

NATIONAL INFRASTRUCTURE ADVISORY COUNCIL

Meeting Minutes for the January 12, 2010 Meeting

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NATIONAL INFRASTRUCTURE ADVISORY COUNCIL

BUSINESS MEETING AGENDA

National Press Club
Ballroom
529 14th Street, NW
Washington, DC 20045
January 12, 2010
1:30 PM – 4:30 PM EDT

- I. OPENING OF MEETING** *Nancy J. Wong*, Designated Federal Officer (DFO), NIAC, Department of Homeland Security (DHS)
- II. ROLL CALL OF MEMBERS** *Nancy J. Wong*, DFO, NIAC, DHS
- III. OPENING REMARKS AND INTRODUCTIONS**
- NIAC Chairman *Erle A. Nye*, Chairman Emeritus, TXU Corp.
- The Honorable Richard Reed*, Special Assistant to the President for Homeland Security and Senior Director for Continuity Policy
- The Honorable Rand Beers*, Under Secretary for the National Protection and Programs Directorate, DHS
- PARTICIPATING BUT NOT EXPECTED TO MAKE REMARKS:**
- The Honorable Philip Reitingger*, Deputy Under Secretary for the National Protection and Programs Directorate, DHS (*invited*)
- IV. APPROVAL OF OCTOBER 2009 MINUTES** NIAC Chairman *Erle A. Nye*, Chairman Emeritus, TXU Corp.
- V. WORKING GROUP: A FRAMEWORK FOR ESTABLISHING CRITICAL INFRASTRUCTURE RESILIENCE GOALS**
- Alfred R. Berkeley*, Chairman and Chief Executive Officer, Pipeline Trading Systems, LLC (former Vice Chairman, The NASDAQ Stock Market, Inc.), NIAC Member, Working Group Co-Chair; and *Michael Wallace*, Vice-Chairman, Constellation Energy, Chairman, UniStar Nuclear Energy, NIAC Member, Working Group Co-Chair

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**VI. WORKING GROUP:
OPTIMIZATION OF RESOURCES
FOR MITIGATING
INFRASTRUCTURE DISRUPTIONS**

Lt. Gen. Albert J. Edmonds (ret.), Chairman, Edmonds Enterprise Services, Inc., NIAC Member, Working Group Co-Chair; *Margaret E. Grayson*, Principal, Essential₂Management, NIAC Member, Working Group Co-Chair; and *Thomas E. Noonan*, Former General Manager, IBM Internet Security Systems, NIAC Member, Working Group Co-Chair

IV. NEW BUSINESS

NIAC Chairman *Erle A. Nye*, Vice Chairman *Alfred R. Berkeley III*, NIAC Members

VI. ADJOURNMENT

NIAC Chairman *Erle A. Nye*, Presiding

MINUTES

NIAC MEMBERS PRESENT IN WASHINGTON:

Mr. Alfred R. Berkeley, III; Lt. Gen. (ret.) Albert J. Edmonds; Mr. Phillip Heasley; Mr. Thomas E. Noonan; Mr. James A. Reid.

NIAC MEMBERS ATTENDING VIA CONFERENCE CALL:

Mr. Erle A. Nye; Mr. Edmund G. Archuleta; Chief (ret.) Gilbert G. Gallegos; Ms. Margaret Grayson; Mr. D.M. Houston; Mr. Jim Nicholson; Hon. Tim Pawlenty; Dr. Linwood H. Rose.

MEMBERS ABSENT:

Mr. David Bronczek; Mr. Wesley Bush; Commissioner Raymond W. Kelly; Mr. David E. Kepler; Ms. Martha H. Marsh; Mr. Gregory Peters; Mr. Bruce A. Rohde; Mr. Matthew Rose; Mr. Michael Wallace; Mr. Greg Wells; Mr. John Williams; and Ms. Martha Wyrsh.

SUBSTANTIVE POINTS OF CONTACT PRESENT IN WASHINGTON:

Mr. Bill Fisher (for Mr. Jim Nicholson); Mr. Ed Goetz (for Mr. Michael Wallace); Ms. Brooke Lundquist-Beebe (for Mr. David Kepler); Mr. Bill Muston (for Chairman Nye); Dr. Ronald Luman (Vice Chairman Berkeley); Mr. Stanley Szemborski (for Mr. Wesley Bush); Mr. Vance Taylor (for Mr. Edmund Archuleta).

SUBSTANTIVE POINTS OF CONTACT ATTENDING VIA CONFERENCE CALL:

Mr. Scott Blanchette (for Ms. Martha Marsh); Ms. Frances Paulson (for Mr. David Bronczek); Mr. Joseph Long (for Mr. Gregory Peters).

OTHER DIGNITARIES PRESENT:

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Hon. Richard A. Reed, NSS; Under Secretary Rand Beers, DHS; Deputy Under Secretary Philip Reiting, DHS; Acting DASIP Sue Armstrong, DHS; and Ms. Nancy Wong, DFO, NIAC, DHS.

I. OPENING OF MEETING

Nancy J. Wong, DFO, NIAC, DHS

Ms. Nancy Wong called the meeting to order and introduced herself as the Designated Federal Official (DFO) for the National Infrastructure Advisory Council (NIAC) acting by appointment of the Under Secretary at the National Protection and Programs Directorate (NPPD) of the Department of Homeland Security (DHS). She then welcomed Mr. Erle Nye, NIAC Chairman; Mr. Alfred Berkeley, NIAC Vice Chairman; Hon. Richard Reed, Special Assistant to the President on the National Security Staff (NSS); Deputy Assistant Secretary of Infrastructure Protection (DASIP) Sue Armstrong; and all of the members of the Council and other Federal government representatives present in the room and on the teleconference, as well as members of the press and public in attendance.

Ms. Wong stated that the NIAC is a presidential advisory committee created by Executive Order 13231 and amended by Executive Order 13286, Executive Order 13385, Executive Order 13446, and Executive Order 13511. The NIAC is composed of members appointed by the President: membership includes senior executives from throughout the critical infrastructure and key resources (CIKR) areas identified in the Homeland Security Presidential Decision Directive 7 (HSPD-7). The NIAC charter was recently renewed by Executive Order of the President and the Secretary of the Department of Homeland Security.

Ms. Wong continued, explaining that the Council provides the President and the Homeland Security Secretary with advice on the security of physical and cyber infrastructure. During its seven year history, this council has conducted extensive studies advising the President and other Federal officials on such matters as improving information sharing between the intelligence community (IC) and concerned stakeholders in the private sector, streamlining regulation to expedite disaster relief, reducing the threat of insider attack on critical infrastructure, and applying risk assessment techniques to critical infrastructure protection.

II. ROLL CALL

Nancy J. Wong, DFO, NIAC, DHS

Next, Ms. Wong called roll and recorded the members participating in the meeting.

III. OPENING REMARKS AND INTRODUCTIONS

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

Ms. Wong advised attendees that the meeting was being recorded for a radio broadcast and briefed attendees on the procedures for having the public make written comments on NIAC business and turned the meeting over to Chairman Nye. Mr. Nye thanked Ms. Wong, commending her for her leadership and support, and then proceeded to introduce

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the Hon. Richard Reed, the Special Assistant to the President for Homeland Security and Senior Director for continuity policy.

Following the introduction, Mr. Reed thanked Chairman Nye and praised the work of the Council. Mr. Reed singled out the recent NIAC report on resilience for praise, calling it a valued and insightful work, emblematic of the numerous contributions that the NIAC has made during its history.

Mr. Reed then proceeded to describe structural changes taking place within the national security bureaucracy, including the merging of the National Security Council (NSC) and the Homeland Security Council (HSC) into the National Security Staff (NSS). Noting that he works in the Resilience Directorate on the NSS, he emphasized the President's strong commitment to enhancing critical infrastructure resilience, embodied most recently in the Presidential Proclamation for Critical Infrastructure Protection Month, in which the President underscored that critical infrastructure protection is an essential component of a secure and resilient nation, as well as the importance of cooperation and coordination between all stakeholders, including individuals, communities, and state and local governments.

Mr. Reed noted the foundation of the concept of resilience lies in a variety of fields. He offered to the Council some of the Resilience Directorate's goals for a "resilient nation." According to Mr. Reed, a "resilient nation" is defined by its ability to adapt to changing conditions and to recover rapidly from disruptions. To Mr. Reed, more emphasis should be placed on including individuals and communities as stakeholders in critical infrastructure protection. Non-profit and private sectors also play a key role in assisting recovery efforts and effecting continuity of operations. He concluded by stressing that being able to return to some sense of normalcy quickly following an incident is a key goal of resilience policy.

Referring to an earlier conversation that he had with Under Secretary Rand Beers and Vice Chairman Berkeley, Mr. Reed highlighted the need to improve our understanding of what constitutes essential functions and services and what interdependencies currently exist to ensure smooth functioning of complex, interconnected systems. The Resilience Directorate and the NIAC complement one another by approaching this issue from multiple analytical angles.

In reply, Mr. Beers explained that the NSS was constituted by the merger of the HSC and the NSC, as directed by Presidential Study Directive Number One. He attributed this change to a new paradigm in which the administration considers national security holistically, thereby making national and homeland security policy more streamlined and cohesive. Citing the involvement of agencies throughout the government on the H1N1 pandemic, Mr. Reed noted how the integration of the HSC and the NSC facilitated the government response to this crisis.

The NSS retains the roles of the HSC and the NSC, to advise the President and members of the national security bureaucracy. However, the administration has made greater

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efforts to include non-Federal elements and stakeholders in the policy development process.

Mr. Reed thanked Under Secretary Beers for his vision in helping to foster unity of effort across various government entities involved in resilience. Mr. Reed related how he ran the Continuity Directorate, but that in doing so his perspective was limited to that of his own directorate. The Resilience Directorate now takes a more holistic approach to resilience and infrastructure protection. Mr. Reed noted that there is both a Preparedness Directorate and a response-focused compartment within the Resilience Directorate.

The response unit deals with emergency management, continuity activities, and exercises, to contribute to professional development for national and homeland security professionals.

Mr. Reed again emphasized the importance of fostering a unity of effort to form a resilient nation. At every level of society, from individuals to complex systems, there are talents that can be leveraged to enhance the resilience of communities and the nation.

Mr. Reed suggested that the NIAC could contribute greatly to national security in two ways. First, the NIAC can contribute to the development of a framework that integrates critical infrastructure protection and planning with support for resilience activities and skills at the individual and community levels. Second, the NIAC can examine what sort of incentives can be used to encourage owners and operators of critical infrastructure to increase the resilience of their systems. The NIAC, Mr. Reed concluded, could bring creative solutions to these two key problems, which are the subject of a great deal of internal debate in the Resilience Directorate.

In conclusion, Mr. Reed expressed enthusiasm for the addition of Darrell Darnell to his staff. Mr. Darnell, he continued, joined the NSS after leaving Mayor Fenty's administration. Mr. Reed stated his hope that Mr. Darnell will ensure inclusion of a variety of stakeholders at the local level, including local governments, in the administration's work.

Mr. Reed thanked everyone for listening and ended his remarks. Vice Chairman Berkeley briefly noted that the NIAC Framework for Resilience Goals working group which he co-chairs will seek to work closely with Mr. Reed and his office.

Chairman Nye thanked Mr. Reed for his participation, noting that his presence indicated to the NIAC interest on the part of the administration in the NIAC and its mission. Mr. Nye then asked if Under Secretary Rand Beers had any opening remarks.

Mr. Beers began by thanking Mr. Nye, Mr. Berkeley, the NIAC members, and Mr. Reed for his participation. Under Secretary Beers noted the timely nature of the studies being conducted by the NIAC. Citing the recent attempted December 25th airline terrorist plot and the constant reminder of natural hazards, Mr. Beers noted that continuity of operations and services in a nebulous all-hazards environment is essential.

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He noted that the two NIAC studies from the previous year on resilience and interdependencies provide a great foundation for the current studies underway on resilience goals and mitigating infrastructure disruptions.

Mr. Beers explained that DHS is in the process of completing the Quadrennial Homeland Security Review, which will speak to issues of concern to the NIAC. The report is divided into five sections: counter-terrorism and related activities; securing our borders; effective immigration compliance; reform of preparedness, response and recovery; and cyber-security. These five sections reflect the primary concerns and missions of the Department of Homeland Security. All types of incidents, the Under Secretary noted, require, as Mr. Reed said, an understanding of the interdependencies involved in the smooth operation, as well as the restoration, of critical infrastructure and key resources (CIKR).

Mr. Beers pointed out that analyses indicate that H1N1 would have very localized effects rather than having a broad, national effect on the economy. Public health and healthcare in affected areas would be particularly encumbered. Designing a system to rapidly ramp up support to healthcare workers and emergency services workers could therefore be a central aspect of an effective response strategy.

The NIAC plays an essential role in helping DHS map interdependencies relevant to critical infrastructure protection and homeland security. With that, Mr. Beers concluded his remarks, thanking Chairman. Nye, Vice Chairman. Berkeley, and the NIAC.

IV. APPROVAL OF OCTOBER 2009 MINUTES *NIAC Chairman Erle A. Nye, Chairman Emeritus, TXU Corp.*

Chairman Nye thanked Mr. Reed and Mr. Beers for their participation and remarks before informing the NIAC of the resignation of Mr. John Thompson, and directed the meeting's attention to the minutes for the October 13, 2009 NIAC Quarterly Business Meeting. Mr. Nye asked if there were any comments, questions, or problems with the minutes and, upon hearing none, suggested he would entertain a motion to approve the minutes.

Vice Chairman Berkeley motioned to approve the minutes.

Another NIAC member seconded the motion.

With the motion being seconded, Chairman Nye prompted the NIAC to vote aye or nay on the motion.

The NIAC members responded with only ayes. Chairman Nye stated that the motion passed, and thus the minutes from the October 13, 2009 NIAC Quarterly Business Meeting were approved.

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**V. WORKING GROUP:
A Framework for Establishing
Critical Infrastructure Resilience
Goals**

*Alfred Berkeley, III, Vice Chairman
Chairman and CEO
Pipeline Trading, LLC*

*Michael Wallace, NIAC Member
Vice Chairman,
Constellation Energy;
Chairman, UniStar Nuclear Energy*

Chairman Nye introduced the *Framework for Establishing Critical Infrastructure Resilience Goals* Working Group by saying that it represented a continuation of prior work conducted by the NIAC on resilience. He then turned the meeting over to Mr. Berkeley and Mr. Ed Goetz, who is Mr. Wallace's point of contact for the NIAC.

Mr. Berkeley thanked Mr. Nye, and informed him that Mr. Beers and Mr. Reed had departed the meeting, and that Mr. Darrell Darnell had taken a seat on the main table.

Mr. Berkeley then proceeded to describe his working group's study as a follow-on study to the September NIAC report on resilience. He noted that one of the issues that came out of the September report was how to create meaningful resilience goals and measure resilience effectively.

Vice Chairman Berkeley reiterated his working group's desire to liaise with Mr. Darrell Darnell and his office as the study proceeds. He then proceeded to give an overview of the study including: objectives; scope; study approach; information collection and analysis; NIAC member participation; and questions regarding the presentation. Mr. Goetz and Mr. Berkeley shared responsibility for presenting the slides.

Turning to the study's objectives, Mr. Berkeley stated that the working group wants to understand how CIKR sectors define resilience and incorporate resilience strategies into their risk management practices. These objectives are important because the 18 CIKR sectors define resilience differently and have differing vocabularies related to resilience.

Noting the difficulty of trying to study all 18 CIKR sectors for this subject, Mr. Berkeley detailed the working group's intent to limit the study first to the Electric/Nuclear sector. Using insights gleaned from that case study, the working group plans to then add more sectors—and study them sequentially—as it proceeds with the study.

The first objective revolves around understanding how sectors define resilience. Part of this process entails the exploration of incentive structures in various industries related to implementing resilient strategies. Mr. Berkeley provided two examples by asking: to what degree does the normal profit motive provide for building resilience into infrastructure; and what are the roles of normal incentives, special incentives, and government action?

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The second objective, Mr. Berkeley described, involves leveraging insights from the case studies to create a flexible, scalable template that can help sectors set their own resilience goals. He cited the financial sector's self-regulatory model as a basis for comparison for the working group as it studies the dynamics of such models versus having requirements imposed on it by an external entity, such as government regulation.

The third objective is to produce a set of specific recommendations to both the private sector and the government that harness and facilitate collaboration between government and the private sector in order to attain necessary resilience.

Mr. Berkeley then presented the study's scope: The study will concentrate on how and if resilience goals are established within CIKR sectors. Emphasis will be placed on the process that they use to set such goals.

The study will sequentially focus on three CIKR sectors: Nuclear/Electricity; Oil and Natural Gas; and Transportation. Mr. Berkeley clarified that offering suggestions for specific resilience goals is beyond the scope of the study, and that instead the concern of the working group rests in developing a template to assist sectors in developing their own goals.

Mr. Berkeley then turned over the presentation to Mr. Ed Goetz, substantive point of contact for NIAC member Mike Wallace.

Mr. Goetz thanked Mr. Berkeley and reiterated that the study will focus sequentially on the Nuclear/Electricity, Oil and Natural Gas, and Transportation sectors. By using a sequential, iterative process, general themes can be extracted from the case studies and tested to guide the development of the envisioned template, Mr. Goetz asserted.

Having a scalable template is not enough, Mr. Goetz stated. He articulated the necessity of considering the public policy environment in which CIKR sectors exist, and considering recommendations for making it a more optimal environment for cultivating resilience.

Mr. Goetz stated that the decision to start with a case study of the Nuclear/Electricity sector was based on the high level of resilience already achieved in the sector.

Each case study will have four phases: First, the sector's definition of, and practices related to, resilience will be assessed. Phase two will discern if, and how, goals are derived from practices and strategies. Phase three will develop the template based on insights gleaned from the sector case studies; the template will focus on providing guidance to sectors vis-à-vis formulating resilience goals.

Mr. Goetz cited the example of RAMCAP as an example of a tool that assists the Nuclear sector in setting and evaluating resilience goals. A NIAC member inquired as to what RAMCAP stood for. Deputy Assistant Secretary for Infrastructure Protection Sue

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Armstrong answered that it stood for the Risk Assessment Methodology for Critical Asset Protection.

Mr Goetz thanked Ms. Armstrong and then proceeded to explain that the fourth phase of the study approach was to identify policies and practices to achieve sector resilience goals.

Mr. Darnell inquired about the choice of the sectors for the case studies, proposing that cyber-security be a primary concern for the working group due to the importance of information technology and communication systems for facilitating a great deal of the work done by hard infrastructure assets. Cyber-security affects all of the infrastructures under consideration, he suggested. And, as a result, compromised cyber infrastructure could result in very tangible effects on individuals and communities. Mr. Darnell illustrated his point with an anecdote.

Mr. Nye responded, agreeing with Mr. Darnell that cyber-security affects everyone's lives, often in unseen but vital ways. He countered that cyber was not its own sector in this case, but rather that cyber concerns are present in all of the CIKR sectors, and that the NIAC often considers cyber-security issues. He underscored that the Nuclear/Electric sector considers these kinds of interdependencies.

Mr. Berkeley replied by noting that the NIAC was originally a cyber-only council that became concerned with physical security after 9/11. Mr. Berkeley noted that Mr. Heasley, formerly an executive at Visa, was in attendance at the meeting, and that he intended to speak to Mr. Heasley on their trip back to New York about the role of cyber-security in the Financial and Banking sector.

General Edmonds noted that the next presentation would focus much more on cyber-security, especially the effects of failures on communities.

Mr. Darnell thanked General Edmonds for his point.

Mr. Noonan then offered his perspective as the former head of an internet security firm. He characterized cyber-security as the foundation of critical infrastructure protection and highlighted the continuing work that the NIAC has done in studying various aspects of cyber-security.

Mr. Goetz resumed the presentation, turning to the slide on information collection and analysis. He characterized the current study as a continuation of previous NIAC work on resilience. Interviews with experts at all levels of government and the private sector would constitute a key information gathering strategy, Mr. Goetz explained. Congressional testimony and DHS documents, along with other secondary sources, will complement the study.

Mr. Berkeley described the NIAC member participation in the study; he and Mr. Wallace are co-chairing the Working Group. They intend to initially center the study on the

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Nuclear/Electricity sector. The Working Group will eventually add a cyber piece to address Mr. Darnell's comments. Mr. Berkeley proposed that Mr. Houston and Ms. Wyrsh become active in the case study on the Oil and Natural Gas sector. Gil Gallegos is slated to bring expertise in Emergency Services/First Responders to the study. Mr. Wells and Mr. Williams will assist with the study by delving into the Transportation sector in addition to providing feedback on the Electricity sector.

Mr. Berkeley then explained that the Working Group will use these manageable case studies to guide the inclusion of other sectors. Furthermore, the guidance and suggestions of the White House are welcome.

Mr. Berkeley then opened his session to questions from the NIAC.

Mr. Nye commented that he intends to speak with Mr. Rose, who regrettably could not be present at the meeting, and leverage his expertise in railroads to assist Mr. Berkeley and Mr. Wallace's study.

Ms. Armstrong highlighted the group's intention to use DHS documents and metrics, suggesting that the study look at recently revised Sector-Specific Plans (SSP's). Mr. Berkeley expressed gratitude for the suggestion and Mr. Nye asked that Ms. Wong disseminate that information to NIAC members for their edification, which Ms. Wong agreed to do.

Mr. Berkeley concluded his remarks, the working group presentation ended, and Mr. Nye introduced the second presentation, entitled *Optimization of Resources for Mitigating Infrastructure Disruptions*. Mr. Noonan, General Edmonds, and Ms. Grayson are co-chairs of the Working Group. Mr. Nye yielded the floor to Ms. Grayson, who was present via teleconference.

**VI. WORKING GROUP:
Optimization of Resources for
Mitigating Infrastructure Disruptions**

Margaret Grayson, NIAC Member
Principal
Essential2Management

Lt. Gen. (ret.) Albert J. Edmonds,
NIAC Member
Chairman, Edmonds Enterprise

Mr. Thomas E. Noonan,
NIAC Member
Former General Management,
IBM Internet Security Systems

Ms. Grayson thanked Mr. Nye and NIAC members. She began the presentation with a brief overview of her working group's study plan. Ms. Grayson stressed that the loss of critical infrastructure has a serious impact at the community level and that this fact has

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focused the working group's attention on how the government can best allocate scarce resources in the event of a major disruption.

The study will begin by defining the "time to effect of loss" for all critical infrastructure and key resources. Using this data, the study will compile a rank-ordered list of the CIKR sectors whose loss of service would be most immediately felt in any contingency. Certain sectors have a great deal of redundancy and resilience already built in, but—according to Ms. Grayson—some are not as well developed in these regards. Due to the interdependencies in supply chains, the failure of a CIKR asset could create a severe ripple effect across infrastructures.

The study will use the aforementioned prioritization process to identify those CIKR sectors which could most benefit from government policy guidance. Research findings will assist the Working Group in formulating recommendations for how public policy can be modified to mitigate infrastructure disruptions in the case of a catastrophe.

Ms. Grayson, addressing the "Scope" slide, noted that the initial scope of the study is quite broad, and it was intended to be so. All 18 CIKR sectors are being considered so as to not overlook any interdependencies that could have major consequences. Ms. Grayson reiterated that community effects are of particular interest to the Working Group, as they are the most basic metric for the loss of infrastructure and services.

The presentation then turned to the Working Group's proposed information gathering strategy. Ms. Grayson indicated that the study will include experts in both the government and the private sector with a focus on interdependency issues.

Ms. Grayson then turned the presentation over to General Edmonds, who thanked Ms. Grayson and proceeded to address the need for greater NIAC participation in the study. General Edmonds asked that those affiliated with the NIAC volunteer to provide expertise in their functional areas.

General Edmonds noted some of the sectors already identified by the working group as important for addressing cross-sector interdependencies in the event of a disaster including: Emergency Services; Communications; and Healthcare and Public Health . These three sectors are important because of their role in the event of a disaster. But, General Edmonds added, the working group is interested in participation from a variety of other sectors to leverage their knowledge.

Telecommunications and cyber-security will be a special focus of the study, General Edmonds pointed out. He noted that both telecommunications and cyber-security facilitate and are embedded in the functioning of all the CIKR sectors.

Emphasis will be placed on formulating ways to mitigate risks once they are identified. General Edmonds again asked for volunteers from the NIAC. Then General Edmonds asked if the Council had any questions.

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Chairman Nye thanked Ms. Grayson and General Edmonds for their presentation and asked if Mr. Noonan had any comments.

Mr. Noonan remarked that he agreed with General Edmonds about the high level of importance of the Emergency Services and Communications sectors in addressing interdependencies and mitigation, in particular.

Chairman Nye thanked Mr. Noonan and asked Ms. Grayson if she wanted to add anything.

Ms. Grayson replied that Chief Gallegos' participation in the study would be much appreciated if he has the time to assist both her group and the other working group.

Chairman Nye thanked Ms. Grayson and the rest of the working group.

Ms. Wong suggested that Ms. Grayson's working group utilize two previous NIAC studies as a foundation for their study: the *Prioritizing Cyber Vulnerabilities* study and the more recent study entitled *Prioritization of Critical Infrastructure for a Pandemic Outbreak in the United States*.

Mr. Nye thanked Ms. Wong for her contributions. He then reminded observers that the NIAC concluded a major study in October 2009 and then embarked on the two studies now before it. Mr. Nye also remarked that both studies were very important, but that they were still in the planning phases and could benefit from additional NIAC participation.

Mr. Darnell commended the progress of the studies thus far. Mr. Darnell expressed contentment that the NIAC was studying interdependencies and community effects, because there is a need for understanding how a systems-level approach ties in to a community-level approach. Mr. Darnell then offered the assistance of his office to the ongoing studies.

Mr. Nye thanked and praised Mr. Darnell for his work and contributions. He then asked if Ms. Armstrong had any comments to make.

Ms. Armstrong thanked Mr. Nye and the NIAC on behalf of Assistant Secretary Todd Keil. Mr. Keil joins the Department of Homeland Security with an extensive background in the Bureau of Diplomatic Security at the State Department. Mr. Keil, according to Ms. Armstrong, regrets not being able to attend the NIAC meeting, but he has expressed great enthusiasm at the prospect of working with the NIAC. The Office of Infrastructure Protection looks forward to further contributions from the NIAC, particularly in light of the way NIAC melds policy and practitioner perspectives in their approach to infrastructure protection.

Ms. Armstrong noted that studying dependencies and resilience at all levels is essential, particularly given the economy's reliance on just-in-time logistical strategies. Ms.

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Armstrong cited the 2003 blackout's release of waste water due to power loss as a prime example of the consequences of interdependencies.

Mr. Nye thanked Ms. Armstrong and said that it was time to consider new business.

VII. NEW BUSINESS

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

On the topic of new business, Chairman Nye directed the Council's attention to the meeting schedule for this year, noting that the next meeting will be held on April 13, 2010. Other meetings are scheduled for July 13 and one in October. Mr. Nye posed the idea of moving the date of the July meeting due to some scheduling conflicts that he has noted amongst some NIAC members.

VIII. ADJOURNMENT

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

Mr. Nye asked the NIAC for final comments prior to adjourning the meeting. Finding none, he thanked everyone for attendance and participation and subsequently adjourned the meeting.

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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: _____
Erle A. Nye, Chairman, NIAC

Date: _____

ATTACHMENT A
***A Framework for Establishing Critical Infrastructure
Resilience Goals***

National Infrastructure Advisory Council (NIAC)



A Framework for Establishing Critical Infrastructure Resilience Goals Working Group

January 12, 2010

Overview

- ❑ Objective
- ❑ Scope
- ❑ Process
- ❑ Detailed Study Plan
- ❑ NIAC Member Participation
- ❑ Questions

Objective

- ❑ Assess how selected sectors define resilience and use resilient practices to mitigate risk
- ❑ Develop a template and process to assist sectors in setting resilience goals
- ❑ Recommend government policies that will promote the development and achievement of resilience goals

Scope

- ❑ Study will **not** seek to formulate and/or impose resilience goals on CIKR sectors
- ❑ Focus on the dynamics of the process of setting resilience goals in CIKR sectors
- ❑ Determine if and how resilience goals are established within sectors
- ❑ Concentrate on the Electricity, Oil and Natural Gas, and Transportation sectors—sequentially—to derive lessons learned

Process

- ❑ Assess the definition of resilience, practices, and strategies
- ❑ Discern if and how goals are derived from practices and strategies
- ❑ Develop a template based on the Electricity/Nuclear Sector case study
- ❑ Identify government policies to promote development and achievement of sector resilience goals

Detailed Study Plan

- ❑ Begin with the Electricity Sector (with leadership from Nuclear Generation)
- ❑ Follow-on study with ONG and Transportation Sectors

Electricity Study Segment:

- ❑ Initial focus on the Electricity Sector
 - Liaise with the NERC Executive Committee
 - Electric Sector Executive Committees
- ❑ Develop process for gaining outside perspective and input on Sector-developed goals
 - Process for gaining goals input from Federal leadership, State and local leadership, and CIKR (dependent) sector leadership.

Study Structure

- ❑ Establish a working-level (core) Study Group to conduct study
 - Electricity Sector SME Representation
 - Electricity Sector senior executive representation
 - Other resources:
 - ❑ Jeff Dagle, PNWNL
 - ❑ Energetics Staff (Jack Eisenhauer)
 - ❑ NIAC Secretariat support

Detailed Study Plan

- Plan for senior executive input into goal development process
 - Electricity Sector (EEI Business Continuity Executive Council, NRECA, APPA)
 - NIAC Member input and outreach effort
 - CIKR Senior Executive Council
- PCIS outreach

NIAC Member Participation

- ▣ Mr. Berkeley: Overall Study Chair
- ▣ Mr. Wallace: Lead—Electric/Nuclear Case Study
- ▣ Mr. Houston & Ms. Wyrsh: Leads—Oil and Natural Gas Case Study
- ▣ Mr. Matt Rose and Mr. Wells: Leads—Transportation Case Study
- ▣ Mr. Gallegos: Lead—First Responder Case Study

Questions?

ATTACHMENT B
***Optimization of Resources for Mitigating
Infrastructure Disruptions***

National Infrastructure Advisory Council (NIAC)

Optimization of Resources for Mitigating Infrastructure Disruptions Working Group

January 12, 2010

**Tom Noonan
Former CEO
Internet Security
Solutions**

**Al Edmonds
Chairman & CEO
Edmonds Enterprise
Services**

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Essential2Management**

Overview

- ❑ Objectives
- ❑ Scope
- ❑ Study Plan
- ❑ Sources for Study Group
- ❑ Study Participation
- ❑ Questions

Objectives

1. Define and describe “time to effect of loss” to support development of policy
2. Rank-order CIKR for criticality, based on time sensitivity to effect of loss
3. Identify criteria and process for prioritization of government policy and focus on high-criticality sectors
4. Identify highly critical infrastructure sectors in need of policy, guidance, and resources
5. Provide guidance and private sector perspective on how should government measure or quantify the criticality of each Sector, when setting policy
6. Provide policy recommendations for government on prioritizing infrastructure by criticality

Scope

1. Examine all CIKR to evaluate criticality of loss
2. Evaluate strength of resilience and recovery present in each sector
3. Consider interdependency effects from infrastructure loss
4. Consider impact on community from infrastructure loss
5. Examine policy options to strengthen the robustness of high criticality, vulnerable sectors

Study Plan

- ❑ Identify high-criticality sectors and explore the effects of infrastructure disruptions
- ❑ Gather data by performing outreach activities and soliciting substantive feedback from CIKR operators and executives
- ❑ Solicit briefs from government and private sector SMEs
- ❑ Conduct secondary research

Study Participation

- ❑ Working Group Participation Includes:
 - Margaret Grayson
 - Lt. Gen. Al Edmonds (Ret.)
 - Tom Noonan
- ❑ Seeking NIAC Involvement
- ❑ Gathering Study Group
 - Key Sector Representation
 - Relevant Subject Matter Expertise

Sources for Study Group

- ❑ Discussions with Sector Subject Matter Experts
- ❑ Interview Executives for Strategic level perspective
- ❑ Key Sectors Include:
 - Emergency Services
 - Communications
 - Public Health and Healthcare
 - Transportation
 - Water
 - Agriculture and Food
 - Energy – Oil and Natural Gas
 - Energy – Electricity
 - Chemical
 - Nuclear
 - Postal and Shipping
- ❑ Other Perspectives
 - Experts on community effects of infrastructure loss from academia and private sector
 - AT&T, Symantec, & other experts on cyber-security and information assurance (IA)
 - Systems Engineering and Process Control Experts
 - DHS Partnerships and Outreach Division (POD)
 - Council on Competitiveness

Questions?