

## **NATIONAL INFRASTRUCTURE ADVISORY COUNCIL**

### **QUARTERLY BUSINESS MEETING MINUTES**

February 16, 2017

1:30-4:30 PM EST

US Access Board

1331 F Street Suite 800

Washington DC, 20004

#### **I. OPENING OF MEETING**

*Ginger Norris*, Designated Federal Officer (DFO), National Infrastructure Advisory Council (NIAC), Department of Homeland Security (DHS)

Ms. Ginger Norris, NIAC DFO, opened the meeting and welcomed all in attendance. Ms. Stephanie Morrison administered oaths of office to new members: Ms. Amy Pope, Mr. Dan Tangherlini, and Ms. Cristin Dorgelo. Ms. Constance Lau, NIAC Chair, introduced the three Members to the Council and welcomed them to the NIAC.

#### **II. ROLL CALL OF MEMBERS**

*Ginger Norris*, DFO, NIAC, DHS

Ms. Norris called roll call of all present at the meeting. Ms. Norris described the responsibility and duty of the NIAC Members in their service to the President and how they are regulated by the Federal Advisory Committee Act (FACA). She also presented a brief history of the Council's work. She instructed the process of public comments, and reminded those who may have a public comment to make at a different time can email such to the NAIC inbox ([niac.niac@hq.dhs.gov](mailto:niac.niac@hq.dhs.gov)). Public comments are accepted thirty days after the meeting.

#### **NIAC MEMBERS PRESENT IN PERSON:**

Ms. Joan McDonald, Mr. Michael Wallace, Ms. Constance Lau, Dr. Beverly Scott, Mr. James Reid, Mr. George Hawkins, Ms. Cristin Dorgelo, Mr. Keith Parker, Mr. David Grain, Ms. Jan Allman, Mr. Robert Carr, Mr. Ben Fowke, Ms. Amy Pope, Mr. Dan Tangherlini

#### **NIAC MEMBERS ATTENDING VIA CONFERENCE CALL:**

General Albert Edmonds, Ms. Diana Perreiah, Ms. Margaret Grayson

#### **MEMBERS ABSENT:**

Mr. Rand Beers, Mr. James Murren, Mr. Carl Newman, Mr. Charles Ramsey, Ms. Christina Goldfuss, Mr. Dan Utech, Mr. Dhanurjay Patil, Mr. Georges Benjamin, Ms. Rhoda Kerr, Mr. Thomas Noonan, Mr. William Terry Boston

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### **SUBSTANTIVE POINTS OF CONTACT PRESENT IN ARLINGTON:**

Ms. Rivka Tadjer with Mr. Robert Carr  
Ms. Bianca Mallory with Dr. Beverly Scott  
Mr. Scott Seu with Ms. Constance Lau  
Ms. Saba Long with Mr. Keith Parker  
Mr. Frank Prager with Mr. Ben Fowke

### **SUBSTANTIVE POINTS OF CONTACT OBSERVING VIA CONFERENCE CALL:**

Mr. Nathaniel Millsap with Ms. Jan Allman

### **OTHER DIGNITARIES PRESENT:**

Ms. Stephanie Morrison, NSC; Ms. Monica Maher, NSC; Mr. Josh Steinman, NSC; Ms. Sarah Ellis-Peed, SPB, DHS; Mr. David Hess, NPPD, DHS; Mr. David Wulf, IP, DHS; Ms. Emily Early, NPPD, DHS

### **III. OPENING REMARKS AND INTRODUCTIONS**

*Constance H. Lau*, NIAC Chair

*Mr. David Hess*, Under Secretary, National Protection and Programs Directorate (NPPD) (acting)

*Stephanie Morrison*, Director, Critical Infrastructure Protection Policy, National Security Council (NSC)

Ms. Lau welcomed everyone to the QBM. She noted how pleased she was to meet the new Members and to have such a large audience, which included several Sector Coordinating Council (SCC) Members. Ms. Lau explained in anticipation of the new Administration, the Council decided to take an inward analysis of itself in attempt to improve future recommendations and processes. She said the Working Group had split into two work streams. One focused on making sure the NIAC grows to be more impactful and recommends future topics for the new Administration to consider. The other work stream focused on scoping a study on cybersecurity. Ms. Lau presented Ms. Joan McDonald as Co-Chair of the first work stream and Mr. Michael Wallace as Co-Chair of the second work stream. She noted that the Working Group decided to accelerate their work on cybersecurity, due to the urgent need in that landscape.

Dr. Beverly Scott, NIAC Vice-Chair, reverberated Ms. Lau's sentiments. She stated she was ecstatic over the participation across the National Security Telecommunications Advisory Committee (NSTAC) and the SCCs. She stressed the importance of the Council's work.

Mr. David Hess, the Chief of Staff of the National Protection and Programs Directorate (NPPD), thanked Ms. Lau, Dr. Scott, and the rest of the Council for having him. He said during the Administration transition, he is the Senior Official performing the duties of the Under Secretary. He said the Council was a collective effort in securing the nation and is looking forward to

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hearing the presentations. Mr. Hess introduced Mr. Dave Wulf, who is serving as the Acting Deputy Assistant Secretary for Infrastructure Protection. He also introduced Ms. Emily Early and Ms. Sarah Ellis-Peed. Mr. Hess noted during the transition, NPPD continues to focus on the vital mission to protect and enhance the resilience of the nation's physical and cyber infrastructure. Mr. Hess thanked the Council Members for their vital work and volunteering their valuable time. He thanked the two Future Focus Working Group Co-Chairs and said he looked forward to their presentations.

Ms. Stephanie Morrison, Director of Critical Infrastructure Protection and Policy at the National Security Council, thanked the Council for having her and the other NSC Members. Accompanying her was Ms. Monica Maher, Director for Cybersecurity, and Mr. Josh Steinman, the Special Assistant to the President and Senior Director for International Cybersecurity Policy. Ms. Morrison turned it over to Mr. Steinman for opening remarks.

Mr. Steinman thanked the Council for having him and congratulated the new Members. He said he came from Silicon Valley, where he was an Executive at a digital security start-up and previously was a military officer. He noted that the current Cyber Scoping Study illustrates how concerned the Members are with cybersecurity and critical infrastructure. Mr. Steinman also thanked them for all their impactful work and providing valuable support to numerous administrations. He looks forward to the great work to come and building on what has already begun. However, he believes they should pause to see how a future cybersecurity study will align with new policy considerations. The Administration is still considering its policy priorities and a variety of fronts, including cybersecurity, during the first 100 days. He said they are still in the process of assessing the best way to make use of the NIAC's expertise and the work the Council has done thus far.

Ms. Lau thanked Mr. Steinman for his kind words and noted Mr. Wallace may have a response to some of the issues he raised.

#### **IV. APPROVAL OF SEPTEMBER 2016 MINUTES**

*Constance H. Lau, NIAC Chair*

Ms. Lau asked for a motion to approve the final draft of the September 2016 QBM minutes, so amended. All Council Members unanimously approved the minutes.

#### **V. STATUS REPORT OF FUTURE FOCUS WORKING GROUP**

*Joan McDonald, Working Group Co-Chair*

Ms. McDonald explained that in December, the National Security Council (NSC) tasked the NIAC to conduct the Future Focus Study to provide the new Administration with an overview of NIAC, its importance, and a path forward. The request included two major components: 1) The evaluation and path forward, led by Ms. McDonald. 2) The Cyber Scoping Study, led by Mr. Wallace. She noted that while the two topics are different, they are linked and the first component will directly affect the cyber component. The Working Group was originally

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scheduled to present their complete results in May, but based on the work they have completed thus far, the Working Group has decided to move forward with some internal process improvements immediately, pending on the Council's approval. In May, they will present the second part of their tasking, which includes their recommendations and criteria for potential future study topics. Ms. McDonald thanked her fellow Working Group Members, Dr. Scott and Ms. Jan Allman, as well as her Co-Chair Mr. Wallace and the other Working Group Members that focused on scoping the cyber study. She noted their "divide and conquer" strategy allowed them to work quickly and efficiently and present their result ahead of schedule.

Ms. McDonald went through the NIAC Future Focus Study slide deck, which is publically available on the NIAC website and linked here: [NIAC Future Focus Study Slide Deck](#)

Information provided by Ms. McDonald, not included in the slide deck:

- The NSC may ask agencies to comment on a study, or recommendations could be discussed in regularly scheduled inner-agency meetings. This would most likely be done more so on a case-by-case basis.
- Recommendations are often acted upon by a champion, NIAC Members, someone within an agency, or a member of the private sector who saw value in the recommendation and pushed forward to implementation.
- Proposed Dynamic NIAC Study Process has 5 goals:
  - Task NIAC with scoping next study before the prior study ends.
  - Engage key stakeholders during that scoping, allowing NIAC to better understand current risk landscape, identify most crucial issues at hand, develop a full study plan with a focused scope, framing questions, reference materials, and an initial list of interviewees.
  - White House can provide input and questions on the study topics at regular intervals throughout the process.
  - NIAC can present recommendations at multiple points throughout study to support immediate action.
  - Conduct strategic outreach with stakeholders to increase awareness and implementation of final recommendations.

### **VI. OPEN DISCUSSION AND PUBLIC COMMENT**

*Ginger Norris, DFO, NIAC, DHS*

Ms. Morrison thanked Ms. McDonald and Mr. Wallace for leading this effort. She noted, as it was detailed in the slides, that 73% of NIAC recommendations have been accepted by the Administration. She said that was a real testament to their hard work. Ms. Morrison told the Council they can expect some action in the near future that will help inform the NIAC's priorities moving forward. She also wanted to clarify the information regarding the formal process of driving implementation. Ms. Morrison said there is a process in place. When the NSC receives a NIAC report, they assess the reports and determine which path is the best way forward. In the past, they have followed several different avenues. They have followed PPD-1 to do an interagency review to see what recommendations they should be implementing, they have met with departments and agencies individually to assess which recommendations should be

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implemented and provide their own recommendations. She noted they remain cognizant that while many recommendations are valuable, they do not always align with department and agency priorities and budgets. Ms. Morrison said the NIAC's roles and advisory function to the President aligns with the Executive Order, which created the Council and the charter. The decision to implement recommendations resides with the White House. She said they are often times considering very broad competing priorities and budgetary conflicts across a wide spectrum. Ms. Morrison said they would recommend that information specifically be reconsidered as part of the study.

Ms. McDonald said the Working Group would take Ms. Morrison's input under consideration.

Ms. Lau told Ms. Morrison she believes an important recommendation is increased input as the study is ongoing. She clarified this input would not solely derive from the White House, but also Sector Coordinating Councils (SCCs) as well. Ms. McDonald added that a great benefit to the Water Sector Study was the ongoing input from the various associations. Ms. Lau asked Dr. Scott to provide an example to demonstrate how important it is for the NIAC to solicit input across the entire critical infrastructure landscape, from the large players to the smaller players—who do not always feel they are being heard.

Dr. Scott referenced receiving an email from Mr. Charles Job, whom had previously made a public comment at the September 2016 QBM regarding groundwater. His comment spoke to the challenges of the smaller operators and he was happy to see strong consideration of those issues within the report. Mr. Job was eager to work and engage with the NIAC on their various recommendations. Dr. Scott said the bottom line was that she told Mr. Job his concerns were “not falling on deaf ears” and that work is currently taking place. She noted Ms. Norris also communicated with him to detail how that work is unfolding. Dr. Scott said it was encouraging for her to really see that their work holds value.

Ms. Lau thanked DHS and EPA for taking that recommendation and already incorporating smaller institutions into the exercise that is being planned.

Ms. Amy Pope told the Council that the recommendations and observations resonate with her, having come from the inside. She said she did not consistently see NIAC recommendations from her position, which may have allowed them to be more influential. Ms. Pope saw impactful work from the NIAC through Mr. Fanning and his engagement with the Department of Energy, specifically the letter that was sent to the President. She noted that because it was directed at senior-level leadership and came from influential members of the community, it was taken very seriously and therefore reviewed with much more attention. Ms. Pope suggested the Council discover how to engage at the Deputy Secretary and Secretary level, as well as higher levels of the White House, through the Council Members' various connections to ensure what is being included in the recommendations has greater chance of review.

Ms. Allman said much of the Working Group's dialogue was defining who their champion would be to provide live feedback to. She said they need to clearly define linkage with the White House. Dr. Scott also noted the proposed change in bylaws.

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Mr. George Hawkins reiterated a comment he made at the last QBM about his confusion that “implementation means acceptance by an agency.” He said while he understands the NIAC is not the driver of implementation and the White House is, he believes they need feedback. This would allow reports to be written “the right way, targeted to the right person,” and asking the right questions, which would make the overall process more productive. Mr. Hawkins also continued that the Council is special in that it represents all sectors. He wondered hypothetically if the Administration wanted a quick review of a topic in a timely fashion, if the NIAC would be able to deliver quick-turn answers. Mr. Hawkins also suggested presenting topics to the Administration and including those that would go deeper to make sure the longer, more in-depth studies aligned with Administration priorities. Ms. Lau added that part of the goal is to better utilize Council Members’ time. If there is an area a Member wants to go more in-depth with, but are not on the Working Group, they could still be a resource to be tapped into.

Ms. McDonald proposed that the Council Members vote on the recommendations, with the caveat they will take comments into consideration, particularly Ms. Morrison’s. The Council unanimously approved the recommendations.

### **VII. PRESENTATIONS ON FUTURE FOCUS STUDY**

*Dr. Paul Stockton, Managing Director,  
Sonecon, LLC*

Dr. Paul Stockton presented first and thanked the Council for having him. He was the Former Assistant Secretary of Defense for Homeland Security and noted during that time he benefited greatly from the NIAC.

Dr. Stockton said cyber threat is intensifying in a way that needs to be accounted for in advance. He believes the NIAC should consider broadening its conception of the nature of the threat to critical infrastructure. Most importantly, he thinks there are opportunities to meet these challenges above and beyond approaches taken thus far, in terms of operation planning. In addition, consider integration of owners and operators of critical infrastructure into Emergency Operation Centers. His last recommendation is emergency power, namely the availability of adequate backup generators and fuel to keep them functioning on a sustained basis.

Dr. Stockton shared his biases upfront with the Council. The first is mission assurance. He explained the Department of Defense is dependent on privately and sometimes publically-owned critical infrastructure. He noted the adversaries know this and they know the way to take down U.S. defense installations to support operations abroad is to attack the infrastructure on which they depend. Adversaries have an asymmetric strategy that he believes the Council can help defeat. Secondly, he noted defense support in catastrophes. Dr. Stockton said Superstorm Sandy is only a hint of the possibilities that could occur, such as the Cascadia Fault or New Madrid Seismic Zone. He said the problem is that the very infrastructure on which Americans depend to save and sustain lives, will itself be severely disrupted. He cited a report that stated infrastructure restoration is a ticking time bomb for saving and sustaining lives.

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Firstly, Dr. Stockton discussed the intensifying threat, which includes three dimensions. The first is cyber threats are continuously becoming more sophisticated and severe. The second is adversaries will attack multiple sectors simultaneously, because they know the sectors are interdependent and they want to exploit those dependencies and magnify the political and military effects of their attacks. The third risk is that adversaries will attack with both physical and cyber strikes against critical infrastructure. He also mentioned adversaries may conduct information operations during an attack in order to further insight panic and complicate restoration operations by utility alignment or other workers. He noted he would love to assist the NIAC in the future to broaden their knowledge of threats to infrastructure restoration after a major attack.

Next, Dr. Stockton discussed opportunities for progress. He urged the Council to consider three areas for progress in close partnership with the Trump Administration and the policy priorities to come. 1) Operational Planning: He believes the National Cyber Incident Response Plan (NCIRP) is a major step forward in preparedness. He congratulated those involved because he believes it was a major step forward in preparedness. Although, as the NCIRP makes clear, this is a strategic level framework for progress. Now it is incumbent to start building operational plans to accelerate cross-sector restoration service. He acknowledged no plan will “survive reality”, but to have something available to adjust to circumstances is enormously valuable. 2.) Integration of infrastructure owners and operators into Emergency Operation Centers. He suggests making a plan for bringing all infrastructure sectors together and be engaged to prioritize requests for government assistance. Dr. Stockton said they also need to figure out how to bring governors into that equation. Under the National Response Framework, governors are at the heart of their request for assistance processes. He hopes the NIAC can consider these kinds of issues as well: how do we more greatly integrate industry/private sector into decision-making, because ultimately government support needs to reflect what the private sector owners and operators have as their priorities. 3) Emergency power: Dr. Stockton said the U.S. does not have enough emergency generators to meet the needs for sustaining operations of the Water Sector and other sectors if there is a long-duration power outage. He said stocks are limited, but generators burn out anyways on top of the lack of fuel needed. Dr. Stockton hopes the NIAC can continue to think about how to advance the dime on emergency power, both for generators and fuel, to ensure if adversaries are able to create sustained disruptions in nation-wide infrastructure, critical facilities and functions can still continue to operate.

Dr. Stockton thanked Ms. Lau for the honor in supporting her and the rest of the Council and he said he looks forward to continuing his assistance in the work of the NIAC.

*Tom Fanning, Chairman, President and Chief  
Executive Officer of Southern Company,  
Chair of the Federal Reserve Bank of Atlanta,  
Chairman of the Edison Electric Institute,  
Co-Chair of the Electricity Subsector  
Coordinating Council*

Mr. Fanning thanked Ms. Lau and said he appreciated the public service that the NIAC performs.

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Mr. Fanning said the U.S. needs public-private partnerships (PPPs) to help solve the problems for the public benefit. He said without them, citizens are losing faith in institutions of government and the people that run them. He said he would take a different approach than Dr. Stockton, in terms of the level at which he wants to interject a solution. His bottom line contained four big points: 1) Focus on the existential threat, people that want to take down the American way of life. It is a combination of cyber and physical terrorism. 2) The weak spots in any enterprise are the points of intersection. He said it is imperative that there is an aligned strategy on how to bring the big three industries together: Electricity, Financial Services, and Telecommunications. 3) “The private sector must be the pitcher, not the catcher.” The private sector owns 87% of critical infrastructure. Mr. Fanning said it is the authority and responsibility of government to protect its citizens, but it is also the obligation of the private sector to inform policy makers- whether it is the Executive Branch, Congress, or at the state and local government level, to create a sense of priority and how to make “the best bang for the buck” for the bandwidth of government. 4) Harmonize the Federal government, private sector, state and local governments, and figure out an international strategy. Then, have some other approaches in Congress. Mr. Fanning noted America cannot be responsive to threats, somehow we need to adopt the mindset of “skating to where the puck will be.” He said the future is unclear, therefore there must be fluid option-based strategies about attacking the problems of the future. He suggested committing to invent that future and get ahead of the ever-changing game, but also recognize it is impossible to get there. He said it is not a destination, but a very prolonged effort. He emphasized the need to commit to PPPs.

Mr. Fanning said private industry owns 87% of critical infrastructure and suggested they focus on the lifeline sectors. In thinking about Homeland Security, he said they have to help harmonize the other three letter agencies that have important responsibilities. He emphasized they cannot be stuck in silos. When discussing this topic, he noted he is reminded of responders from state and local government. Very often they get left out of decision making, in terms of how to array our forces- whether preparing for or responding to big issues. There are fusion centers all over America; one type deals with crime prevention or detection, the other deals with intelligence. Mr. Fanning believes if the two types could coordinate better, then efforts could be harmonized and the intelligence received would be more beneficial. Further, he stressed how governors will be instrumental. He spoke of an individual from the ESCC in charge of the National Governor Association response to cyber and physical terrorism. He said they are trying to “play at that level”, as well as coordinate at the Federal level. Mr. Fanning noted one of the predicates of the United States government is to deal with the “fives I’s”, but he does not believe it is enough. Additionally, Mr. Fanning does not think the European Union is the right approach. He thinks the best way to begin is to develop a series of bilateral relationships with American allies. Mr. Fanning explained for a long time the U.S. was physically protected by the Pacific and Atlantic Ocean, but cyber threats have no borders and the U.S. is not immune. He believes the nation will have to build a more cohesive international strategy in order to protect and defend itself.

Another notion Mr. Fanning discussed was what he thinks the NIAC should do about legislation in Congress. There are currently 17 different committees in Congress that have some play on

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physical and cyber terrorism. He was recently asked to join Senator Mark Warner and Senator Cory Gardner to inform these interested parties in Congress on a bicameral or bipartisan approach to get consistent information to act on. He said oftentimes people think they are experts when they are not. Mr. Fanning urged a full and consistent truth needs to be spoken to U.S. citizens that can help solve problems from a legislative standpoint. Something he has been working on with the Department of Energy (DOE) is a notion of a matrix that maps out a magnitude of threat, by likelihood of threat. Therefore, it can be used to help set national priorities in terms of arraying the resources in order to help solve problems. He recommended using the model to work with others, because no one has all the answers. Mr. Fanning encourages the nation to work on being cross-sector across primary industries to align technology systems and information sharing regimes. He acknowledged Mr. Ben Fowke as a leader in reaching out to the Financial Services Sector. He said the sector works hard on Federal coordination and Supervisory Control and Data Acquisition (SCADA) activity. The goal is to make sure the vertical integration (Federal government to private industry to state and local government) happens. Mr. Fanning encouraged the continuation of investment in research and development, leveraging the national laboratory structure and private industry. He recommends leveraging existing infrastructure and making it more effective, rather than reinventing.

Mr. Fanning's last topic of discussion was evolution of threat. The threats are becoming ever more powerful and the threat of inaction or not keeping up with it is enormous. Up until now the thought has been an adversary intervening and cyberattacking, but either way the conflict is people versus machines. He said the evolution will eventually go from people-to-machine, to machine-to-machine, and then potentially attacks could increase from millions to even trillions of times a day. Companies and government can put into place a machine-to-machine defense and heuristics, but he believes that will only help in microseconds. The next evolution will be machine-to-machine with artificial intelligence. This will create an evolution with threat and response that may be faster than humans can intervene. It creates an enormous dilemma for everyone, but he believes the U.S. needs to get ahead of it. There is no package today that will contemplate this future, he stated it is something the nation needs to invent.

Mr. Fanning thanked the Council for all the hard work they do for the United States.

### **VIII. STATUS REPORT OF FUTURE FOCUS WORKING GROUP**

*Mike Wallace, Working Group Co-Chair*

Mr. Wallace echoed Dr. Stockton and Mr. Fanning's sentiments regarding the importance of PPPs at the executive level. He told the new Members that every report in the last 4-5 years included some dimension of cybersecurity. Based on all the experts they interviewed, the Working Group concluded they wanted to report out the study in February instead of May, since the threat is so broadly relevant and fast-paced. He thanked Ms. McDonald for being a wonderful Co-Chair, as well as his fellow Working Group Members. Mr. Wallace noted there was no large, final report- the slide deck being presented is taking place of such a report. He also explained

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there is no consistent database on cyber threats, the cost, and the experience; thus there is no way to visually display consequences in the slide deck. Lastly, Mr. Wallace mentioned the Working Group did have classified briefings to inform their effort, but no such information could be included within the report.

Mr. Wallace went through the NIAC Cyber Scoping Study Working Group slide deck, which is publically available on the NIAC website and linked here: [Cyber Scoping Study Working Group Slide Deck](#).

Information provided by Mr. Wallace, not included in the slide deck:

- The NIAC does not see itself having a role in cybersecurity after the study, its role is merely to facilitate an outcome.
- The NIAC wants to use a “Strawman Approach”- could include three high-level Cabinet Members, three high-level private sector executives from different sectors, all of which meet with the President and establish areas that need attention, policy space, and priorities.
  - Mr. Wallace described a level below that with the same kind of makeup working on the operational side, as well as lower levels beyond that.
  - The notion is to ensure a PPP at a very senior level is looking at USA Inc.

Mr. Wallace requested the Council approve the presentation and appendix, since it constitutes the substance of a report. In addition, he requested the NIAC approve the special request on slide 26.

### **IX. OPEN DISCUSSION AND PUBLIC COMMENT**

*Ginger Norris, DFO, NIAC, DHS*

Before voting on Mr. Wallace’s requests, Ms. Lau opened the floor to any comments from the Council or the Administration.

Mr. Steinman said the NSC is looking forward to working with the Council on these issues and inform policy thinking.

Ms. Norris asked for any public comments.

Mr. Charles Job, from the National Groundwater Association, thanked the Council for the opportunity to speak to them, as well as Dr. Scott for her earlier remarks. He said the Association is concerned about small communities and small water systems in particular. He suggested their consideration to those small communities in the Cyber Study. Mr. Job described a friend who was retreating from the coast during Hurricane Mathew, and the place those people retreat to is in the interior of the country. He said 40% of the population in the U.S. lives along the coast, but when moving away from a major event like that to the interior- small communities are affected. He noted he could not think of anything worse than an adversary taking advantage of a natural disaster and by making the situation worse in the interior of the country, where people are retreating to. Mr. Job suggested the Council consider small communities in that way. In terms of

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the tabletop exercises Dr. Scott mentioned, he said he would like to hear more about that in some way and understand how communities have been or could be included in those tabletop exercises. He said he knows small communities were flooded in North Carolina during Hurricane Mathew. Mr. Job added Hurricane Sandy affected many small groundwater systems in New Jersey, many of which requested generators in response to losing power and were not able to provide water to communities. Generally, small systems are very vulnerable. He said the country normally thinks of the larger issue of resilience, even in cybersecurity he believes there is a “chain link fence with a padlock on it” around one or two wells for a community. He asked hypothetically if that was secure in any physical or cyber-attack. Mr. Job suggested the NIAC think more broadly about not solely the large entities, which the country relies on, but also the small communities within the United States. He added a number of small systems do have SCADA systems, so he thinks there is an angle on the cyber side that could be a part of what the Council is considering. His official request was for the Council to go back to what has been done on the water side and acquire more information on how the small systems are being included in that evaluation.

Dr. Scott ensured Mr. Job she would make sure he received that information. Ms. Lau added that coming from a small state, she understands his urgency.

Ms. Maher acknowledged the great work the NIAC has done and noted how complex Ms. McDonald and Mr. Wallace’s undertaking was in their study. She noted the NSC greatly appreciates the work they are doing. She reiterated Ms. Morrison and Mr. Steinman’s comments about the difficult situation they are in where they cannot say too much, but hopefully with forthcoming guidance they can take a look at the NIAC’s request and recommendations and make sure they are aligned with the Administration’s priorities.

Mr. Carr explained how concerned he is about the capability of adversaries turning SCADA systems into weapons. He believes in the idea of creating a voluntary model where businesses and enterprises can voluntarily become part of a solution, such as the Financial Services Infrastructure Sector Advisory Committee (FS-ISAC). He believes that because the NIAC can be an “honest broker” and then remove itself, should be appealing to the Administration. Lastly, he thanked Mr. Wallace for leading the cyber effort, as well as Mr. Eisenhower and Ms. Ward and the rest of the support staff.

Ms. Pope said the NIAC should make sure what they are doing going forward really anticipates this interdependency between sectors highlighted in slide 7. She has noticed the sectors are still being siloed. They need to all be linked and she believes the NIAC is the body capable of making that happen. Ms. Pope has noticed people become so impatient in anticipation to the next technology, that they are not paying attention to the cyber risks being created. She suggested they think about ways to encourage private sector to build resilience within the operational systems, not just the cyber systems.

The Council voted upon and unanimously approved the Working Group’s Cyber Scoping Study presentation and appendix, as well as their special request.

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**X. NEW BUSINESS**

*Constance H. Lau, NIAC Chair*

No recommendations of new business.

**XI. CLOSING REMARKS**

*Constance H. Lau, NIAC Chair*

*Mr. David Hess, Under Secretary, National  
Protection and Programs Directorate (NPPD)  
(acting)*

*Stephanie Morrison, Director, Critical  
Infrastructure Protection Policy, NSC*

Ms. Lau welcomed the new Members into the Council and told the Council how much of a pleasure it has been to work with them.

Mr. Steinman thanked the NIAC for all their hard work and is looking forward to working with them over the next few months. He reiterated Ms. Maher's comment to expect forthcoming guidance, allowing the NSC's relationship with the NIAC to prosper.

Ms. Morrison thanked Dr. Stockton and Mr. Fanning for their passionate and interesting presentations.

Mr. Hess thanked the presenters as well and told the Council and Administration he looks forward to working with them in the future.

**XII. ADJOURNMENT**

*Constance H. Lau, NIAC Chair*

Ms. Lau adjourned the quarterly business meeting.