

NATIONAL INFRASTRUCTURE ADVISORY COUNCIL

QUARTERLY BUSINESS MEETING AGENDA

March 20, 2015

1:30 PM – 4:30 PM EDT

U.S. Access Board

1331 F Street, Washington, DC 20004

- | | |
|---|---|
| I. OPENING OF MEETING | <i>Nancy J. Wong, Designated Federal Officer (DFO), National Infrastructure Advisory Council (NIAC), Department of Homeland Security (DHS)</i> |
| II. ROLL CALL OF MEMBERS | <i>Nancy J. Wong, DFO, NIAC, DHS</i> |
| III. OPENING REMARKS AND INTRODUCTION | <i>Constance H. Lau, NIAC Chair</i>

<i>Heather King, Director, Critical Infrastructure Protection and Resilience, National Security Council</i>
<i>Dr. Ronald Clark, Deputy Under Secretary for National Protection and Programs Directorate, DHS</i>

<i>Caitlin Durkovich, Assistant Secretary for Infrastructure Protection, DHS</i> |
| IV. APPROVAL OF NOVEMBER 2014 MINUTES | <i>Constance H. Lau, NIAC Chair</i> |
| V. ADMINISTRATION PROGRESS REPORT ON 2012 INTELLIGENCE INFORMATION SHARING RECOMMENDATIONS | <i>Tonya Schreiber, Director, Sector Outreach and Programs Division, Office of Infrastructure Protection, DHS</i> |
| VI. WORKING GROUP UPDATE ON TRANSPORTATION RESILIENCE STUDY | <i>Dr. Beverly Scott, Working Group Co-Chair</i>

<i>Mr. Jack Baylis, Working Group Co-Chair</i> |

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Mr. Glenn Gerstell, Working Group Co-Chair

**VII. WORKING GROUP
PRESENTATION ON CEO
ENGAGEMENT STUDY REPORT
AND RECOMMENDATIONS**

Michael Wallace, Working Group Chair

**VIII. PUBLIC COMMENT: TOPICS
LIMITED TO AGENDA TOPICS
AND PREVIOUSLY ISSUED
NATIONAL INFRASTRUCTURE
ADVISORY COUNCIL STUDIES
AND RECOMMENDATIONS**

Nancy J. Wong, DFO, NIAC, DHS

**IX. DISCUSSION AND DELIBERATION
ON RECOMMENDATIONS FOR
THE CEO ENGAGEMENT
REPORT**

Constance H. Lau, NIAC Chair

**X. DISCUSSION AND DELIBERATION
FOR POTENTIAL NEXT TOPICS
FOR STUDY**

Constance H. Lau, NIAC Chair

XI. CLOSING REMARKS

Constance H. Lau, NIAC Chair

*Caitlin Durkovich, Assistant Secretary for
Infrastructure Protection, DHS*

*Robert Kolasky, Director, Strategy and Policy,
Office of Infrastructure Protection, DHS*

XII. ADJOURNMENT

Constance H. Lau, NIAC Chair

MINUTES

NIAC MEMBERS PRESENT IN WASHINGTON:

Ms. Margaret Grayson; General Albert Edmonds (ret.); Mr. Glenn Gerstell; Ms. Constance Lau; Dr. Beverly Scott; Mr. Michael Wallace

NIAC MEMBERS ATTENDING VIA CONFERENCE CALL:

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Mr. Bruce Rhode; Mr. Jack Baylis; Mr. James Reid; Mr. David Kepler; Mr. David Grain;
Mr. Philip Heasley

MEMBERS ABSENT:

Mr. Raymond Kelly; Mr. Donald Knauss; Mr. Gregory Peters; Mr. David Bronczek; Mr.
Greg Wells; Mr. Gilbert Gallegos; Mr. Thomas Noonan; Mr. James Nicholson; Mr.
James Murren

SUBSTANTIVE POINTS OF CONTACT PRESENT IN WASHINGTON:

Mr. Richard Houck (for Ms. Constance Lau); Mr. Ted Basta (for Dr. Beverly Scott);

**SUBSTANTIVE POINTS OF CONTACT ATTENDING VIA CONFERENCE
CALL:**

Ms. Joan Gehrke (for Mr. James Nicholson); Ms. Frances Paulson (for Mr. David
Bronczek)

OTHER DIGNITARIES PRESENT:

Ms. Heather King, NSC; Dr. Ronald Clark, NPPD, DHS; Ms. Caitlin Durkovich, IP,
DHS; Ms. Tonya Schreiber, SOPD, IP, NPPD, DHS
Ms. Nancy Wong, DFO, NIAC, DHS

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**I., II. OPENING OF MEETING,
ROLL CALL**

Nancy J. Wong, Designated Federal Officer (DFO), National Infrastructure Advisory Council (NIAC), Department of Homeland Security (DHS)

Ms. Wong opened the meeting and called the roll. Upon completion of the roll call, she turned the meeting over to Ms. Constance Lau, NIAC Chair to greet the Council members and others present, and to chair the rest of the meeting.

**I. OPENING REMARKS AND
INTRODUCTION**

Constance H. Lau, NIAC Chair

Heather King, Director, Critical Infrastructure Protection and Resilience, National Security Council

Caitlin Durkovich, Assistant Secretary for Infrastructure Protection, DHS

Ms. Lau welcomed Dr. Clark, Assistant Secretary Caitlin Durkovich, and Ms. Heather King and thanked members who were on the phone for participating. She observed that the meeting will include two information reports. The first will be from the Administration on Intelligence Information Sharing. The second will be an update from the Transportation Resilience Working Group. She then introduced Dr. Alfred Berkley, former vice chair of NIAC at the time the intelligence sharing report was completed--who was invited by Ms. Lau and Dr. Scott to hear the follow-up on the report's recommendations by the Council. She thanked Mr. Berkeley for attending. Ms. Lau said the major item of business for the meeting would be deliberation on the CEO Engagement Study, led by Mr. Wallace, as well as discussion on next potential study topics by the Council. Ms. King, representing the Executive Office of the President, will give the Council her input in her opening remarks. Ms. Lau asked Dr. Scott to begin the opening remarks.

Dr. Scott briefly remarked that it was always an honor to serve with the rest of the Council, and work on the projects and initiatives they have been asked to do.

In her opening remarks, Ms. King said it is always a wonderful opportunity to attend the NIAC meetings because the Council does great work. She said she had an agenda of three topics:

- 1) National Security Council Update: Mr. Rand Beers, the Deputy Assistant for Homeland Security is retiring. Ms. Amy Hope will replace him. Ms. Alice Hill

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will be the new Senior Director for Resilience and Mr. Jeff Marquez will be the Acting Senior Director for Response; they will be joining the NIAC at subsequent meetings.

- 2) Next Study Topics for the NIAC: The NSC has identified four tentative topics on behalf of the President. 1) Water Sector Resilience to complete the NIAC series of resilience studies on the lifeline sectors; 2) Dependencies across the four lifeline sectors; 3) Short-term follow-up work on the Critical Infrastructure Research and Development (R&D) plan implementation; and 4) Consideration of critical infrastructure climate change implications. For the follow-up tasking to the R&D Plan, she noted that metrics and indicators will be developed as part of moving forward once the plan is approved and returned from the Oval Office. This result came about as part of advice given through the recommendations of the NIAC in its November, 2014 report. In fact the NIAC did such a good job, the White House would like its advice again with the implementation of the plan itself. For the topic of critical infrastructure climate change implications, MS. King said she knows this topic is very “near and dear” to many of the members.
- 3) Filling Vacancies on the NIAC: The White House regards this action as a priority. Staff has been added to focus on filling boards and councils in the White House Personnel Office. The NIAC is at the top of the priority list. They want to make sure the NIAC has full support to enable it to do all of its great work.

For his opening remarks, Dr. Clark noted that he and his staff reviewed the historical body of work that the NIAC has done over the years. He appreciated how forward-looking all of their efforts have been. He was impressed that the CEO Engagement Working Group held 25 meetings in 10 months. He said that reports like this can drive the policy process. The NIAC’s voice is vital. He thanked the Working Group members for putting in so much work. He said nothing can be more relevant than the work the NIAC is doing right now, because public-private partnerships are only getting more relevant. He thanked the NIAC for the work they do and said he looked forward to the session.

In her opening remarks, Assistant Secretary Durkovich commented, that as always, she welcomed the opportunity to engage with the members of the NIAC. She said the amount of work the NIAC has taken on in the last six months is humbling. NIAC’s efforts—on the reports of Critical Infrastructure Security and Resilience (CISR) National R&D Plan, and Chief Executive Officer (CEO) Engagement—were greatly appreciated. She said she read the CEO Engagement report and wanted to commend the Council for their efforts while maintaining their day jobs; the work was very impressive. In addition to the CEO Engagement Working Group, she noted that the Transportation Working Group has been hard at work. She specifically thanked Ms. Margaret Grayson for her dedication to the

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Council by participating in all of the last three Working Groups. She said at the Department of Homeland Security (DHS), they continue to strengthen their connection with senior executives from the private sector. DHS recognizes sustainable action is needed for enhanced security and resilience and it must be driven from the leaders of each organization. She said she appreciates the members taking time to add their own expertise to the data for the CEO Engagement study.

Assistant Secretary Durkovich said since this is the first meeting of the calendar year, she would like to highlight what her risk management programmatic priorities are for The Office of Infrastructure Protection (IP). She said many of the NIAC's recent reports have explored aspects of IP's priorities and hopes that the Council will continue to do so. She said IP is focused on the risks of attacks, especially with the rise of The Islamic State of Iraq and the Levant (ISIL). IP continues to work to integrate cyber and physical critical infrastructure risk management and will diligently improve current connections. Currently, five of IP's sponsored regional resilience risk assessment projects have a significant cyber focus. IP continues to focus on the lifeline sectors and their intersection of operations. In terms of budget, IP is pleased Congress allotted a budget to look at infrastructure design and recovery, and they will formally stand up a program that looks at the entire infrastructure life cycle and how they identify practices and tools to ensure that security and resilience are baked into the beginning of the infrastructure lifecycle. Additionally, Assistant Secretary Durkovich stated IP is continuing their work on securing high risk chemicals. She thinks the studies the NIAC is focused on will add value to IP as they endeavor to make these priorities reality. She said as always, she very much looks forward to working with the NIAC.

IV. APPROVAL OF NOVEMBER 2014 MINUTES

Constance H. Lau, NIAC Chair

Ms. Lau asked for a motion to approve the November Quarterly Business Meeting minutes. There were neither objections nor comments and the meeting minutes were approved.

V. ADMINISTRATION PROGRESS REPORT ON 2012 INTELLIGENCE INFORMATION SHARING REPORT

*Tonya Schreiber, Director of Sector
Outreach and Programs Division, DHS*

Assistant Secretary Durkovich introduced Ms. Tonya Schreiber, to report Federal progress on the 2012 Intelligence Information Sharing Report. Ms. Schreiber said in response to the findings of the January 2012 NIAC report on intelligence sharing, the Department of Homeland Security (DHS) Office of Intelligence and Analysis and the National Protection and Programs Directorate (NPPD), implemented a joint effort to

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enhance intelligence and information sharing in the private sector critical infrastructure mission partners through what is now called The Critical Infrastructure Information Sharing and Safeguarding Enhancement Program. This program was derived from a pilot program from the Commercial Facilities Sector. Almost two-years ago, DHS initiated a pilot where members of the Commercial Facilities Sector were provided with Top Secret/Sensitive Compartmented Information (TS/SCI) level briefings on a regular basis - it was called the Read Book. The pilot was very successful and is an implemented process that helped create best practice. Moving forward, NPPD and the Office of Intelligence and Analysis (I&A) have developed a draft plan on how to expand and incorporate the other 16 sectors. The planning meeting for the draft coincided with the NIAC Quarterly Business Meeting. Individuals in both I&A and NPPD are participating to learn how to perform studies across the 16 sectors, as well as identify who may already be doing this type of briefing. I&A and NPPD want to coordinate with other federal partners on that initiative, as well as look at what gaps may exist for the next sectors to be engaged on this initiative that may benefit from this type of briefing.

Ms. Lau asked if the program will only be at the TS/SCI level. Ms. Schreiber concurred, but noted discussions are occurring if the program can be brought down to the Secret level. At a minimum, the program should be at the Secret level, but the agencies are exploring if TS/SCI level is really needed. With higher levels of clearances, difficulties are expected to arise. To reconcile differing levels of authority by different agencies, the program may be implemented on a sector by sector basis dependent on current threats. Mr. Wallace then asked Ms. Schreiber about the level of participation from individuals in the Commercial Facilities Sector, directly coordinated with I&A. Ms. Schreiber noted there are five individuals participating on a regular basis. They represent hospitality, retail, sports and amusement sub-sectors of the Commercial Facilities Sector. They come in every two weeks. Assistant Secretary Durkovich said part of what they have learned through the pilot is that at the TS/SCI level, the activity became very National Capital Region (NCR) centric. To look at the Read Book one had to be in the Washington, DC area. She said, moving forward, the program needs to look at what is appropriate for each sector; and it needs to think about how they can leverage the organizations beyond the Beltway and better leverage fusion centers. Implementation gets easier to do that when operating at a Secret level.

Ms. Schreiber said the other initiative has her division, SOPD, partnering with the Office of the Director of National Intelligence (ODNI). ODNI is conducting a PPD-21 assessment, looking at four threat vectors. Both organizations are looking at counter terrorism, counter intelligence, cyber, and criminal. Each product will have an annex that will look at the requirements, threats and risks of each sector. ODNI will be responsible for accomplishing these classified assessments at the secret level; however, there will be an unclassified version in parallel with the classified version. The executive agent and lead for this is I&A, but ODNI appointed a program manager on March 20, 2015. The two will be meeting in the next few weeks to schedule a meeting with the private sector on development of the products.

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Ms. Lau asked, what will be the involvement of the Sector Specific Agencies (SSAs) for some of these sectors. Ms. Schreiber said they brought the ODNI to an SSA meeting at the working level to inform them of initial assessments and of what ODNI wanted to get ready to do. The next step will be coordinating the work through each of the respective government leads. The initiative will start with the ten sectors under DHS. IP's role will be working with the Sector Coordinating Councils (SCCs) and facilitating the conversations that the ODNI have with the private sector partners. Ms. Lau asked when they get to the other six sectors, if they will be coordinating with the other SSAs. Ms. Schreiber said yes, the ODNI will be coordinating directly with the other SSAs.

General Edmonds followed up by asking if they have a formal process in mind to share this information across the country to different sectors. Ms. Schreiber answered that ODNI has a program manager. Discussion is occurring on how the process is to be executed, how it will be scheduled, what direction the program needs to go, what are the first steps and priorities, what the approach will be and how the private sector will be brought in to participate. It was determined that it was important that an unclassified version be developed to engage the private sector; that is why DHS has taken the lead responsibility to coordinate with the private sector. General Edmonds said that was a very good point. He feels that as they meet with various levels and segments of industry, the government will find the report results more and more in-depth and eye-opening. Assistant Secretary Durkovich said as they did the commercial facilities pilot, that is what they recognized. When a Subject Matter Expert (SME) was brought in from Commercial Facilities, they had the knowledge and experience to say what is actually of value to their sector and IP would work with them to word it such a way to push it out at the secret level to disseminate it more broadly at unclassified level. Not everything that has value to private sector partners has value to DHS and I&A. The team is working to improve collecting requirements to refine processes to bridge the understanding of what is useful and why. Ms. Schreiber said it was important to look at the four-threat vectors individually in each sector. After many dialogues with DHS, ODNI realized the best approach was to take the four vectors and look at how all 16 sectors were affected by the threat vectors. Afterwards, it would consolidate the findings into one unclassified product that could be shared with the community.

Ms. Lau expressed a concern for prioritization among the sectors to perform these assessments. Many of the sectors under SSAs other than DHS fall into the lifeline sectors that the Council has deemed are really critical among critical infrastructure sectors. Ms. Schreiber said that she will take that comment back to the agencies engaged in the initiative. Mr. Wallace said that Ms. Lau's comment was terrific and related to the NIAC Information Sharing Working Group he was a part of that produced NIAC's report. He noted that the Information Sharing Working Group's work was similar to the CEO engagement work he will be presenting on later in the meeting. He noted the importance of the Electricity Sector is relevant to the issue of actionable intelligence being conveyed. CEOs do not often receive actionable intelligence. Actionable intelligence sets an important context that drives strategy and actions. He encouraged a continued thinking of the appropriate ways to get actionable intelligence to the senior executive level of the

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private sector, not as basis for action, but to set context for making decisions to take action. Ms. Lau stated she would add investment decisions in particular to Mr. Wallace's list.

General Edmonds said NIAC had to provide a classified session for CEOs to incentivize them to join the conversation. He said that if NIAC recommended that CEOs be given classified briefings, that would make them more interested in the conversation. He further observed that for future participation from senior levels and secretariat level on Capitol Hill, a "show and tell" of sorts is needed. However, CEOs only care about profit lines, and need to be shown how they can benefit from the actions that the government believes they need to take.

Assistant Secretary Durkovich said she thinks the Electricity Sector is a good model of CEO involvement energized by the government sharing information at a classified level with senior executives. In September 2012, IP did a classified briefing that was eye opening. It began a good tradition where they briefed at the TS/SCI level periodically. She said that the briefings really helped CEOs understand the strategic environment they are dealing with. Ms. Schreiber said the next initiative is a new proposal from ODNI in partnership with the Federal Bureau of Investigation (FBI) and DHS. She said private sectors owners and operators are looking for cleared individuals to go to facilities in their local areas to receive urgent, classified briefing materials, locations which have been very difficult to find. ODNI has offered to do an assessment of where all of those classified spaces in the DHS and FBI realm are. There may be other locations other than fusion centers with classified space. The Transportation Security Administration (TSA), Secret Service, The Department of Defense (DOD), and even some facilities within the private sector have classified spaces. To accomplish an assessment of possibilities, they will start working to unify gaining access to those facilities. The Federal government understands that fusion centers may be one option, but there may be other options within the private sector and in other agencies.

Ms. Lau asked if there were any further questions for Ms. Schreiber or Assistant Secretary Durkovich. Hearing none, the Chair moved onto item 6 of the agenda.

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**VI. WORKING GROUP
UPDATE ON
TRANSPORTATION
RESILIENCE**

Dr. Beverly Scott, Working Group Co-Chair

Jack Baylis, Working Group Co-Chair

Glenn Gerstell, Working Group Co-Chair

Dr. Scott said when the Working Group met at the November QBM, they outlined their approach and progress. She said she would like to publicly acknowledge the assistance of the co-chairs and all members of the Working Group, the Study Group, as well as Mr. Jack Eisenhower and his team. She said the agenda for the presentation will be to review their study charge and status, present the findings of the Study Group, and outline the schedule for completion.

[Transportation Resilience Working Group Power Point.](#)

The goal of the study is to apply the recommended framework for establishing resilience goals to the Transportation Sector. In order to test and validate the usefulness of the framework in another lifeline sector, the Working Group will uncover key transportation resilience issues and identify potential opportunities for the Council to address. The Transportation Working Group looked at the Electricity Sector study and studied how it could be applied to the Transportation Sector. The Working Group has been focused on particular points to test the validity and usefulness of the NIAC resilience framework and to identify potential opportunities and strategies. Dr. Scott said that based on their work so far, it appears that the framework has a lot of usefulness, but each sector has its own peculiarities. Transportation has a lot of complexities and underpinning dynamics, different than the Electricity Sector which is more homogeneous. Because of this, there will be some revision to the application of the framework that will be seen as the work progresses.

The Study Group has done a substantial amount of work and made a lot of progress. Dr. Scott thanked Mr. Ted Basta and Mr. Richard Houck, the co-chairs of the Study Group. The Study Group gathered data and information from numerous experts through interviews, panel discussions, studies and reports. There is plenty of information already published about the various modes. The study group report is a sizeable body of work that is a culmination of all the reports collected consolidated together to ensure their study have good grounding. For example, the Study Group collected work on a relevant case study about a disruption scenario on the ports of Los Angeles/Long Beach (LA/LB) focusing on freight instead of just passenger. They wanted to be very clear about the cascading impacts and challenges of freight.

Dr. Scott noted that before the QBM, the members of the Working Group went through the Study Group report in detail and the Working Group has accepted the Study Group's report. The report is a very comprehensive 220 page report that analyzes the complex

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issues affecting transportation resilience. That report will inform the Working Group members' deliberations and its contents will be incorporated into the Working Group's final recommended report to the full Council. Alongside the Study Group, the Working Group has done considerable work as well. The Working Group has conducted interviews with nine subject matter experts (SMEs) and begun analysis on their findings from these interviews. They have three more interviews to complete before finalizing their findings and recommendations from the data collected through the Study Group report and its own interviews. The Working Group remains on schedule with a completion date set for the June QBM.

She said that the Working Group is robust and everyone has been tremendous contributors. The interviews included experts from all the modes of transportation, as well as operational, academic, and policy experts. The Working Group wanted to ensure they had a broad view of what takes place in the sector and showcase all the modes. The interviews were supplemented with three rounds of extensive briefings with panels of Federal government managers across all of the modes.

The Study Group was tasked to look at five particular items:

1. Identify baseline resilience for each of the transportation modes.
2. Identify cross modal resilience plans and practices.
3. Conduct case study scenarios focused on intermodal and cross sector dependencies.
4. Conduct an executive level round table to analyze the results of scenarios and identify resilience gaps---when the round table got into its work, they found very exceptional work had already been done and were able to import that instead of doing another executive round table on the same topic.
5. Prepare a summary report.

The Study Group's summary report has been reviewed and accepted – by the Working Group – on March 19, 2015 after several hours of in-depth discussion. After thanking the Study Group again, Dr. Scott turned the presentation over to Mr. Gerstell.

Mr. Gerstell said he will go into greater depth on some of the points Dr. Scott already highlighted. The Study Group report was over 200 pages with an outstanding bibliography. He noted that the amount of synthesis of and insight from analysis of information was tremendous. The content of the Study Group's report will become public with the NIAC's own report when it is adopted by the Council.

The Study Group had eight panel discussions (which are listed on Slide 9). A major discussion was on the Port of Los Angeles and the Port of Long Beach. As discussed in the last meeting, they decided those were the best ports to look at because of their significance, geographic location, ability to serve as a model for intermodal connections, and prove valuable while looking at one particular port to study. The other panel discussions looked at a variety of other transportation modes. The Study Group looked at

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over 150 documents and synthesized all of them into their final report to the Working Group.

Mr. Gerstell said the next slide (Slide 10) outlines the principal findings and conclusions on the following topics:

1. Complexity of the national transportation system
2. Resilience in the early stages of project development
3. Cross-sector dependencies and vulnerabilities
4. Cross-modal coordination and planning
5. Cross-jurisdictional coordination and planning
6. Cyber and cyber/physical systems
7. Current regulatory approaches.

He said the findings by the Study Group were a result of extensive interviewing and analysis that was done by the members. Slides 11 and 12 explain these seven findings and conclusions in more detail.

He said that the first finding is that the National Transportation System is extraordinarily complex. The sheer complexity makes resilience a huge challenge. The second finding is that it is important that resilience be built into projects at the early stages, whether it is a new project or restoration and repair of damaged infrastructure. Doing something at the time of initial building or repair is easier and makes more sense and produced better outcomes than grafting something retroactively or patching a failure as it occurs.

Mr. Gerstell said the next three points all relate to the further element of the complexity of the Sector. The third finding was there are very substantial cross-sector dependencies and vulnerabilities that affect the Transportation Sector, but are not well understood in the Transportation Sector itself, or in the other sectors. The fourth finding is that within the Transportation Sector itself there is a cross-modal complexity between rail, trucking, ports, etc. Each sector does not necessarily coordinate as one ideally hopes. The fifth finding is the cross jurisdictional nature of transportation systems. Many transportation systems are inherently local; and if they are not local, they are regional. In fact, relatively few are purely national. Even the ones that are purely national or international (such as shipping) also have strong local elements. Therefore understanding the cross-jurisdictional nature of transportation is critical, along with the diversity between the public and private sector.

The role of cyber has increasing importance in the Transportation Sector. Few other sectors have been as transformed by cyber as transportation. Therefore it presents a growing risk and vulnerability. Current regulatory approaches need to reflect the evolving dynamic situation. Current regulatory approaches do not. There are many areas where the regulatory approaches at Federal, state and local level need to be brought up to date.

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The seven principal findings were approved by the Working Group on March 19, 2015. The Working Group will take the Study Group report together with its own additional interviews of subject-matter experts and produce a draft report in May for submission to the full Council for deliberations at the June QBM.

Ms. Lau asked if there were any questions, comments or input for the Transportation Resilience Working Group as they continue their work.

Mr. Robert Kolasky, the Director of Policy and Strategy within the Office of Infrastructure Protection, asked if the members had thought about the operational mechanisms for the cross-sector, cross-modal, cross-jurisdictional planning in the intended region. He said it is one of those things people intuitively know they need to do if they have time and it is easy. Dr. Scott said that is one of the areas the Working Group will be focusing on, the identification of the framework of some “how-tos.” She said there is much that has been written or identified or proposed, so she wondered “why not?”; she concluded that the issue lies in implementation.

Ms. Lau said “they always say good ideas are only 10% of the equation, 90% is implementation.” She noted that the members are finding that as they do their work, many recommendations keep arising over and over again. The earlier statement by Mr. Gerstell that these recommendations are obvious is very true, but they are finding the recommendations do not get implemented so they might have to give more guidance toward the “how” of doing it. Dr. Scott agreed. She said that the need was blindingly obvious, but making the case in a compelling way so people have a concern for or a sense of urgency for investing in infrastructure and hardening the resilience aspect of it seems much harder. She said implementation cannot be done unless stakeholders buy into it and have the political will to do it.

Dr. Clark said he thought the selection of the Ports of LA and LB was very timely. He said LA/LB was a unique and complex facility. They are trying to increase automation which could lead to increased efficiencies, but also an increase in vulnerability to cyber threats. If the effort is manifested the way it is envisioned, there will be a fully automated system with little human oversight, which becomes interesting. One of the things the agency has been consistently surprised by is the lack of residual capacity in the system. It is an extraordinary system and it is amazing how the system runs at the 99% level. So in times of crisis, the ability to say “don’t worry the rail line is down, we will just ship it all to trucks” seems reasonable, until you realize there is a massive bottleneck. He said it is almost counter intuitive that the public tends to think that there is a massive architecture with extraordinary resilience. However, that is only part of the story.

Ms. King asked if they found any transportation modes experiencing increased cyber risks. Mr. Gerstell said they have not reached that conclusion at this time, but it is obvious that cyber affects all forms of transportation. Dr. Scott said the whole issue of cyber is equal opportunity. There is a chip and sensor in everything and she thinks the impact could be profound. Mr. Gerstell said he thinks the Study Group did find large

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scale operators, such as airlines which are quite in tune with cyber risks and manage them, but small operators do not have the ability to manage cyber risks, but they might be equally vulnerable. Assistant Secretary Durkovich noted Mr. Gerstell's statement that cross-sector vulnerabilities are not well understood in the sector itself. She asked Mr. Gerstell to elaborate more on this topic and asked if they had a sense of why that is. Mr. Gerstell said what the members heard is that within the sector there are cross-modal problems and the inability of a trucking operator to understand the implications of a rail back up that may occur on the east coast and could cause vulnerabilities on the west coast. The Assistant Secretary asked if there are communication mechanisms in place. Mr. Gerstell said the modes are very complex and do not really talk to each other. Outside of geographic or regional organizations, there is very little in the way of having the different modes coordinate with each other. They have site specific coordination but not systemic coordination. The other great complexity rose from the fact that it is a mix of public and private ownership and the two do not coordinate as well as they should. In addition, there is a mix of jurisdictions such as port authorities that cross state lines. But what one state does in one particular sector on its highway sector, may not be mimicked or replicated in another adjoining state. He said he thinks that the lack of coordination and understanding in the sectors are directly a function of these other layers of complexity. There is not one problem, nor one group failing to communicate. It is the inherent nature of getting all these pieces to coordinate. Dr. Scott said what Mr. Gerstell said was not surprising. When one starts at the top of the framework within which the transportation modes operates, there are regulatory frameworks for the modes that are different. Highways have one set of legislation and frameworks while transit and marine have others. She said even from the institutional, legislative, and statutory frameworks, it is like there is a transportation sector in 20th century garb trying to do a 21st century job. Mr. Gerstell added that Secretary Fox has been making this point recently on the Beyond Traffic Report. The essence of the point is that the Department Of Transportation is the second most recently formed department; it was grafted into a series of administrations that were not one-coordinated transportation unit and it shows. In the United States so much of transportation is essentially local due to the Constitution. It is not nationally coordinated or mandated as a national policy, like defense or foreign policy. It is inherently local, but there have been decades of regulation at the Federal level. Now the U.S. has systemic risks that affect the entire system with no governance model to address it. Ms. Lau added that the sector coordinating councils (SCCs) are at the modal level; the modal structure is very strong throughout the transportation sector. There is difficulty getting all of transportation to come together; and even with so many national transportation issues, there does not seem to be a place where those issues can be discussed.

Ms. Lau then asked if there were any more questions, comments, or input to the work done. Hearing none, she noted that the final report will be delivered at the next QBM.

Prior to moving on to the CEO Engagement Working Group, Ms. Lau asked if Mr. Berkeley would like to make comments about the Intelligence Information Sharing Report, which he led during his time as a member of NIAC. Mr. Berkeley said he is very

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enthusiastic about the number of things the NIAC is working on, as well as the cascading impacts of DHS, and other cabinet agencies, implementing the NIAC's recommendations. He said the heart of the critical infrastructure mission is public-private cooperation and information sharing. Public-Private cooperation is the hardest problem to solve, but NIAC has effectively created a virtuous circle in its recommendations to close the gaps. NIAC has offered quality advice to its partners and because they do not "toot their own horn," has successfully created real partnerships and actions that make a difference. Furthermore, Mr. Berkeley stated he said he, as a former member, does not advocate for visibility for NIAC, but the members should continue to concentrate on getting their work done quietly. The quality advice produced from NIAC fosters credibility, which promotes access. It is a virtuous circle that matters, and the virtuous circle allows the NIAC to obtain honest answers and insights. He said the next challenge with DHS would be to create a virtuous circle within the virtuous circle so that the actual working level groups such as the SCCs and pilot efforts have the same creative results, because each element is working in conjunction with each other. Mr. Berkeley believes that staying out of politics and doing good work will help in creating partnerships and results. Since his resignation from the NIAC, Mr. Berkeley has worked in cyber, but noted the difficulty in creating a virtuous circle. There are so many vested interests. He then congratulated the NIAC on what they have accomplished and how far and deep the Council's over 20 studies, to date, have gone. He said he heard about the studies from both the business side and the government side, and people are saying NIAC is a credible group.

Ms. Lau thanked him for the insight and said it will help the Council move forward. She said that Mr. Wallace and his Working Group have some recommendations on how to keep progress going. She then moved the meeting to the CEO Engagement Working Group report.

VII. WORKING GROUP PRESENTATION ON CEO ENGAGEMENT STUDY REPORT AND RECOMMENDATIONS

Michael Wallace, Working Group Chair

[CEO Engagement Working Group Slides](#)

Mr. Wallace said this report is a culmination of about five reports that NIAC has done in the past. He said as they learned a little more and tried to find the "nirvana" solution, they hope to take another step forward. He said unlike the Transportation Working Group, they did not have a study group; therefore, the Working Group completed all the work. He also praised the work done by the Secretariat and Ms. Wong. As Chair, he said he considered the effort to be co-equal among all four Working Group members. There have been vigorous inputs by all members, at all times, and at all meetings. The report is 107 pages. He said at the start of the project, they had no inkling of where this report would

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end up, but the report slowly formed from the interviews. They conducted 19 interviews and met 25 times over the course of the project. They also had an in-person white-board session where they filled up two full-wall white-boards of information and tried to identify what the findings would be; he said the findings and recommendations almost popped off the board. The dynamics of that interactive working group session in November was an extraordinary process step.

The first part of the presentation was about the role of the CEO. Mr. Wallace stated there are so many groups, activities and engagements within the Critical Infrastructure Partnership Advisory Council (CIPAC) and the Federal Advisory Committee Act (FACA). He explained that they challenged themselves on why another group was needed. He said a CEO would not waste/spend his/her time on an activity unless there is a compelling reason to do so. The working group affirmed the solution because they think there is a compelling case. He said slide 3 describes the executive engagement drivers. He explained they took the Working Group's conclusion and moved it to the beginning of the presentation in order to capture a call to action in the presentation for the government and owners and operators to do things differently.

He said economic and national security converges when the economic interests of owner/operators focused in the same direction as the national security interests of the Federal government. The convergence, as well as separation of owner/operators from the Federal government, is one of the drivers for CEO engagement. Furthermore, the members found that critical infrastructures are the foundation for the robustness, resilience, confidence, and wealth of the country. Mr. Wallace said what clearly came out of the interviews is CEOs have the ability to move industries and reshape the marketplace. He clarified that the term "CEOs" does not only mean the private sector, but also senior executives and government leaders. CEOs have the ability to cause change and move things forward –if properly focused.

Mr. Wallace said that the threat and consequence environment is becoming more complex. He described slide 4 as a chart that is a reflection of threat briefings; the threat environment is becoming more complex. The capabilities of our adversaries, the spectrum of adversaries and the resources available to adversaries, are all growing at an exponential rate. Both natural disasters and manmade are reflected in the chart. When Mr. Wallace is in a meeting of executives, and asks about cyber events that have occurred, no one knows what he is talking about. He noted there is a lag of events occurring and lack of common knowledge shared. He said, "We are still looking at everything through the rearview mirror. We deal with what has happened to us. We deal with things that have happened and we are running at marathon pace, which is laudable, but that is not acceptable enough anymore. We know we cannot even see out the windshield clearly because it is all fogged over to a degree. That is what ought to worry us the most, yet we know the environment today is extraordinarily threatening." He said these reasons set a framework for all of those on the NIAC, a compelling case that they need to keep advancing to the next level. He said that complexity and scope of potential consequences requires senior executive participation; public and private partnership through systematic

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discussions; focus on problem solving, strategies and policies; and empowerment for action and measureable results.

Mr. Wallace then discussed the idea of “CEOs do not do work”. He said, “We do not want them to do the fundamental work. We need them to be engaged even more in this area”, but in their role and authorities as CEOs. Many NIAC reports had CEO engagement involved, but the previous reports have not been specific enough to achieve the results that are needed. The pace of implementation is too slow, even with positive progress, which has led the Working Group to recommend moving the public-private partnership to a more mature stage. The proposed new committee in the report is going to require the time and resource of senior executives, especially when they do not have the capacity to give extra. The Working Group members understand that, but because of the compelling case of national security, sustainability of operation of assets, the Working Group thinks the need demands expanding in that direction.

The deliverables of the report are outlined on slide 5. The first two bullets are mostly about CEO engagement, but the Working Group also decided to provide perspective on three items The CEOs role and contribution; Benefits and challenges; and Criteria for sustainability of participation. He said the report segues to CEO level communications, which the Working Group also addressed.

The approach the Working Group used to develop its report was to collect perspectives from various sectors, mostly from lifeline sectors, and to interview Subject Matter Experts (SMEs) who were at the senior executive level. The SMEs who contributed are listed in Appendix A of the report. In terms of interview questions, the questions were open ended as they wanted more detailed answers The Working Group wanted to know the good, bad, and ugly of CEO engagement in the respective sectors. Knowing what was working well, what was not, and what issues need to be addressed for CEO action. The Working Group organized the inputs into case studies (which can be found in Appendix C of the report) to identify the issues and opportunities as a basis for the findings to give a clear path to the recommendations. The Working Group looked at the Chemical Sector because of Mr. Kepler’s membership on the Working Group. At first, the Working Group did not realize the Chemical Sector was complicated, until they looked closely at the sector. Next they did Communications and Electricity; specifically Electricity, and not Energy. All the SMEs interviews addressed the importance of the Electricity Sector and Electricity and Communications were closely tied together. Instead of ranking Electricity and Communication over one another, the Working Group noted both were equally important.

The Findings can be found on slides 8 and 9. A more detailed version starts on page 18 of the report. Mr. Wallace explained that the Working Group labored over sub-bullets to give the best possible perspectives of the summary statements. The first finding was on the specific role of CEOs and senior-level decision makers. They provide thought leadership, strategic direction, set priorities, make decisions and apply investments (not just dollars, but also time and people), direct action and hold people accountable. They

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are also able to bring focus to risks and opportunities. Understanding fiduciary responsibilities is important because of a CEO's obligations to their private sector shareholders and stakeholders. The private sector is not responsible for national security; broadening activities into national security is not their responsibility. The Working Group recognizes that engaging in national security activities can expose an organization to liabilities for taking on roles and responsibilities that are not in the four corners of the corporate charter. The Working Group also recognizes that there is a convergence between the Federal government's responsibility for national security and by the ability of the critical infrastructure to operate. In addition, the Working Group also recognizes the varying oversight bodies that CEOs have to deal with. This was reiterated over and over again by interviewees. For some sectors, such as chemical, it is complicated. The state, regional, and independent agencies that have involvement with sectors is clearly the responsibility of the CEO to ensure they are being adequately addressed.

The second finding is CEOs and executive level decision makers organizing within their sectors, around specific issues, relevant to their roles and responsibilities. CEOs know what matters most and have mutual collective interests; therefore they organize themselves to meet those common risks and inherent business drivers, whether those business drivers result from external events, weather events or regulatory perspectives. CEOs are motivated to self-organize for mutual interest.

The third finding described possible motivation for public, private and cross-sector engagement. He said about ten years ago, organizations/sectors would take action at a crawling pace, but now all organizations are running at marathon pace. The Electricity Sector in particular falls into the "marathon" category, but they are not the only ones. There is a huge effort to move forward in the security sphere of action, but many are looking through the rear-view mirror and dealing with events that happened a month ago. He said adversaries are way beyond that. He asked, "How do we get ahead of the curve?" CEOs see value when there is a clear sense of urgency. The sense of urgency goes with having a broad understanding of the threat environment, without needing to have any detail of how a particular threat translates to an immediate action. However, the broad threat environment has communicated there is an escalation with nothing to suggest its termination. He said imagination is what it will take to address future threats and not what is known by looking backwards.

The fourth finding is that sustaining the engagement is a challenge. He said that a few key phrases came out over and over again, "Meaningful outcomes produce results, and valuable use of time, actions not results". Executive time is a resource and it cannot be squandered on anything other than outcomes that are meaningful to reducing risk or capturing opportunities to better improve the sector going forward. Nothing is a faster turn-off than having executive time wasted.

The fifth finding is that most sectors have established organizational structures for engaging CEOs. In addition, trade associations serve as the primary channel for coordination communication. One of the challenges is that in some sectors there are so

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many trade associations, specifically in chemical and transportation. However, they bring tremendous value in pulling together the ability to communicate information and coalesce action. In addition, Mr. Wallace said the SCCs are working very well in some cases, but not as well in other cases. Where they are not working, it is not due to the lack of effort, but because of the complexity. He commented that perhaps it is because the country is a lot more complex than 16 sectors, which can make it challenging when talking about security.

Instead of creating another group, the Working Group thought perhaps NIAC or National Security Telecommunications Advisory Committee (NSTAC) could take on another role. But the Working Group appreciated the difference between FACA (Federal Advisory Committee Act) and CIPAC (Critical Infrastructure Partnership Advisory Council). The Working Group believes that the new group to be in the CIPAC framework because of the problem-solving aspects and potential that CIPAC brings. Mr. Wallace said it is a phenomenal framework and they should seek to advance to the next level, while NIAC should stay as it is --an advisory body to the President.

The sixth finding focuses on challenges and obstacles. He said that there is not a single government model that works that they found for this purpose. Mr. Wallace said the hope is that the new group will focus on antitrust mitigation, financial viability, and liability protection. All of these are challenges and obstacles, not sector specific, but in a middle of a crisis that when addressed, can make a big difference. The Working Group also saw a challenge with the Water Sector. The Water Sector is public, yet fundamentally regional. Unlike Electricity or Financial Services, the Water Sector does not come together in a national integrated system.

Before moving onto recommendations, Mr. Wallace said he wanted to mention GridEx (many members at the QBM have heard of it previously). He said that even if all the members did not participate in GridEx, the majority of members lived through Hurricane Sandy. He said the good news about Hurricane Sandy was that although the storm left a mess, there were many volunteers and responders to quickly restore operations. Then he asked the members to imagine if Sandy was a cyber-coordinated-physical attack that produced similar results. The challenge it creates is that no one really knows when an attack is over, similar to 9/11. The assets and resources that may require converged support may also be locked down where they are, as everyone waits for something else to happen. There are challenges with major cyber physical attacks. The probability of that happening increases every day; and as such, needs to be considered when operations are planned.

Mr. Wallace then moved onto the recommendations. Slides 10 and 11 outline the recommendations:

1. Implementing a simplified 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*

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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.

He said the words in the name of the group “Strategic Infrastructure Executive Council” were all carefully chosen. “Strategic Infrastructure” gives a notion that it is different than just the lifeline sectors. Through the interviews, the Working Group considered those sectors to be strategic infrastructure for the sake of national interests. The notion of an executive council indicates a level of participation on the public and private side with senior people at a very high level. The Working Group offered Hurricanes Sandy and Katrina as examples of when there is a call to action. One example is the phenomenal success of the Electricity Sector during Hurricane Sandy coordination, in which the sector had been working with DHS and the Department of Energy (DOE) for two years to be adequately coordinated and organized. The mode of response was there because the Electricity Sector Coordinating Council (ESCC) and Government Coordinating Council (GCC) had coordinated themselves. However, the Transportation Sector had challenges, such as trucks that were not able to move and materials could not be delivered.

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.*

Mr. Wallace said for now the goal would be to get the new council under the CIPAC framework, but in the future it may be possible to create an entity that does not hang off one of the sectors. However, on a more immediate basis, CIPAC is a framework that works. He said that it is fortunate that the Electricity Subsector is simple compared to the other sectors, which allows them to organize themselves which is amenable to entities working together. He said they would need to take that strength and bring it to other sectors that are more challenging.

3. Identifying the clear value proposition. *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.*

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He said that the clear value proposition has to be there for any senior executive to be engaged and to form something like this strategic council. There needs to be clear national level strategic priorities that require strategic problem solving and policy setting to deal with. They need to be the foundation of the value setting proposition. There are many areas that are already teed up and are identified in the report's case studies that would be of value to this new group.

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.*

Mr. Wallace said that the identification process should come through the SCCs on the private side to identify the CEOs or senior executives to be members of this council. The Working Group suggested more than one from each sector. This allows for continuity and engagement, while recognizing not everyone can participate all the time.

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.*

He said that this was an issue that came with no small amount of discussion and consideration from the Working Group. A theme that emerged was that an effort would move in a positive direction but the effort wanes when there is not adequate staff support. CEOs have the intent and desire to move things forward, but they need staff to help move it. If staff is not available, the effort falls to the wayside in time. The President should establish a permanent budget line item through Office of Management and Budget (OMB) and DHS to provide staff, analytic resources and administrative support to this new council in order to advance their work. The permanent staff would focus just on supporting the executive council. The staff would work on communications, research, logistics, value proposition development,

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deliberation, follow up, etc. He said for example, if the NIAC did not have staff working to help produce its reports, the Council would not be able to get them done. The rich staff work that is provided allows the NIAC to produce meaningful outcomes. He said this new council needs that same kind of support. He clarified that it should not be the points of contact for the senior executives on the council. That approach will not work.

Mr. Wallace then opened the floor to the other Working Group members. Ms. Grayson said she would like to add a couple of thoughts and comments on the Communications Sector. She said the sector is a little more than 50-years old. It is a very complex industry made up of five sectors: wired, satellite, wireless, cable, and teleport. The industry has rapid innovation which is common as technology is constantly on the move. There is high competition when new technologies emerge. The industry has moved from radio and telephone to a chain of custody for data. The primary function of the CEO is keeping the end user connected. One of the overarching value propositions is cyber security. It brings up many questions such as: Whose responsibility is it to make sure the communications are up and active, as well as safe and secure? She said they would like to broaden that information sharing depth to go from government, to industry owners and operators, to the end user. If the communication is not safe and secure at all levels, it poses a big problem. It is a much broader discussion than CEOs at the top and government providing frameworks. When speaking with end users about concerns, they want to stay connected, safe; they want to know that cybersecurity is not an issue.

General Edmonds said his perspective is different because he comes from government and industry. He said as a commander, you have your valid space. The critical piece is logistics. From his perspective, all of these sectors are interdependent; each sector needs to be fused and not short changed. CEOs have to take care of shareholders and stockholders. He said in interacting with the government, you find out what is important to the government. Electricity and Communications are the most important. It has to work on the front end and back end. As infrastructure is built, it is good business to build resilience into the plan. The government and industry need to build trust with each other. They need to convince CEOs that when they make a business decision, it is also good for national security, even though they do not have national security responsibilities. CEOs need to be convinced it is good for their businesses to be good corporate citizens. He said that is what the NIAC does for the government--help create a bridge between industries and the government. The Working Group looked across the sectors and found the same systemic things. They took the good things, such as GridEx, and expanded upon it. He said it is not possible to set rules to apply to everyone. The Working Group took advantage of other studies done and then made some direct conclusions and points.

Mr. Kepler said his reflection was that the interviews demonstrated that the CEOs are engaged in their sectors, but there is a lot of diversity in how it is done in each sector. There is a fundamental gap on how to bring the infrastructure together in the core sectors.

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He said if they look at the core sectors with how executives engaged in a more structured way, the information gathered will be extremely helpful for the nation in terms of management of engagement. The Working Group looked at how executives engaged in structured environments. They found that the CIPAC structure was created along with previous NIAC recommendations. He said they need to find a way to integrate all the collected information into the report. For Mr. Kepler, this was a breakthrough for him. They did not need to add a structure, but there is a need to find a way to get executives engaged in a forum that brings critical issues together. He feels the recommendations brought such points forward very clearly.

Mr. Wallace referenced slide 12 in his closing remarks. He said there are three recommendations put together for CEOs, which he feels stand for themselves. With no further comments or questions, Mr. Wallace completed his presentation of the report.

**VIII. PUBLIC COMMENT:
TOPICS LIMITED TO
AGENDA TOPICS AND
PREVIOUSLY ISSUED
NATIONAL
INFRASTRUCTURE
ADVISORY COUNCIL
STUDIES AND
RECOMMENDATIONS**

Nancy Wong, Designated Federal Officer

Ms. Wong informed the Council that there were no public comments from the audience. However, some editorial comments had been submitted through email and subsequently distributed to the Council members before the meeting.

**IX. DISCUSSION AND
DELIBERATION ON
RECOMMENDATIONS FOR
THE CEO ENGAGEMENT
REPORT**

Constance Lau, NIAC Chair

Before taking a vote, Ms. Lau asked if any members on the phone had questions. Hearing none, she announced that they would take a vote.

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Mr. Wallace moved for the full NIAC to accept the report. The move was seconded. Ms. Lau asked if there are any further comments before a full vote. Hearing none, Ms. Lau asked for all those in favor to say “Aye” and all those opposed to say “No”. There were no “No” votes voiced and the report was approved.

Ms. Lau then asked Assistant Secretary Durkovich and Mr. Kolasky if they had any comments. Ms. Durkovich said that the report just delivered was an outstanding piece of work. She then referenced the work plan that was a critical success for the Electricity Sector and how important it was to have CEOs involved. Over the past several years, the work plan has moved to be more tactical than strategic. She said it is important to focus on the challenges of getting CEOs to the table outside their traditional course of business and respective sector. She asked, “What are the strategic issues that will bring them to the table?” The possibility of one of the lifeline sectors not being available to be used for a long time fundamentally changes the way CEOs look at what they are doing. She then asked, “What will compel them to find time to come together with other CEOs?” She said she thinks if they can identify some strategic issues to sort through that would be helpful. General Edmonds said one of the interviews addressed this topic, which had to do with transportation and chemicals. During Hurricane Katrina, moving chemicals across the south eastern part of the country became a problem. He said if you look at instances like that, a Chemical CEO interviewee said they created a relationship with the Transportation Sector. Every time there is an instance like that, a level of interest is captured and built on instead of starting from scratch again. In essence, a need has to be present for CEOs to become involved.

Assistant Secretary Durkovich then asked, “How do you do it in the absence of an incident?” General Edmonds said that the government at times paid for participation. He referenced the Communications Act of 1924 in which the telephone companies could not go over 85% capacity to save capabilities for an emergency. The power industry had to create their own sharing and support arrangements. He said, “If you want them to do something, buy it from them.” Mr. Wallace described it as “the chicken or the egg.” He said she’s asking a question that a CEO would not answer since CEOs do not “do work”, the staff does. He said one starting point could be triaging the case studies, which would give ideas that “popped out” Of the interviews. He said the working group took an unsophisticated approach with the white board exercise to figure out what really mattered. Triageing the ideas allowed them to figure which were the biggest and most important ideas to further expand upon. He said that while this was a short answer to her question, it proves exactly why staff support is needed, so CEOs are not wasting their time. CEOs are there for the big issues. Good staff support articulates the most important sector issues, which if addressed, can make a big difference for the sectors.

General Edmonds said he is on a commission with the private sector and Department of Defense to reduce costs. The commission found that there was a power company outside the base, so they eliminated the power plant on the base and installed new equipment. From then on, the base always had power that was cheaper and cleaner. This public-private partnership worked because they developed a project which incentivized. Using

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the same process, they are looking at water in the same way. The CEOs have to be incentivized and assured that to take risks, they will not be sued for performing well for the country.

Deputy Under Secretary Clark said the case studies indicated that public-private partnerships working the connection between trade associations and SCCs is important. He then asked what the Council thinks of the SCCs as they currently exist and the need for trade associations in the sectors SCCs. Mr. Wallace said there is a clear expectation that the SCCs are relevant and individuals for the new council should be identified via the SCCs. He then used an example with the Electricity Sector. The Electricity SCC is currently made up of 30 CEOs, but four-years ago there were none on the SCC. While not all sectors need to follow that exact plan, the notion of CEO engagement in the Electricity Sector produces a meaningful agenda. It is facilitating some CEO or trade sector heads to be the initial members of the new group. Ms. Lau said the Electricity Sector has its own subsectors. It is very important for some trade associations to take the lead and contact other trade associations and bring them together under the ESCC. Dr. Scott said what Ms. Lau noted also is important understanding from the Transportation study. Resilience is seen through a much different lens now; what they previously did to prepare for emergencies is different. CEOs do not understand all of it. She suggested that the government bring a group together and stress the system. There has never been anything like that done before in the Transportation Sector.

Ms. Lau then asked if there are any other comments on the CEO engagement report. Hearing none, she thanked Mr. Wallace, Ms. Grayson, General Edmonds and Mr. Kepler on a phenomenal report.

X. DISCUSSION AND DELIBERATION OF NEXT TOPICS

Constance Lau, NIAC Chair

Ms. Lau moved to the last agenda item, which was the consideration of potential future topics. She noted that the Council was in the middle of completing the Transportation Resiliency study. The Council has done Electricity and is now working on Transportation, with Water as the next sector. At the beginning of the meeting, Ms. King suggested a supplemental study of the Research and Development (R&D) study, as well as a study on the impact of climate change. In former studies issued by the Council, identifying cross-sector risks, enhancing the participation of owners and operators in the effectiveness of fusion centers, obstacles and impediments for response and recovery to an emergency, have been priorities. Ms. Lau then opened up comments for future taskings the members might want the Council to undertake. Mr. Wallace said rather than looking at Water Sector, the R&D seems more forward looking and meaningful. He said that they do not want to create duplication. Assistant Secretary Durkovich said that while she does not disagree with Mr. Wallace, of the options, she is most interested in water. She brought up the fact that California may run out of water and the implications could

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be national. It is a very diverse, decentralized sector. Without water, it would be equally as hard to go about our daily lives.

Assistant Secretary Durkovich said that IP had done a lot of work around climate change. They are trying to identify tools to address this slow moving threat. She asked, “What is the angle you can take to add a needed perspective or put on an exclamation point?” The biggest challenge IP sees is the need for Federal leadership and political cover. She also asked, “How do communities get the resources they need to deal with the slower moving pieces of this?”

Dr. Scott said she wanted to build on a piece from the Transportation Resilience Study Group and take a more granular look at fuel and high-risk chemicals. Ms. Lau said much of that issue came from the Regional Resilience study. Dr. Scott said another idea is the whole area of making the case for critical infrastructure investment. She said it is currently not being done well. She thinks perhaps NIAC can add some value to better frame and make that case. She said, “NIAC has done so many studies on the case for investment, why is there no movement?”

Dr. Scott added that public works construction is low-bid. It always comes back to workforce. Focusing on CEO engagement, she stated that the next group of people sitting at the table needs to think better and think broader. Many people are leaving the table because of lack of movement. In order to break the cycle, engagement needs to be done in a different way than it is now.

Ms. Lau said she would like to share a thought Mr. Gerstell wrote down before he had to leave. He does not think NIAC should do more R&D studies because he does not believe they can do anything more concrete and substantive on top of what already has been done. Dr. Clark said if the Council does do R&D, Dr. Scott’s item on why studies are not moving could be addressed since it is related. He said everyone currently expects that once the study is published, things will get done. The plan gives a great path, but there needs to be a new way of public-private partnership to achieve it. He asked, “What are the incentives for moving on a need without the government?”

Ms. Lau said that Mr. Gerstell also wrote that the NIAC can say a lot about climate change and he feels it is perfectly suited to NIAC.

Ms. Grayson said she would like to extend the R&D study and focus it on CEOs being good corporate citizens. She said shaping an extension to the R&D study would be a viable contribution.

Ms. Lau said the tasking will come to the Council from the White House. The White House staff will be taking the input the Council members recommended into consideration. She also invited members to email any additional thoughts to the chairs or Ms. Wong, and they will make sure it gets to the White House.

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XI. CLOSING REMARKS

Constance Lau, NIAC Chair

Ms. Lau asked for closing remarks.

Assistant Secretary Durkovich thanked Ms. Lau. She said she is incredibly grateful for the opportunity to attend this meeting; the meetings are humbling and she has learned much from them. She added that the Council is a great group of people. She thanked the members for their time and noted the work they produce was exceptional. She said the government needs to figure out how to do a better job implementing these recommendations. Mr. Kolasky said that as a strategy policy planner for the government, what the Council produces here is what he works on 2 years later. He said it is his job to maintain the accountability. Ms. Lau responded that the Council is trying to shorten that time frame.

Ms. Lau then said she would like to thank Mr. Kepler as this is his last meeting as a member of the NIAC. Mr. Kepler was a key member of the CEO Engagement study, and also led the study on the EO PPD. In both studies, Mr. Kepler did a wonderful job. She said he has been a critical member because of his contributions. Mr. Kepler, who was on the phone, thanked Ms. Lau and said he was glad to have had the experience. Ms. Lau said that the Council will be mailing a letter of recognition to him.

XII. ADJOURNMENT

Constance Lau, NIAC Chair

Ms. Lau then asked if there was any other business to discuss. Hearing none, she adjourned the meeting.