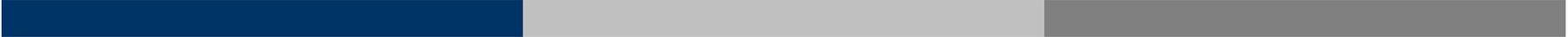


National Infrastructure Advisory Council (NIAC)



Critical Infrastructure Partnership Strategic Assessment Study

Al Berkeley
President and CEO
Pipeline Trading Systems

Gilbert Gallegos
Chief of Police (Ret.)
Albuquerque, NM

Margaret Grayson
President
Coalescent Technologies

Mike Wallace
Vice Chair
Constellation Energy

Overview

- ❑ Study Purpose
- ❑ Scope
- ❑ Study Approach
- ❑ Study Participation: NIAC, Core Study Group, and CEO Roundtable
- ❑ The Four Key Messages
- ❑ Report Findings: Four Categories
 1. General
 2. Partnership Principles and Concepts
 3. Partnership Structure and Design
 4. Partnership Implementation
- ❑ Report Recommendations: Three Themes
 1. Reaffirm the Critical Infrastructure Protection Mission and the Public-Private Partnership
 2. Reinforce Key Principles of a Successful Partnership Structure
 3. Update the Sector Partnership Model to Be More Efficient and Effective
- ❑ Near-Term Implementation

Study Purpose

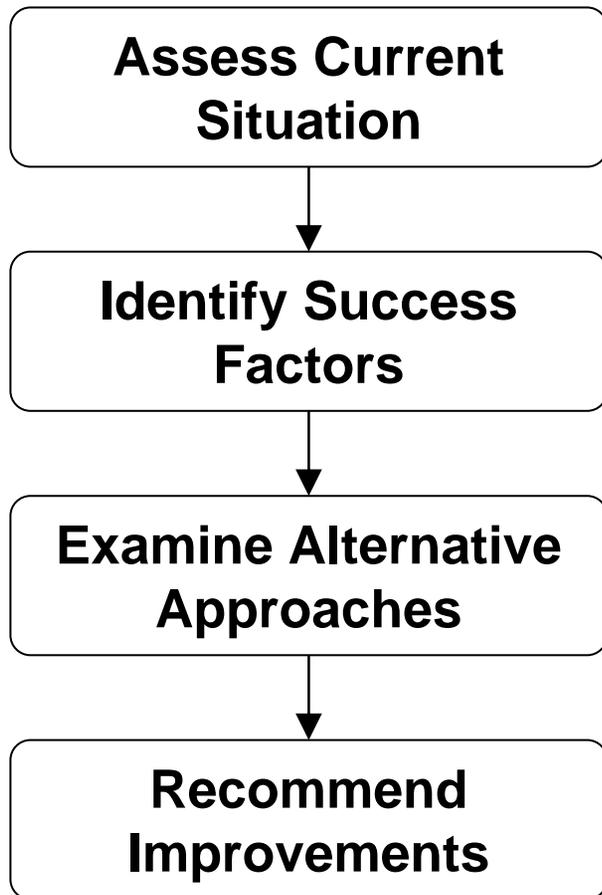
- ❑ Assess the effectiveness of the sector partnership model
- ❑ Identify options to improve the efficiency and effectiveness of the partnership
- ❑ Identify opportunities to update the partnership model to respond to changing requirements

Scope

The Study Focused On:

- The Sector Partnership Model, as described in the National Infrastructure Protection Plan (NIPP July 2006)
- The Critical Infrastructure Partnership Advisory Council (CIPAC), the Sector Coordinating Councils (SCC) and Government Coordinating Councils (GCC)
- Limited to the 18 sectors identified as “critical infrastructures and key resources (CIKR)” by the NIPP.
- Included investigations of the design, governance structure, processes, operations, and implementation approaches used to accomplish partnership activities

Study Approach



- ▣ 38 one-hour interviews with experts from industry and government
- ▣ 30+ documents reviewed
- ▣ Facilitated session with the Partnership for Critical Infrastructure Security (PCIS)
- ▣ 26 Study Group meetings
- ▣ 7 CEO Roundtable meetings

NIAC Participation

Working Group Members

- **Al Berkeley**, Chairman & CEO, Pipeline Trading Systems, Working Group Chair
- **Chief Gilbert Gallegos**, Retired Chief of Police, Albuquerque, NM, Working Group Co-Chair
- **Margaret E. Grayson**, President, Coalescent Technologies, Inc., Working Group Co-Chair
- **Mike Wallace**, Vice Chairman, Constellation Energy, Study Group Chair
- **David Bronczek**, President and CEO, FedEx Express
- **Wesley Bush**, President and COO, Northrop-Grumman
- **Jim Nicholson**, President and CEO, PVS Chemicals
- **Denny Houston**, Executive Vice President, ExxonMobil
- **David Kepler**, Executive Vice President, Dow Chemical Company
- **Jim Reid**, President U.S. Eastern Division, CB Richard Ellis

Study Group - Core Group

Core Study Group (weekly conference calls):

- ❑ **Mike Wallace**, Vice Chairman, Constellation Energy, ***Study Group Chair***
- ❑ **Kevin Nietmann**, Vice President, Constellation Energy Nuclear
- ❑ **Dr. Ronald R. Luman**, National Security/Warfare Analysis Departments Head, Johns Hopkins University/Applied Physics Laboratory
- ❑ **Bill Muston**, Manager, Research & Technology Development, Oncor Electric Delivery
- ❑ **Pete Allor**, Security Director, IBM
- ❑ **Patricia Andrew**, Director of Corporate Communications, Coalescent Technologies
- ❑ **Scott Blanchette**, Senior Vice President, HealthWays
- ❑ **Donald F. Donahue**, Chairman & CEO, The Depository Trust & Clearing Corporation
- ❑ **General John Gordon** (USAF Retired)
- ❑ **David Heyman**, Director & Sr. Fellow, CSIS
- ❑ **Mike Hickey**, VP, Government Affairs, Verizon
- ❑ **Hugh J. Kiley, Jr.**, Assistant Vice President Operations, Norfolk Southern
- ❑ **Ken Watson**, Senior Manager, Critical Infrastructure Assurance Group, Cisco Systems
- ❑ **Larry Weyers**, President and CEO, Integrys Energy Group

Study Group - CEO Roundtable

In addition to the NIAC members participating in the CEO Roundtable, the group has also recruited the following industry leaders:

- ❑ **Chuck Canterbury**, National President, Grand Lodge, Fraternal Order of Police
- ❑ **Donald Correll**, President & CEO of American Water
- ❑ **Donald F. Donahue**, Chairman & CEO, The Depository Trust & Clearing Corporation
- ❑ **General John Gordon** (USAF Retired)
- ❑ **Ben R. Leedle**, President and CEO, Healthways, Inc.
- ❑ **Todd Ramsey**, General Manager, IBM Global Government Industry
- ❑ **Rick Sergel**, President and CEO, North American Electric Reliability Corporation
- ❑ **Stephen Tobias**, Vice Chairman & COO Norfolk Southern
- ❑ **Bob VanderClute**, Sr. Vice President, Association of American Railroads
- ❑ **Larry Weyers**, President and CEO, Integrys Energy Group

Key Messages

Because:

- ❑ The Partnership is critical to Infrastructure Protection
- ❑ The Partnership has grown and matured significantly in recent years

We must:

- ❑ Reaffirm the Partnership for the coming transition
- ❑ Strengthen commitment to the Partnership and Infrastructure Protection

Key Message: Criticality of Partnership to Infrastructure Protection

- The public-private partnership is vital to successful Protection of our Nation's Critical Infrastructures and Key Resources
 - 90-percent of critical infrastructures and key resources owned by the private sector
 - Protection of these vital assets and systems is a shared responsibility
 - Partnership engenders needed cooperative relationships and minimizes adversarial interactions

Key Messages:

Partnership Growth in Recent Years

- ❑ The modern model for public-private partnership on infrastructure protection started with Presidential Decision Directive 63 (PDD-63) issued by President Clinton in 1998
- ❑ Matured to present form under Homeland Security Presidential Directive 7 (HSPD-7) issued by President Bush in 2003
- ❑ Secretary Chertoff established the Critical Infrastructure Partnership Advisory Council (CIPAC) structure pursuant to the exemption provided in the Homeland Security Act of 2002
- ❑ Much has been accomplished under the partnership
 - Relationships, information sharing, and effectiveness under the partnership continue to grow each day

Key Messages:

Reaffirm the Partnership

- ❑ Upcoming change in Administrations is a critical transition for the partnership
- ❑ Regulation cannot achieve the same level of infrastructure protection success as the partnership
- ❑ Sustaining achieved partnership successes requires policy continuity and government commitment

Key Messages:

Strengthening the Partnership

- ❑ Communicate the importance of the Infrastructure Protection Mission and the Partnership to both the new administration's transition team and Congress
- ❑ Reaffirm the government's commitment to their private sector critical infrastructure partners
- ❑ Execute the Report's recommendations for both government and private sector partners to improve effectiveness and efficiency of infrastructure protection efforts

Findings: Four Categories

1. General Observations
2. Partnership Principles and Concepts
3. Partnership Structure and Design
4. Partnership Implementation

Findings: General

- ❑ Business and government alike strongly support the public-private partnership as the preferred strategy for reducing infrastructure risks
- ❑ Significant progress has been made in implementing sector partnerships by effectively leveraging government and industry capabilities

Findings:

Partnership Principles and Concepts

- ❑ A strong value proposition must be articulated and reaffirmed to sustain private sector participation in the partnership
- ❑ Protection and resilience must be complementary elements of an integrated risk management strategy
- ❑ Continued leadership, commitment, and engagement from senior executives in both government and the private sector are essential
- ❑ Trusted relationships are central to an effective partnership

Findings:

Partnership Structure and Design

- ❑ The overall design of the partnership is sound but additional flexibility is needed to accommodate diverse sector needs
- ❑ Cross-sector interdependencies require more attention given their importance in ensuring safe, secure, and resilient infrastructures
- ❑ There continues to be an imbalance between the resources available to support the current requirements of the sector partnership model and the demands placed on it

Findings: Partnership Implementation

- ❑ Productive partnership efforts can get bogged down by inefficient government processes and cumbersome requirements
- ❑ Better coordination among government entities will strengthen the partnership
- ❑ A lack of partnership experience and skills hinders collaboration

Recommendations: Three Themes

1. Reaffirm the Critical Infrastructure Protection Mission and the Public-Private Partnership
2. Reinforce Key Principles of a Successful Partnership Structure
3. Update the Sector Partnership Model to Be More Efficient and Effective

Reaffirm the Critical Infrastructure Protection Mission and the Public-Private Partnership

1. Reaffirm the importance of critical infrastructure protection and resilience as a fundamental mission of government and a responsibility of business
2. Reinforce the partnership as a priority throughout government

Reinforce Key Principles of a Successful Partnership Structure

3. Strengthen senior leadership and commitment to the partnership in both government and industry
4. Leverage relationships to maximize engagement

Update the Sector Partnership Model to Be More Efficient and Effective

5. Increase flexibility in the sector partnership to better accommodate diverse sector needs
6. Emphasize cross-sector interdependencies and collaboration through the sector partnership model
7. Improve government practices and coordination in strengthening the sector partnership model
8. Streamline government processes and requirements on the sector partnership model and provide adequate resources to comply with them

Near-Term Implementation

- Key Steps for the Private Sector
 - Initiate a strategic dialogue with government leaders
 - Develop a scalable CEO engagement model
 - Establish a dedicated staff to support private sector partnership efforts

- The Report outlines a 100 Day Plan for a New Administration
 - The plan organizes recommendations 1 and 2 as 14 steps for a new Administration to strengthen the security of our Nation's Critical Infrastructures and Key Resources.

Questions?