MEETING AGENDA

Tuesday, April 10, 2007 1:30 – 4:30 p.m. ET National Press Club 529 14th Street NW Washington, D.C. 20045

I. **OPENING OF MEETING** Gail Kaufman, Designated Federal Officer (DFO), NIAC, Department of Homeland Security (DHS) II. **ROLL CALL OF MEMBERS** Gail Kaufman **III.** OPENING REMARKS AND NIAC Chairman, Erle A. Nye, Chairman **INTRODUCTIONS** Emeritus, TXU Corp. Robert Stephan, Assistant Secretary for Infrastructure Protection, DHS Neill Sciarrone, Director of Protection and Information Sharing Policy, Homeland Security Council (HSC) **IV.** APPROVAL OF JANUARY 16, NIAC Chairman, Erle A. Nye Presiding **2007 MINUTES** V. WORKING GROUP STATUS NIAC Chairman, Erle A. Nye Presiding UPDATES A. CHEMICAL, BIOLOGICAL, AND Chief Rebecca F. Denlinger, Fire Chief, **RADIOLOGICAL EVENTS AND** Cobb County, Georgia Fire and **Emergency Services**, NIAC Member; **CRITICAL INFRASTRUCTURE** Martha H. Marsh, President and CEO, WORKERS Stanford Hospital and Clinics, NIAC Member: and Bruce A. Rohde, Chairman and CEO Emeritus, ConAgra Foods, Inc., NIAC Member **B.** THE INSIDER THREAT TO Edmund G. Archuleta, General Manager,

CRITICAL INFRASTRUCTURES

El Paso Water Utilities, NIAC Member and *Thomas E. Noonan*, General Manager, IBM Internet Security Systems, NIAC Member

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VI. NEW BUSINESS

NIAC Chairman, *Erle A. Nye*, NIAC Members

VIII. ADJOURNMENT

NIAC Chairman, Erle A. Nye Presiding

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MINUTES

NIAC MEMBERS PRESENT IN WASHINGTON:

Mr. Edmund G. Archuleta; Mr. Alfred R. Berkeley, III; Lt. Gen (ret.) Albert J. Edmonds; Ms. Margaret E. Grayson; Ms. Martha H. Marsh; Mr. James B. Nicholson; Mr. Thomas E. Noonan; and Mr. Gregory A. Peters.

NIAC MEMBERS ATTENDING VIA CONFERENCE CALL:

Mr. Erle A. Nye; Dr. Craig R. Barrett; Chief Rebecca F. Denlinger; Chief (ret.) Gilbert G. Gallegos; Governor Tim Pawlenty; and Mr. Bruce A. Rohde.

MEMBERS ABSENT:

Mr. George H. Conrades; Commissioner Raymond W. Kelly; Dr. Linwood H. Rose; and Mr. John W. Thompson

SUBSTANTIVE POINTS OF CONTACT PRESENT IN WASHINGTON:

Mr. Peter Allor (For Mr. Thomas E. Noonan); Mr. Scott Blanchette (For Ms. Martha H. Marsh); Ms. Joan Gehrke (For Mr. James B. Nicholson); Mr. Bill Muston (For Mr. Erle A. Nye); and Ms. Diane VanDe Hei (For Mr. Edmund G. Archuleta).

SUBSTANTIVE POINTS OF CONTACT ATTENDING VIA CONFERENCE CALL:

Mr. Brent Baglien (For Mr. Bruce Rohde); Ms. Ellen Black (For Chief Rebecca F. Denlinger); Lt. Paul Mauro (For Commissioner Raymond W. Kelly); Mr. Jason Rohloff (For Hon. Tim Pawlenty); and Mr. David Rose (For Dr. Craig R. Barrett)

OTHER DIGNITARIES PRESENT:

Mr. Robert B. Stephan, Assistant Secretary, Office of Infrastructure Protection, DHS; Ms. Neill Sciarrone, Director, Protection and Information Sharing Policy, Homeland Security Council (HSC); and Ms. Gail Kaufman, Designated Federal Officer (DFO), NIAC, DHS.

I. OPENING OF MEETING

Ms. Gail Kaufman introduced herself as the DFO for the NIAC. She welcomed Col. Robert B. Stephan, Assistant Secretary for Infrastructure Protection, DHS; Ms. Neill Sciarrone, Director, Protection and Information Sharing Policy, HSC; Mr. Erle A. Nye, NIAC Chairman; and all Council members present or on the teleconference. Ms. Kaufman also welcomed the members' staffs, other Federal government representatives, as well as members of the press and public. She reminded the members the meeting was open to the public and, accordingly, members should remember to exercise care when discussing potentially sensitive information. Pursuant to her authority as DFO, Ms. Kaufman called to order the NIAC's 19th meeting and the second meeting of 2007.

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II. ROLL CALL

After bringing the meeting to order, Ms. Kaufman called roll.

III.	OPENING REMARKS AND INTRODUCTIONS	NIAC Chairman, <i>Erle A. Nye</i> , Chairman Emeritus, TXU Corp.
		<i>Robert Stephan</i> , Assistant Secretary for Infrastructure Protection, DHS

Neill Sciarrone, Director of Protection and Information Sharing Policy, HSC

Chairman Nye thanked Ms. Kaufman and everyone at the meeting. He apologized for being present by phone. The Chairman stated the Council has made progress on its projects, noting that the Council's public and private partners alike continue to applaud the NIAC's work. Chairman Nye welcomed Robert Stephan, Assistant Secretary for Infrastructure Protection, and Ms. Neil Sciarrone, Director of Protection and Information Sharing Policy for the HSC. While Chairman Nye expressed his regret about losing Ms. Jenny Menna as DFO, he said he was confident Ms. Kaufman would prove to be a great new DFO.

Chairman Nye asked if Assistant Secretary Stephan had remarks for the Council.

Assistant Secretary Stephan thanked Chairman Nye and thanked all the members for their hard work as they continue to help secure the homeland. He welcomed Ms. Kaufman as the new DFO. Ms. Menna, her predecessor, departed to lead the Department's infrastructure and resiliency coordination pieces for the IT Sector, he said. Mr. Stephan said Ms. Menna would be a great addition there, before noting that everyone anticipates great service from Ms. Kaufman.

The Assistant Secretary also thanked everyone in attendance on behalf of Secretary Chertoff. He stated the Council's reports added meaningful value to the Department's homeland security efforts. He added the reports help shape the Infrastructure Protection future agenda. He pointed out Secretary Chertoff recently announced his support of the National Fusion Center. Moreover, he noted that DHS is now working with the Federal Bureau of Investigation (FBI) and Ambassador McNamara, the President's designee for the Information Sharing Environment (ISE), as well as others to meet the recommendations the Council provided in its recent Intelligence Coordination Report. Assistant Secretary also said the recently completed *Prioritization of Critical Infrastructure for a Pandemic Outbreak in the United States Report and Recommendations* complements the pandemic preparedness work of DHS related to the *Pandemic Influenza Preparedness, Response, and Recovery Guide for Critical Infrastructure and Key Resources,* which the Department released last year. He said the policy recommendations and some of the prioritization planning with respect to pandemic influenza. He added the NIAC recommendations assist in molding some of the modeling with

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the National Infrastructure Simulation and Analysis Center, a consortium of Sandia and Los Alamos National Laboratories. Assistant Secretary Stephan thanked the Council for that assistance.

The Assistant Secretary told the NIAC he and Gregory Garcia, Assistant Secretary for Cyber Security and Communications, continue to work through the Council's *Convergence of Physical and Cyber Technologies and Related Security Management Challenges* recommendations on physical and cyber infrastructure security convergence. He expressed his excitement over the insight and forward thinking the NIAC provides to shape the future.

Assistant Secretary Stephan asserted that the two current working groups are both studying very important subjects for the NIAC. Both studies, he said, could have extremely positive impacts on our national infrastructure supportability, protection, and resiliency. Nobody likes to consider the possibility of a Chemical, Biological, and Radiological (CBR) event, he told the Council, but it remains a possibility for which DHS must plan. As the Council addressed in its Pandemic Report and Recommendations, there is a great potential for cascading and rippling effects on public health and safety that could dramatically affect our national and global economy. The Assistant Secretary pointed out the Insider Threat study remains particularly challenging because it deals with a threat vector that might already exist within American critical infrastructure. Additionally, Assistant Secretary Stephan noted that employing insider threat countermeasures across 17 diverse infrastructure sectors represents a daunting challenge. It will, however, garner immediate benefits, especially in planning the next five years of budget initiatives and projects.

Assistant Secretary Stephan mentioned NIAC's integral role in assisting DHS framing of the National Infrastructure Protection Plan (NIPP). DHS lacked a strategic blueprint for linking the Nation across sectors, government levels, and between public and private sectors. He added DHS is systematically deploying the NIPP across the country using State- and local-level government homeland security partners in combination with Sector Coordinating Council (SCC) leadership. Mr. Stephan said the SCCs represent key pieces of the puzzle, which the NIAC helped assemble two years ago—a very successful component of the infrastructure protection effort. The Assistant Secretary said he appreciates the support from the team of government and private sector officials cooperating across the 17 sectors.

In addition to using the NIPP as a platform for education, training, and awareness, each sector completed work on their Sector-Specific plan (SSP) late last year. Sector by sector, these plans incorporated some of the national strategies and policies into their specific threat landscapes and operating environments. Mr. Stephan said the White House has vetted the plans, and noted that all but one is still being edited into final form for distribution. The Assistant Secretary said he hoped to resolve the final plan by mid-April.

Mr. Stephan also mentioned that the Department is launching these 17 interlocking sector plans to bring the country together. This year, DHS will use the SCCs to implement these SSPs, which he expects will generate requirements; guide the Department's focus with respect to State and local partners, science and technology, public-private sector partnerships, and research and development projects. He added DHS would work with private-sector leadership and its Federal

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counterparts as well as State Homeland Security Advisors to help prioritize and present requirements to Secretary Chertoff and the White House. By generating these requirements, he expects that those items that sectors express the most concern about should come to the forefront, he said. Additionally, identifying these items should also help direct future NIAC efforts. Less than one year after implementing the NIPP, the Assistant Secretary said he could see that the sectors were making progress. The NIAC, he said, remains a critical and strategic DHS partner, noting that the Council helps the Department tackle important policy and operational planning questions, which link the public and private sectors. On behalf of Secretary Chertoff and President Bush, Mr. Stephan again thanked NIAC members for all their valuable efforts and asked them to maintain their good work.

Chairman Nye thanked Assistant Secretary Stephan, saying his comments were very helpful. He said the NIAC regrets Ms. Menna's departure but wishes her the best in her new role. The Chairman said he was confident Ms. Kaufman would do a great job. He addressed one more change; Mr. Thomas Bossert serves as the new Acting Director of the Homeland Security Council, replacing Ms. Kirstjen Nielsen. Chairman Nye said Mr. Bossert initially planned to be at the NIAC meeting but was called away at the last moment. The Chairman stated the NIAC looks forward to having him at its next meeting.

Chairman Nye asked Ms. Neill Sciarrone, the Director of Protection and Information Sharing Policy from the Homeland Security Council, if she wished to make any comments.

Ms. Sciarrone thanked Chairman Nye and said Mr. Bossert apologized for not attending the meeting. He wanted to meet and work with each NIAC member, she said. Ms. Sciarrone noted that Mr. Bossert previously served at the Small Business Administration (SBA), working with Congress and the Special Prosecutor's Office as well as the Federal Emergency Management Agency (FEMA). Mr. Bossert brings a different perspective to the HSC. Ms. Sciarrone reiterated that Mr. Bossert looks forward to working with the NIAC. Ms. Sciarrone stated the government could not accomplish much of what it does without the NIAC. She said the work, time, and effort the NIAC puts forth certainly receives notice. She said the Council serves as a tremendous example of a helpful and effective Presidential advisory council, and concluded her remarks by thanking the NIAC for everything it does and adding she looks forward to hearing the presentations.

Chairman Nye thanked Ms. Sciarrone, saying the NIAC appreciates her role with the Council, as well. He agreed the NIAC consists of invaluably dedicated and capable members of whom he remains very proud. He asserted the NIAC could use a few additional members and asked Ms. Sciarrone to urge the White House to consider this need.

IV.APPROVAL OF JANUARY 16, 2007
MINUTESNIAC Chairman, Erle A. Nye,
Presiding

Chairman Nye continued on to the review and approval of the January 16, 2007 NIAC Meeting Minutes. He asked the Council if there were any amendments or additions to the minutes. He commented the detail and thoroughness of the minutes is important due to the public nature of

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the NIAC's work. Hearing no corrections or comments, he asked for a motion to approve the minutes. Mr. James Nicholson made the motion and Lt. Gen. Albert Edmonds seconded. The Council unanimously approved the motion.

V.	WORKING GROUP STATUS	NIAC Chairman, Erle A. Nye
	UPDATES	Presiding

Chairman Nye said the NIAC would present two progress reports from the following Working Groups:

- □ Chemical, Biological and Radiological (CBR) Threats and the Impacts to the Critical Infrastructure Workforce, and
- **□** The Insider Threat to Critical Infrastructures.

Mr. Nye thanked the members and their staffs for their work on the Prioritization of Critical Infrastructure for a Pandemic Outbreak in the United States Report and Recommendations, which the Council approved at its January meeting and sent to Secretary Chertoff, Department of Health and Human Services (HHS) Secretary Michael Leavitt, and President Bush. The Report and Recommendations gained notice for their quality, he said. With the completion of the pandemic work, the NIAC has reinstated the CBR Working Group, which the NIAC had suspended to focus on the pandemic effort, Mr. Nye said. The CBR Working Group returns with an eye toward chemical events—acts of either terrorism or accidents. The three co-chairs of the CBR Working Group are Chief Rebecca Denlinger, Ms. Martha Marsh, and Mr. Bruce Rohde, all of whom served a similar capacity on the Pandemic Report and Recommendations. Chairman Nye then asked Martha Marsh if she was leading the progress report, before turning the floor over to Ms. Marsh.

A. CHEMICAL, BIOLOGICAL AND	Chief Rebecca F. Denlinger,
RADIOLOGICAL EVENTS AND	Fire Chief, Georgia Fire and Emergency
CRITICAL INFRASTRUCTURE	Services, NIAC Member; Martha H. Marsh,
WORKERS	President and CEO, Stanford Hospital and
	Clinics, NIAC Member; and Bruce A.
	Rohde, Chairman and CEO Emeritus,
	ConAgra Foods, Inc., NIAC Member

Ms. Marsh greeted everyone and thanked Chairman Nye for his leadership. She then recognized and thanked her fellow co-chairs, Chief Denlinger and Mr. Rohde. She said the recently completed Prioritization of Critical Infrastructure for a Pandemic Outbreak in the United States Report and Recommendations represented an important and obvious concern and priority in terms of a biological event. A chemical incident, however, represents an equally important issue. Ms. Marsh introduced Study Group member Mr. Scott Blanchette to update the Council on the Study Group's progress.

Mr. Blanchette thanked Ms. Marsh and opened by saying the Study Group continues working toward articulating its initial findings. To date, the Study Group's chief shortcoming was a lack

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of subject matter expertise that would offer the Study Group a better understanding of a chemical scenario. He asked the Council for any help it might be able to provide in locating subject matter experts as well as guest speakers.

Mr. Blanchette briefly recapped the CBR Study Group's objectives, mission statement, timelines, and milestones.

The NIAC originally tasked the Working Group to study the capabilities of a private sector response to a CBR event more than a year ago. At its outset, the Working Group established a Study Group to provide background research and received briefings from subject matter experts on a potential CBR incident. He pointed out that the NIAC spent the majority of 2006 studying preparedness for, and responsiveness to, a potential influenza pandemic.

As Chairman Nye said earlier, the completion of the Pandemic Report and Recommendations allowed the original CBR Working and Study Groups to reconvene and resume their studies of chemical threats and vulnerabilities and to begin developing recommendations to prepare critical infrastructure for such an event.

Mr. Blanchette said the scope of this assignment pushes the Study Group to identify key critical infrastructure elements in a response to a chemical event. Furthermore, the Study Group will examine potential events, their likelihood, and their impact. He added the group would work with critical infrastructure entities to understand response capabilities, to identify preparedness and response capability gaps, and to develop recommendations to address these issues.

Mr. Blanchette asked if any members could help the Study Group identify experts well versed in:

- Chemical attacks,
- □ Threats,
- □ Vulnerabilities and
- **Response plans, programs or capabilities.**

The Study Group would be very interested in enlisting their support, he said.

Mr. Blanchette then discussed the questions the CBR Events Working and Study Groups will be studying:

- 1. The first question seeks to quantify the degree to which chemical preparedness is ingrained in critical infrastructure organizations. It asks who and how this preparedness is addressed currently. Additionally, it seeks to find the threat's frequency and will explore whether chemical preparedness is included in organizational disaster recovery and business continuity plans. Defining these attributes will help the Study Group better understand organizational preparedness.
- 2. The Study Group will also attempt to understand market drivers or incentives for organizations to invest in chemical preparedness. Specifically, do these incentives

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or drivers exist? If not, why not? What might those drivers or incentives look like?

- 3. The Study Group seeks to comprehend the communications infrastructure supporting a chemical event. While not necessarily unique to a chemical incident, are existing communications capabilities better or lesser prepared to support a response to a chemical event?
- 4. The Study Group will explore existing tools and technologies support chemical event detection, reaction, and response.
- 5. The Study Group seeks to better understand Federal, State, local, and private response coordination, communication, plans, programs, and exercises. Understanding the response scenarios, including their feasibility and maturity, will be important during the recommendations development process.
- 6. The Study Group will study the Federal government's role in enhancing preparedness and response capabilities.
- 7. The Study Group will examine key interdependencies and show how they affect chemical event preparedness and response scenarios. Vulnerabilities in seemingly minor parts of critical infrastructure might cause significant impacts on a broader, more global scale.
- 8. The Study Group will ask anyone with whom they meet to try to capture the three or four most pressing issues and concerns that their organization might have. They will then ensure the questions being studied and data points collected represent the right approach.

Mr. Blanchette added the Study Group needs subject matter expertise in its effort to understand the chemical problem statement more comprehensively. The Study Group remains interested in identifying and engaging individuals who could help the group understand the threat and vulnerability picture.

Mr. Blanchette asked Assistant Secretary Stephan if the Study Group could engage experts in chemical threat and vulnerability within DHS. He added the private sector might lack the degree of expertise and understanding DHS could provide.

Chairman Nye said this presentation serves as an opportune moment to introduce new NIAC member, Mr. Jim Nicholson, Chairman and CEO of PVS Chemicals, Inc., who will be helping the CBR Working Group.

Mr. Blanchette commented Mr. Nicholson and his staff added great value to the CBR Working and Study Groups.

Mr. Blanchette expressed the Study Group's interest in engaging members from government, industry, or academia who might be studying a potential CBR event. He added the CBR threat has not received the same attention as the pandemic report, and therefore, the Study Group lacks the number of experts the NIAC used with other study groups, including the pandemic group.

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Mr. Blanchette said he expected the CBR Working Group to arrive at the next NIAC meeting with initial findings and suggested recommendations, seeking the Council's endorsement of those findings and suggested recommendations. He predicted the group would deliver its final report and recommendations at the October 9 NIAC meeting and presenting it to the White House shortly thereafter.

Finally, Mr. Blanchette thanked Mr. Stephan and Ms. Sciarrone for their continued support and assistance.

Ms. Marsh thanked Mr. Blanchette and noted chemical issues represent an extremely dangerous threat to communities across the United States. She thanked all those whose help and contributions have greatly aided both the Working and Study Groups.

Ms. Marsh asked if Chief Denlinger or Mr. Rohde wanted to add any comments.

Chief Denlinger said the value of awareness gained between local government responders and chemical industry personnel represents an extremely important development. She added that these discussions have already added strength and resiliency to the industry.

Mr. Rohde said he had nothing further to add. He thanked Ms. Marsh for leading the CBR Working Group and thanked Mr. Blanchette for his efforts with the Study Group.

Ms. Marsh thanked Mr. Rohde and asked if the Council had any questions.

NIAC member Mr. Alfred R. Berkeley, III wanted to address the Working Group's question regarding the three or four critical vulnerabilities facing an organization today. While companies are exempt from the Freedom of Information Act (FOIA) when submitting infrastructure protection information to the government, he said there has been no legal precedent, and many companies have expressed a reluctance to submit information about critical vulnerabilities. Mr. Berkeley asked if the Working Group could search for a test case, which could hold up in court and thus alleviate these concerns and motivate greater participation.

Martha Marsh said Mr. Berkeley brought up an important issue. If industry cannot trust the confidentiality of the process, companies will not share information on their vulnerabilities. Ms. Marsh asked Chairman Nye for advice on addressing this concern as the Council has not had this discussion specifically at this point.

Chairman Nye asked Assistant Secretary Stephan if he had any suggestions on the matter.

Assistant Secretary Stephan confirmed the information remains protected under the Critical Infrastructure Information Act of 2002. He added DHS received thousands of data points related to vulnerability and information security over the past year. He suggested putting training, education, and awareness teams out in the field with lawyers and operations personnel to brief industry leaders on the protections, safeguards, processes and how documents must be marked. The Assistant Secretary acknowledged that the courts have yet to test these laws; but he said he

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remains convinced they would hold up as long as procedures continue to be followed properly. He said DHS and NIAC must cooperate with industry leaders to build confidence.

Mr. Berkeley thanked the Mr. Stephan for his comments, and noted that DHS should take into consideration the thoughts of those in the field regarding the laws and processes.

Ms. Marsh suggested having an educational session to help make people aware of the requirements for protecting information.

Assistant Secretary Stephan said he could not remove all doubt in the laws, but noted that a training module exists, which demonstrates the ability to protect all information presented to DHS that follows the processes and requirements of the law and previously implemented regulations. Convincing the data owners the government will protect their data is the next step, he said.

NIAC member Mr. Thomas Noonan stated a parallel to this vulnerability exists in the information security field. Since DHS expressed interest in identifying the vulnerability and not the specific company, he said an approach or model might exist in the information security industry for disclosing and discussing vulnerabilities without attributing them to a specific company. He commented despite the protection under law, most businesses appreciate protective legislative and legal efforts, even if they do not fully trust these efforts.

Ms. Marsh agreed the disclosure of a specific company's identity is unnecessary to understand vulnerabilities across each sector.

Mr. Noonan reiterated an anonymous approach might encourage a larger group to feel vulnerabilities would not be attributed to their respective company or facility and, thus, the groups would have a significantly higher level of comfort.

Ms. Marsh acknowledged the need to discuss the issue further and thanked Mr. Noonan for his helpful suggestion.

Chairman Nye agreed the Council's interest lies in the situation, not the identity or location of a specific company. He agreed with Mr. Berkeley that a general mistrust exists in industry around the issue of disclosure. He added his own company had similar feelings but viewed it as something that it needed to work through in the name of security.

Mr. Berkeley mentioned when something as potentially disruptive as a CBR incident strikes, all security partners should anticipate potential rule changes. He offered the example of the financial services industry rule, implemented after the 1987 stock market crash. In that instance, the United States closed its markets but lacked rules for reopening. In response, the United States created rules on how long markets would remain closed, if they would reopen at all and, if so, how they would be reopen. Mr. Berkeley provided another example based on insuring oil tankers suspended from operating by the major insurance companies during the first Gulf War. A Sheik offered to keep the ships in service personally. Mr. Berkeley questioned whether the NIAC

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should consider rules contingent on an emergency to provide authority, not unlike the *posse* comitatus during Hurricane Katrina.

Ms. Marsh noted the importance of Mr. Berkeley's point. Two kinds of issues exist:

- Those that can be predicted and addressed; and
- □ Those that cannot be foreseen.

It is often unclear who holds the authority and what process exists for legislating during a crisis. She noted Federal, State and local governments sometimes confuse matters. Thus, security partners must consider these situations in advance and they must make clear determinations about who maintains authority in a crisis.

Lt. Gen. Albert Edmonds said a parallel exists with the *Prioritization of Critical Infrastructure for a Pandemic Outbreak in the United States Report and Recommendations* where critical workers must be determined during a CBR event. Whether in industry or government, everyone needs some type of plan in effect.

Ms. Marsh agreed with Lt. Gen. Edmonds' statements.

Lt. Gen. Edmonds compared the response to a CBR event to the closing of the government during a snowstorm. He reiterated every major area should have a plan in place.

Chairman Nye thanked Lt. Gen. Edmonds for his comments.

Assistant Secretary Stephan said DHS looked forward to this report and recommendations for two reasons:

- 1. DHS will work to implement an aggressive security regulation framework for the chemical industry. The framework stems from an unprecedented amount of collaboration among Federal, State, and local government partners, as well as private sector companies, owners, operators, and security professionals. The study's recommendations will help shape evolving regulatory framework over the next year. It is the first comprehensive regulatory framework the Federal government will undertake this century.
- 2. DHS operates a platform for industries outside the chemical sector and those not in a regulated security environment. DHS oversees numerous voluntary security planning efforts joining State and local governments, law enforcement enterprises, emergency managers, and first responders together with plant owners and operators and security professionals. Those outside the chemical industry will also benefit tremendously from the CBR study.

The Assistant Secretary commended the Working Group on its efforts, noting DHS will provide any type of subject matter expertise it can, including the Office of Infrastructure Protection (OIP) and the Office of Science and Technology (OST). He added one troubling phenomenon

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increasingly emerging in Iraq and relevant to the CBR study is the insurgents' use of chlorine and other dangerous chemicals in their attacks. He stated DHS continues analyzing these attacks and developing lessons-learned case studies to share amongst the SCCs.

Assistant Secretary Stephan said over the past four years DHS assessed vulnerabilities across various aspects of industry that all 17 sectors that DHS would be able to share with the NIAC.

Ms. Marsh thanked the Assistant Secretary for his assistance. She asked if there are any further suggestions or questions. Hearing none, she thanked Chairman Nye, and ended the presentation.

Chairman Nye thanked Ms. Marsh for the Working Group's presentation. He mentioned he has also heard of the growing use of chemical agents in Iraq. He thanked Ms. Marsh, Chief Denlinger, Mr. Rohde, and Mr. Nicholson. He reiterated the need to find subject matter experts, either from industry, academia, or government agencies.

B. THE INSIDER THREAT TO CRITICAL INFRASTRUCTURES	<i>Edmund G. Archuleta</i> , General Manager, El Paso Water Utilities, NIAC Member; and <i>Thomas E. Noonan</i> , General Manager, IBM Internet Security Systems, NIAC
	Member

Chairman Nye introduced the Insider Threat to Critical Infrastructures Working Group chaired by Mr. Thomas E. Noonan and Mr. Edmund A. Archuleta. Mr. John W. Thompson and Ms. Margaret E. Grayson also serve on the Working Group.

Mr. Noonan thanked Assistant Secretary Stephan, Chairman Nye, and the NIAC members. Mr. Noonan said the Working Group is in the initial stages of its project. He introduced Mr. Peter Allor to discuss the Study Group's work to date and to speak to the Study Group's proposed direction.

Mr. Allor thanked Mr. Noonan, Assistant Secretary Stephan, Ms. Sciarrone, Chairman Nye, and the NIAC members.

He opened by addressing the objectives derived from Secretary Chertoff's letter. The Study Group broke the tasks into two separate phases:

- 1. The first four tasks represent Phase One's foundational efforts. The Study Group continued its work within the first phase to ensure proper issue definition.
- 2. The second phase, predicted to begin later in the year, will examine some of the policy, procedural, and legal barriers potentially impeding the private sector or critical infrastructure as a whole. This will produce initial findings for the Working Group to review and consider.

The Study Group slightly reworded the tasks articulated in Secretary Chertoff's letter to make them more action-oriented to make it possible to identify, analyze, or accomplish each task.

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Mr. Allor praised the Study Group for its subject knowledge. He expressed confidence in the group's mission and ability. While 12 members currently represent 10 sectors, he said that the group would recruit more members and subject matter experts.

Mr. Allor pointed out participation in this study exceeds that of previous studies, showing the level of dedication and interest in the topic.

Mr. Allor said the Study Group reviewed Secretary Chertoff's letter and, with the guidance of the Working Group, devised its approach. The first meeting with the NIAC Secretariat helped clarify the various divisions within DHS. Its next step involved meeting with Ms. Sciarrone to gain an understanding of the White House's expectations. Following these steps, the Study Group then reviewed initial materials, subsequently found to address insider threats to information technology more so than physical threats. The Study Group decided to split the study into two phases. As previously mentioned, the first phase will address initial foundational pieces, including defining the terms "insider" and "threat." He said good definitions would be crucial during the second phase when the Study Group begins looking at barriers.

Mr. Allor said the Study Group would intensify its work during the months of July and August. He added that the group created a timeline and expects to have the phase one preliminary report available at the October NIAC meeting.

Mr. Allor said he thought the Study Group would start exploring the barriers in phase two during the September/October timeframe. He added this represented a brief overview as the Study Group remains in its initial phases. Mr. Allor asked if there were any questions.

Assistant Secretary Stephan offered the assistance of DHS, noting that the Department can bring has more than four years of work in areas such as terrorism screening and database issues. He suggested the NIAC engage the Terrorist Screening Center cadre as well as DHS' staff handling terrorism database issues.

Mr. Allor said the Study Group has had numerous volunteers offering briefs, but, to date, the Study Group has not been able to focus on one, given time constraints. In an effort to piece those briefings together, Mr. Allor said the Study Group will hold an in-person meeting on May 15, 2007 in Washington D.C. This meeting, which the Study Group hopes to hold on a quarterly basis, should allow the group to make a great deal of progress, he added.

Mr. Noonan thanked Assistant Secretary Stephan for his offer of support, stating it will be very valuable to both the Working Group and its Study Group. He also thanked Chairman Nye.

Chairman Nye thanked Mr. Noonan and Mr. Archuleta. He asked if there were any further questions or comments. He added the schedule seemed appropriate and said the Council should focus more on thorough studies rather than merely rapidly completing them.

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VI.	NEW BUSINESS	NIAC Chairman, Erle A. Nye, NIAC
		Members

Chairman Nye asked if the members or DHS if there was any new business. He said the Council had yet to choose another Working Group topic subject to address, as its resources were fully engaged in the two ongoing, substantial studies.

VIII. ADJOURNMENT NIAC Chairman, Erle A. Nye

The Chairman concluded by saying the next meeting will be in-person and is scheduled for July 10, 2007 at the National Press Club in Washington, D.C. He anticipated the next meeting would have additional ethics briefings to meet Federal requirements. Chairman Nye thanked everyone for their participation and encouraged them to continue their hard work. He asked Assistant Secretary Stephan if he had any further comments.

Assistant Secretary Stephan thanked Chairman Nye for his leadership and the Council for its hard work. He said he looks forward to working with them on their studies.

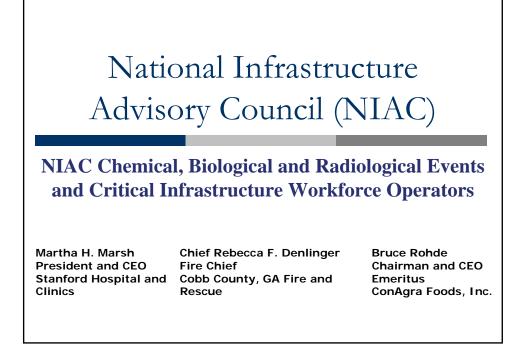
With this, Chairman Nye again thanked everyone and adjourned the meeting.

I hereby certify the foregoing minutes accurately represent the discussion and events that transpired at the meeting held on the date first noted above.

By: <u>/S/ Erle A. Nye</u> Erle A. Nye, Chairman Dated: <u>07/10/07</u>

ATTACHMENT A

The Chemical, Biological, and Radiological Events and Critical Infrastructure Workers



2

Overview

- □ Objective/Scope
- Critical Sectors Represented
- Key Questions
- Study Group Needs
- Timelines

Objective and Scope

Objective:

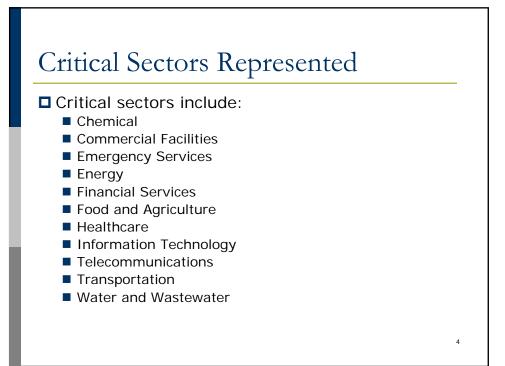
Provide recommendations for preparing those who work in and maintain areas considered Critical Infrastructure (CI) for a chemical event and ensuring they have the tools, training, and equipment necessary to identify, respond to, and recover from a chemical emergency.

Scope of the activity:

- Identify CI operating personnel and chemical emergency requirements;
- Define different kinds of chemical emergencies and address the probability of their occurrence;
- Identify how needs are currently handled;
- Identify vulnerabilities in preparedness and response capabilities; and

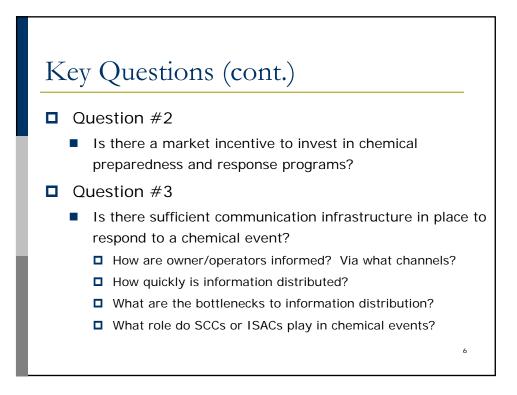
3

Identify gaps and solutions.



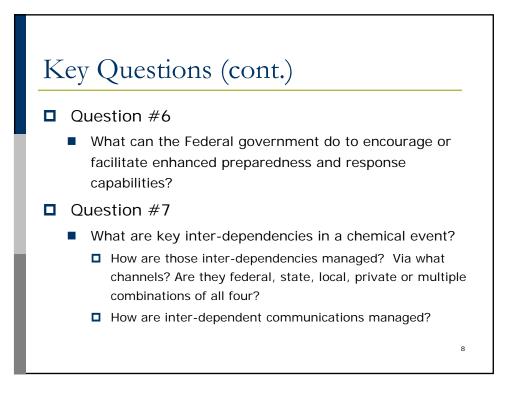
Key Questions

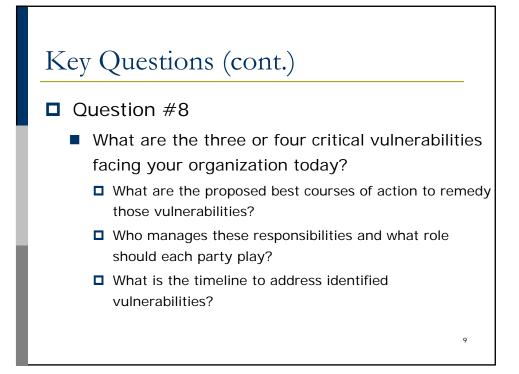
- Common set of data points to collect across critical sectors; contributes to trending/consistency
- Question #1
 - Do CEOs and their organizations have employee awareness, preparedness and response training programs?
 - What is the nature of the training program?
 - Who leads this function?
 - □ Is this an enterprise issue?
 - Are there industry leaders that excel at chemical preparedness?
 - What lessons learned are derived from your experiences or the experiences of those industry leaders?

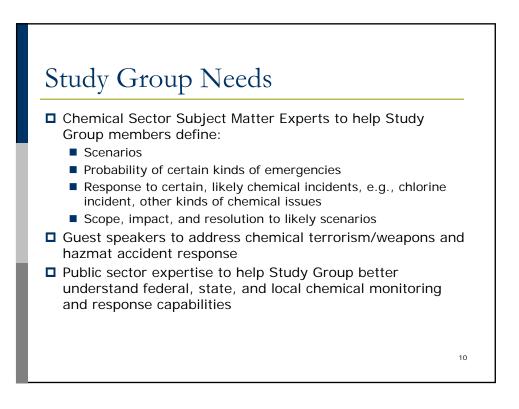




- Question #4
 - What tools and technologies currently support your chemical response capability?
 - What tools and technologies are currently insufficient and why do they not meet your requirements?
- Question #5
 - Is there sufficient coordination between federal, state, local and private-sector entities?
 - What inter-dependent plans are currently in place?
 - How is coordination managed between entities at multiple public and private sector levels?
 - How is communication managed?
 - Are there examples of successful exercises across entities?

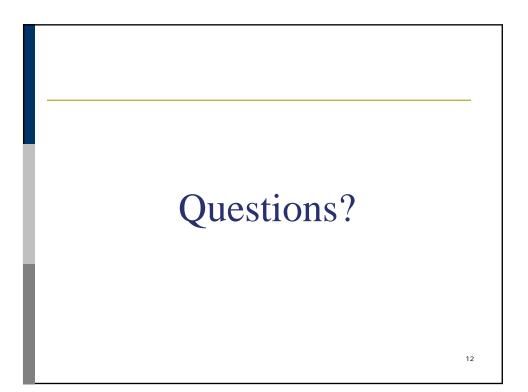






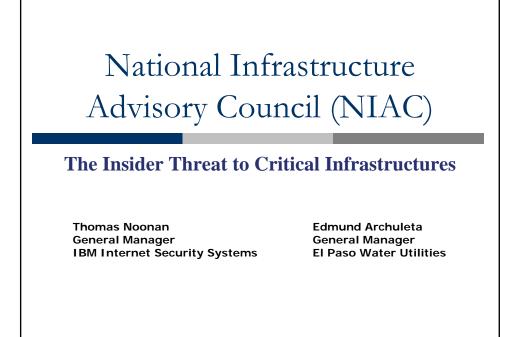


- Reinitiated after completion of the Pandemic Report and Recommendations
- □ April NIAC Meeting: data collection update
- July NIAC Meeting: present initial findings and recommendations
- October NIAC Meeting: present final findings and recommendations; deliver report



ATTACHMENT B

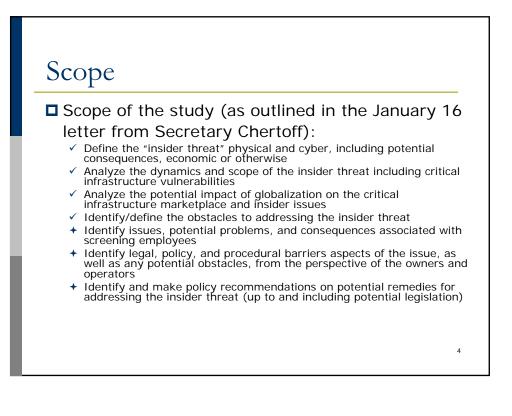
The Insider Threat to Critical Infrastructures



Overview	
□ Objective	
□ Scope	
NIAC Participation	
Study Group	
Critical Sectors Represented	
Progress	
Approach/ Work Breakdown	
2	

Objective

- To define the insider threat to critical infrastructures, including dynamics involved, obstacles to mitigation, and the effect of globalization.
- The second phase of the study will focus on legal, procedural, and policy barriers for private sector infrastructure operator employee screening efforts.
- Completion of the study will produce recommendations for improving operators' ability to address the insider threat to critical infrastructures, and seek to provide guidance on a clear legal environment for operators in dealing with potentially hostile insiders.



NIAC Participation

Co-chairs:

■ Mr. Thomas Noonan, IBM Internet Security Systems

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Mr. Edmund Archuleta, El Paso Water Utilities

Other NIAC members include:

- Mr. John Thompson, Symantec
- Ms. Margaret Grayson, Grayson and Associates

The Group is seeking further NIAC member participation in the study.

Study Group

Currently includes:

- 12 security professionals from major infrastructure operators
- Balance of IT and physical security focus, diverse viewpoints
- 10 Critical Infrastructure Sectors Represented

