLIC COMMENT PERIOD

Chairman Nye opened the new business discussion with an overview of the opportunity for the NIAC to make comments on the forthcoming revision to the National

NATIONAL INFRASTRUCTURE ADVISORY COUNCIL

Meeting Minutes for the October 14, 2008 Meeting

Page 13

Infrastructure Protection Plan (NIPP). The discussion here centers around the Strategic Assessment Study's findings on the private sector cross-sector council. PCIS has done a great job as the cross-sector council so far and in the future should prove to be even more valuable, if we were able to get improved executive-level involvement. The idea being, if a CEO is involved and cares about the partnership, then it will get more attention. The proposal is that the NIAC formally provide DHS, language for the NIPP for a cross-sector executive council that will help us to facilitate PCIS's work.

Mr. Berkley commented that Strategic Assessment Study came to the conclusion that scalable executive involvement and that the right way to achieve this, because it would build upon the expertise of the cross sector council.

Chairman Nye asked ASIP Stephan if he would agree with this approach. ASIP Stephan answered that the NIPP is open for comment and his team would gladly accept any comments. He added that he also intends to take the substance of the report and incorporate its findings into the NIPP and every aspect of IP's policy. Regardless of how the recommendation is carried forward by the NIAC, my team is eager to implement the recommendation and update the NIPP Partnership model. ASIP Stephan thanked the NIAC for its contributions on this matter.

Gov. Pawlenty asked if there was a reason for PCIS problems with senior level participation. Chairman Nye replied that it is somewhat due to human nature. After a big event we react, but over time things tend to settle back down to the level that existed before the event. Some industries have trade associations representing them in the partnership, while some do not. They do a pretty good job, but we lost the interest of the CEOs and therefore this change would provide a structure for high level CEO involvement. The idea is to better involve CIKR CEOs and therefore sectors. Gov. Pawlenty replied agreeably and thanked Chairman Nye for his explanation.

Mr. Berkeley noted for the Council that while PCIS plays this cross sector council role under the NIPP, it is an organization independent from the NIPP partnership structure. Mr. Berkeley added that Study Group member and former PCIS chair, Don Donahue made the point that after September 11th, government looked more to senior level executives rather than just CEOs. Mr. Donahue was the go to person in the Banking and Finance Sector for a lot of things even though he wasn't a CEO at the time. The smart folks from the Treasury Department called him because he had the answers. You want to get the right people at the right level. I think that what is happening at PCIS is that they have to go back to find the right answer. Chairman Nye asked if there was any further discussion. Chairman Nye asked the NIAC for a motion to submit comments to the NIPP based upon the recommendations from the Critical Infrastructure Partnership Strategic Assessment Report. A motion was made, seconded, and the motion passed unanimously.

VII. CLOSING REMARKS

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

NATIONAL INFRASTRUCTURE ADVISORY COUNCIL

Meeting Minutes for the October 14, 2008 Meeting

Page 14

ASIP Stephan provided closing remarks for the Council, noting that the NIAC has provided the President, DHS and the Federal Government 15 reports thus far, all of which have been tremendously useful. Add to that the Study finalized today, which we will read carefully and incorporate into the NIPP and our partnership policy and approach. In response to Governor Pawlenty's discussion on incident response and the relationships and interactions between the government and private sector, I have some thoughts I would like to share with you and your Study team. I also want to spend a few minutes talking to the NIAC about what happened recently in response to Hurricanes Ike and Gustav.

I would argue there is no comparison between Katrina and what we accomplished recently. To begin, we now have the National Response Framework (NRF) that provides a guideline for how we share information between government, sectors, private sector and other agencies. When infrastructure is in a bad state of affairs, we now have doctrine to guide our recovery efforts, and we also have a web-based program to teach it to key players through table top exercises.

In preparation, we did Hurricane models from the gulf coast and the western sea board so that we could anticipate weather patterns and then provided these to the private sector so that they could prepare for hurricane season. We also analyzed and identified the highest risk tiers of those sectors at risk by these types of natural events. As a result, we now know where those are and we have much better, more granular information. By doing these studies and posting the results on the HSIN webpage, we obtained a huge advantage. Security advisors working directly for me have contacts with state, local, federal folks and even the private sectors that they oversee. During hurricane Ike, before, during and after it reached landfall, we continuously gave information on the mission space with private sector representatives on calls held three times a day. These interactions helped us to understand everyone's concerns. We also did a variety of things to help facilities like refineries stay open or get back up and running. We got generators down to critical areas quickly and we worked with other federal agencies - EPA, DOD, and others to get critically needed workers back into the area due to public health and transportation.

With application of the new National Response Framework (NRF) DHS was able to help private sector critical infrastructure owner-operators so that they could see and access the information they needed to help make strategic-level decisions and sequence the order of resources needed in disaster affected areas. More importantly, everything we accomplished during the hurricanes is repeatable and applicable in an all hazards context. If you cross out *hurricane* and put in the phrase *weapons of mass destruction*, we will still be able to use the same structure. This is now in place for us and it wasn't three years ago. The partnership is clearly maturing and making a difference here. I interested to see what the next administration will do with it because I do not think there is a way to improve it. In closing, Assistant Secretary Stephan added that he looks forward to reading and implementing the recommendations of the final report that the Partnership Assessment Working Group will deliver.

NATIONAL INFRASTRUCTURE ADVISORY COUNCIL

Meeting Minutes for the October 14, 2008 Meeting

Page 15

Chairman Nye thanked the Assistant Secretary for his remarks and added that it seems the whole attitude has been substantially improved over that past few years. The Chairman then asked the Council if they had any comments to add here. Vice Chairman Berkeley replied that the NIAC should know that the senior staffer from the House Committee on Homeland Security recently expressed interest in the NIAC and its work, noting that he and Chairman Nye met with him. The senior staffer made the point to them during this meeting that that we don't want to lose any of this hard work during the Presidential Administration change. I think that this is a testament to all the hard work this Council has put together in recent years.

Ms. Martha Wyrsh commented that her business was impacted by the recent hurricanes and wanted to take this opportunity to thank Assistant Secretary Stephan for all the hard work that went into the recovery efforts. Mr. D. M. Houston added that there was an order of magnitude improvement from past efforts. The planning and preparation with all the people involved is certainly best for the response. Mr. Houston added that he and his company are thankful for the effort that went into this and that they will continue to support the best practices efforts and apply them to future recovery efforts. Chairman Nye closed the discussion with the comment that it is heartening to hear those experiences from both Assistant Secretary Stephan and the NIAC members. Chairman Nye noted that the current Executive Order for the Council extends until September 2009.

VIII. ADJOURNMENT

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

Chairman Nye thanked the Assistant Secretary for his comments and asked the Council if there were any further items it wanted to address. Hearing none, Chairman Nye officially closed 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, NIAC

Dated: January 6, 2009