



NATIONAL INFRASTRUCTURE ADVISORY COUNCIL

EXECUTIVE COLLABORATION FOR THE NATION'S STRATEGIC INFRASTRUCTURE

CEO ENGAGEMENT WORKING GROUP

FINAL DRAFT REPORT AND RECOMMENDATIONS

NIAC PRE-DECISIONAL MATERIAL

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WORKING GROUP MEMBERS

■ **Michael Wallace**

- *Working Group Chair*
- Vice Chairman and Chief Operating Officer (Retired)
- Constellation Energy

■ **Lt. Gen. (ret) Albert Edmonds**

- Chief Executive Officer
- Logistics Applications, Inc.

■ **Margaret E. Grayson**

- President
- MTN Government

■ **David Kepler**

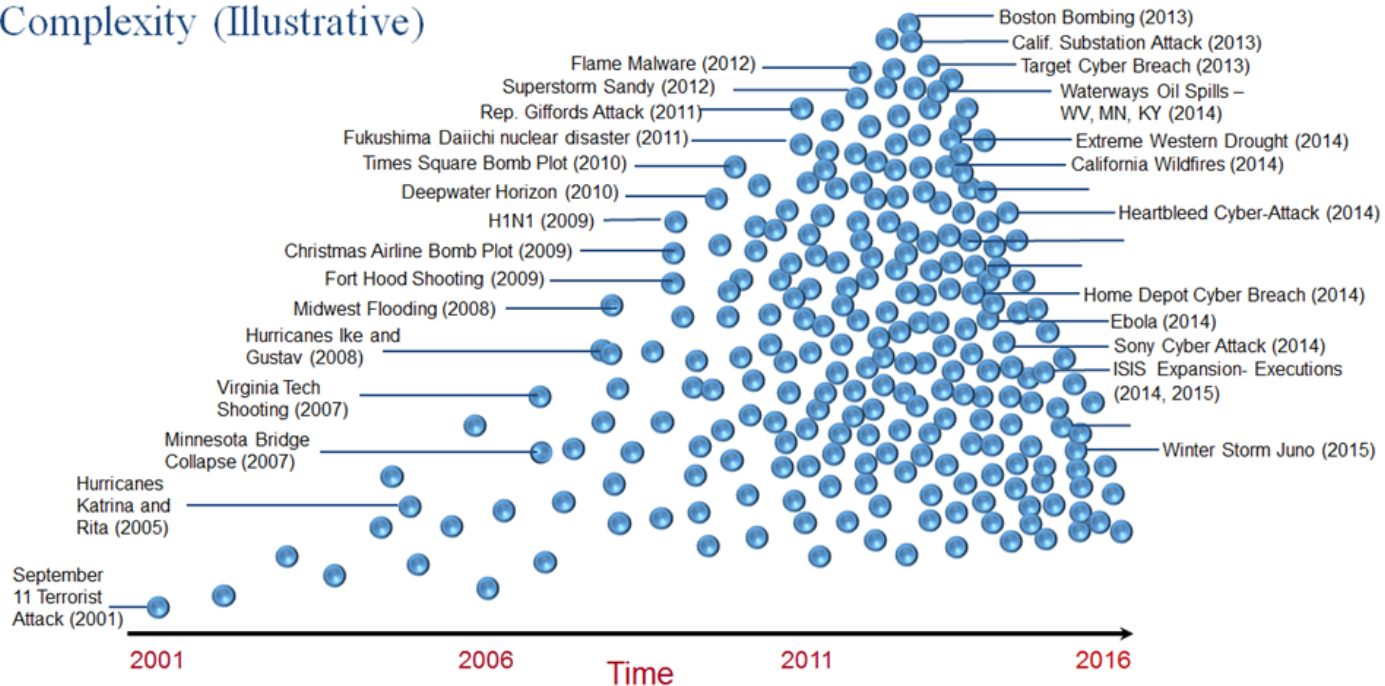
- Executive Vice President/Chief Sustainability Officer, Chief Information Officer (Retired)
- The Dow Chemical Company

EXECUTIVE ENGAGEMENT DRIVERS

- Economic and national security converges in the critical infrastructure security and resilience mission; the economic interests of the owners and operators of the Nation's critical infrastructure and the national security interests of the Federal government intersect.
- The critical infrastructure sectors, combined, are the foundations of the robustness, resilience, public confidence, and wealth of the country.
- Chief Executive Officer (CEO) decisions and direction have the ability to move entire industries and reshape markets.
- Threat and consequence environment is becoming more complex and growing.

BACKGROUND

Threat Environment: Trend and Complexity (Illustrative)



- This complexity and scope of potential consequence requires senior executive public and private decision-makers to be drawn into systematic discussions on priorities, focused problem-solving through strategies and policies, and empowerment for action to achieve measurable results.

DELIVERABLES REQUESTED

- A Report and Recommendations for:
 - Motivations for engagement in the critical infrastructure security and resilience mission by CEO-level decision makers to advance pace and depth of mission progress
 - Approach for a framework for productive engagement
 - Effective communications with CEO-level decision-makers
 - CEO-level Communication example using a summary of the National Infrastructure Protection Plan (NIPP)

REPORT DEVELOPMENT APPROACH

- The Council established the CEO Engagement Working Group to collect perspectives from various sectors, identify findings, and develop recommendations and draft a report.
- The working group conducted interviews of subject matter representatives from six different sectors, collected written data, and performed research from public open sources.
- The data was then organized into case studies, developed into consolidated findings, which became the basis for development of the draft recommendations for the full Council to consider, deliberate, and adopt.

CASE STUDIES DEVELOPMENT

■ Case Studies

- Chemical
 - Communications
 - Electricity Sub-Sector
 - Financial Services
 - Transportation
 - Water
- **Written data offered up from Communications Sector and Freight Rail Subject Matter Experts**
 - **Open Source Research to landscape sectors**
 - **Working group met 25 times and held 19 Subject-Matter Representative Interviews**

REPORT FINDINGS

1. Specific Role of CEO and Senior Executive Decision-Makers
 - CEOs and Senior Executive Decision-Makers provide thought leadership, approve strategy, set priorities, make decisions and apply investments, mobilize action, and hold accountability.
2. Motivation for Self Organization
 - CEOs and other Senior Executive Decision-Makers organize themselves within their sectors around specific types of issues relevant to their role and responsibilities.
3. Motivation for Public-Private and Cross-Sector Engagement
 - CEOs and Senior Executive Decision-Makers engage with the Federal government and across sectors when an issue potentially has a direct impact on their financials, their operations, and when the requirements to address it lie beyond their direct control.

REPORT FINDINGS

4. Sustaining Engagement

- Engagement with CEOs and Senior Executive Decision-Makers can only be sustained when there are concrete results produced and progress is measurable.

5. Leveraging Existing Sector Organizational Structures

- Most sectors have established organizational structures for engaging CEOs and Senior Executive Decision-Makers, which can be leveraged for efficiency and are often used as “trusted” channels of communication and collaboration.

6. Challenges and Obstacles

- The inherent diversity and complexity of sector structures and governance regimes will need to be incorporated into the process for initiating and sustaining CEO engagement.

ENGAGEMENT FRAMEWORK RECOMMENDATIONS

1. Implementing a simplified and focused engagement mechanism

- The President should direct the Secretary of Homeland Security to work with the Sector Specific Agency heads for the Electricity Sub-Sector, Water, Transportation, Communications and Financial Services to establish a Strategic Infrastructure Executive Council under CIPAC, composed of CEO or Senior Executive Decision-Makers from these sectors and their counterpart agencies, to identify national priorities and develop joint or coordinated action plans and agreements to implement them.

2. Implementing the process for engagement

- The Secretary of Homeland Security should work with the Secretary of Energy to facilitate the Electricity Sub-Sector sponsorship of the Strategic Infrastructure Executive Council and its CEO or senior executive decision-makers as a cross sector group under CIPAC.

3. Identifying clear value proposition for engagement

- For any proposed engagement within this framework, the Secretary of Homeland Security should work with the relevant Sector Specific Agency heads and the Special Assistant to the President for Homeland Security in the National Security Council to identify, clarify, and articulate the relevant national priorities, and the compelling and mutual value proposition in consultation with their sector counterparts, in preparation for engagement.

ENGAGEMENT FRAMEWORK RECOMMENDATIONS

4. Executing the process for engagement

- The Secretaries of Homeland Security and Energy should work with other relevant Sector Specific Agency heads and their critical infrastructure counterparts to identify the appropriate CEO or Senior Executive Decision-Maker to participate in this engagement framework.

5. Required resource support

- The President should establish a permanent budget line item through the Office of Management and Budget and the Department of Homeland Security, as the recognized national coordinator for the critical infrastructure security and resilience mission, to provide permanent staff, analytic resources and administrative support, to assure the effectiveness and efficiency of participation by Senior Executive Decision-Makers participating in the framework to advance the national actions needed.

COMMUNICATIONS FRAMEWORK RECOMMENDATIONS

6. Principles of Messaging to the CEO

- Tailor the messaging or content of any communication to be relevant to the CEO's responsibilities outlined in the model of CEO level of communication for NIPP 2013 (Appendix B).

Risk Category	Definition
Reputational	The risk related to customers, shareholders, or the government developing a negative impression of a business from a perceived trust, financial, legal, or, for homeland security, significant security related issue.
Financial	The risk of an event or circumstance that will either impose significant financial cost on a company or significantly reduce a company's revenues.
Operational	A broad range of risks related to the people, systems, and processes through which a company operates. Can also include other classes of risk: fraud, legal (which is discussed separately below), physical, or environmental.
Regulatory or Legal	The increased likelihood that a company will be exposed to more regulatory oversight and cost, increased legal liability, and/or a higher number of legal actions against a company.

COMMUNICATIONS FRAMEWORK RECOMMENDATIONS

7. Format for Communications

- Tailor and target format of the communication to the CEO to be as efficient as possible, acknowledging limited attention span and availability of time.

8. Venues or Methods for Communicating

- Utilize established, CEO-credible or “trusted” channels or venues for transmittal of communication.



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Questions?