Chapter 4:
Industry Outreach Activities

Mission

An integral part of the Bureau of Industry and Security's (BIS) mission is keep U.S. firms informed of export control regulations through an aggressive outreach program. BIS is dedicated to providing current information to U.S. industry regarding the liberalization of export controls, new regulations in support of the nonproliferation and anti-terrorism goals in the post September 11 environment, critical infrastructure assurance and cyber security issues, and compliance with the Export Administration Regulations (EAR).

Accomplishments in Fiscal Year 2002

BIS worked closely with U.S. industry in Fiscal Year 2002 through meetings, conferences, seminars, and increased public-private partnerships to facilitate compliance with U.S. export controls and the protection of critical infrastructures and cyber assets.

Under Secretary Kenneth I. Juster addresses the Bureau of Industry and Security's 15th Annual Update Conference, October 10, 2002.

Exporter Services Outreach Initiatives

Seminars and Conferences

BIS provides guidance to new and established exporters regarding the EAR and changes in export control policy and licensing procedures through educational seminars and workshops offered at various locations throughout the United States. Through its Office of Exporter Services, BIS offers a one-day seminar program that covers the major elements of the U.S. dual-use export control system. BIS also offers an intensive two-day program for exporters who need a more comprehensive understanding of their obligations under the EAR, including workshops on topics of specialized interest (e.g., commercial encryption licensing, freight forwarder obligations, implementation of export management systems, and control of technology transfers to foreign nationals).

Fiscal Year 2002
Export Seminar
Locations

In addition to the regular seminar program, BIS conducts Chemical Weapons Convention (CWC) seminars. This industry-specific seminar program is specially tailored for companies subject to the reporting and on-site verifications requirements under the CWC Regulations. In Fiscal Year 2002, BIS conducted 37 such seminars in 16 states, which were attended by 2,273 participants.

The Bureau of Industry and Security's two Update Conferences during Fiscal Year 2002 attracted over 1,000 exporters.

BIS also partnered with a number of public and private sector organizations in an effort to introduce the mission and services of BIS to audiences in specific business or technology sectors. Such partnerships also provide BIS with greater insight into technology and market developments in key sectors of the economy. BIS supported 100 of these programs, which reached over 4,000 people through company visits and formal presentations at conferences.

In addition, BIS Update conferences brought high-level government officials and industry representatives together to discuss new U.S. export control policies, regulations, and procedures. The two annual Update events, held this year in Washington, D.C. and Pasadena, California, attracted over 1,000 exporters.

Counseling

In Fiscal Year 2002, BIS regulatory specialists assisted over 50,000 people through phone calls and e-mails to BIS's Export Counseling Division and in one-on-one counseling sessions. These sessions are dedicated to providing guidance on regulations, policies, or practices that affect a particular company or exporter. This high level of contact with the exporting community is intended to increase the level of compliance with U.S. export control regulations.

Seeking Industry's Input on Export Control Policy and Regulations

BIS continued to seek input from U.S. industry on export control policy issues through six Technical Advisory Committees (TACs). The TACs are composed of individuals from industry representing diverse points of view regarding the concerns of the exporting community. Industry representatives are selected from firms producing a broad range of goods, technologies, and software, and membership in the TACs is distributed evenly between large and small companies.

Export Enforcement Outreach Initiatives
Project Outreach

The Office of Export Enforcement (OEE) is committed to maintaining a constructive and cooperative relationship with the business community through enforcement outreach programs. In Fiscal Year 2002, OEE launched Project Outreach, a program designed to educate companies on their responsibilities under the EAR, as well as to advise exporters and freight forwarders on how to recognize warning signs of potential illegal transactions. Through Project Outreach, OEE held eight Business Executives Enforcement Team (BEET) meetings around the country, bringing business executives and law enforcement personnel together to discuss cooperation in an effort to ensure compliance with U.S. export controls and protect U.S. national security and foreign policy interests. Many of these meetings were co-sponsored

with local business groups. Four BEET meetings were held in conjunction with licensing seminars sponsored by the Office of Exporter Services.

During Fiscal Year 2002, OEE Special Agents spoke at numerous conferences, seminars, and meetings. OEE Special Agents also visited 926 companies to brief small groups of employees on how to identify suspicious transactions and how to contact law enforcement officials for prompt assistance. Through these types of direct contact with U.S. industry, OEE Special Agents gained critical feedback from exporters and freight forwarders with respect to the impact of export regulations and the realities of foreign competition. By increasing its understanding of the conduct of international business, OEE is better prepared to detect possible illegal transactions and take appropriate preventive measures.

International Outreach

OEE maintains export control attaché positions in Moscow, Russia and Beijing, China. During Fiscal Year 2002, OEE worked on posting attachés in Abu Dhabi, United Arab Emirates and Cairo, Egypt. The principal mission of the export control attaché at these locations is to implement BIS programs overseas, including those relating to dual-use export controls, and to coordinate U.S. export control assistance with the host government. In addition to conducting selective end-use checks, the attachés work closely with local businesses to ensure that they understand and comply with the requirements of U.S. export controls.

Compliance with Antiboycott Regulations

During Fiscal Year 2002, the Office of Antiboycott Compliance (OAC) responded to 1,138 requests from companies for guidance on compliance with the antiboycott regulations. During the same period, OAC officials made 15 public presentations on the antiboycott regulations. These presentations were made to exporters, manufacturers, financial services institutions, freight forwarders, and attorneys with expertise in international trade matters. Additionally, OAC provided extensive counseling to several companies with specific contract and other boycott problems.

Critical Infrastructure Assurance and Cyber Security Outreach

One of the main functions of BIS's Critical Infrastructure Assurance Office (CIAO) is to engage in outreach and raise awareness of the issues surrounding the protection of our nation's critical infrastructures. The CIAO's outreach programs are designed to reach key stakeholders in major critical infrastructure sectors. The main target audiences are: owners and operators of critical infrastructure sectors (agriculture, food, water supply, public health, emergency services, government services, defense industrial base, information and telecommunications, energy, banking and finance, transportation, chemical industry, and postal and shipping); the business community – in particular senior management and those that influence executive decisions; the insurance and auditing industries; state and local government officials; and the general public.

The challenge of a national critical infrastructure assurance awareness and outreach effort is to present a compelling case for action among the different audiences to secure assets, systems, and networks against deliberate physical and cyber attacks. Forging a broad-based partnership between industry and government to address these issues lies at the heart of the CIAO's mission.

Partnership for Critical Infrastructure Security

The CIAO supports the Partnership for Critical Infrastructure Security (PCIS), which provides a unique forum for government and private sector owners and operators of critical infrastructures to address issues of cross-sector information sharing and cooperation. (See Chapter 7 for additional details.) During Fiscal Year 2002, the CIAO helped PCIS develop a "members only" web site to allow the working groups within PCIS to communicate with members and hold virtual meetings.

Information Sharing and Analysis Centers

Information Sharing and Analysis Centers (ISACs) provide a mechanism that enables participant companies to share information about vulnerabilities, threats, and incidents, and to analyze such information for trends. Each ISAC is uniquely tailored to the business model of its

sector. Most of the ISACs coordinate and analyze information among member companies, as well as share this information with other ISACs and the FBI's National Infrastructure Protection Center. During Fiscal Year 2002, the CIAO has helped facilitate the creation of ISACs in many of the newly identified critical infrastructure sectors, including the healthcare, insurance, and chemical sectors. The CIAO continues to support mature ISACs to identify emerging needs.

In Fiscal Year 2002, the CIAO helped to convene a meeting of the ISACs in critical infrastructure sectors. This meeting included updates on the current status of ISAC formulation and information sharing across sectors. This ISAC meeting also provided a forum for discussion of how ISACs are working, what barriers to information sharing can be removed, and how mature ISACs can help newly-formed ISACs develop.

Outreach to the Business Community

In addition to infrastructure owners and operators, the CIAO's awareness and outreach efforts target other influential stakeholders in the economy. The CIAO has

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developed and implemented a nationwide industry outreach program targeting senior corporate leadership responsible for setting company policy and allocating company resources.

CIAO-sponsored conferences and seminars are the primary vehicle for raising awareness and educating senior management about the need to manage business and operational risks posed by the growing threat of deliberate cyber and physical attacks on critical networks and information systems. These conferences and seminars target two specific groups of stakeholders: 1) senior executives and Chief Executive Officers (CEOs) of critical infrastructure companies and 2) professional risk managers, such as the auditing community.

During Fiscal Year 2002, the CIAO entered into several partnerships with organizations that support CEOs. The CIAO partnerships with the American Business Conference and the Business Roundtable focused on CEO education seminars, while the partnership with the Conference Board will produce a white paper and two conferences focused on the issue of the economic impact of terrorist threats.

The CIAO also continued to sponsor executive forums, in cooperation with one of its partners – CXO Media, Inc., the publishers of *CIO Magazine* and *Darwin Magazine*. The CXO Executive Forums educate Chief Information Officers on critical infrastructure assurance and information security issues. All of the Executive Forums were webcasted and archived by CXO Media for long-term viewing.

Professional Risk Managers

The CIAO meets regularly with the risk management community, including audit and insurance professionals. This community is particularly effective in raising with boards and senior management issues of corporate governance, accountability, and information security practices that affect shareholder value. Corporate auditors represent trusted channels of communication to senior officers within their institutions and help to create a business case for action in a language that senior officers can understand.

During Fiscal Year 2002, the CIAO presented over 40 nationwide seminars in conjunction with a consortium of risk management leaders, including the Institute of Internal Auditors, the National Association of Corporate

Directors, the American Institute of Certified Public Accountants, the Information Security Audit and Control Association, the Industry Advisory Council Executive Roundtable, and the Business Roundtable.

These seminars educated and provided guidance to auditors on managing operational and business risk arising from the increased reliance on information technology, as well as the physical security lessons learned from September 11. A number of educational materials and resources were distributed at these seminars, including *Information Security Governance: What Directors Need to Know*, and *Information Security Oversight: Essential Board Practices* developed by the CIAO and members of the audit consortium.

Outreach to State and Local Government

The CIAO has developed an outreach and awareness program for state and local governments to discuss their role as owners and operators of critical infrastructures. The CIAO has worked with organizations such as the National Governors Association, the National Association of State Chief Information Officers, the National Association of Counties, the National League of Cities, the National Emergency Management Association, the National Association of County Treasurers and Finance Officers, and Public Technology, Inc. These organizations play an important catalytic role for public-private partnerships on critical infrastructure assurance issues at the community level.

In February 2002, the CIAO launched a series of state conferences entitled *Critical Infrastructures: Working Together in a New World*. These conferences brought select critical infrastructure companies and state and local government officials together to discuss how the events of September 11 changed the way infrastructure owners and operators perceive and manage business and

operational risk. The first two conferences were held on February 12-13, 2002 in Austin, Texas and on April 23-24, 2002 in Princeton, New Jersey. Two additional conferences are planned for Fiscal Year 2003.
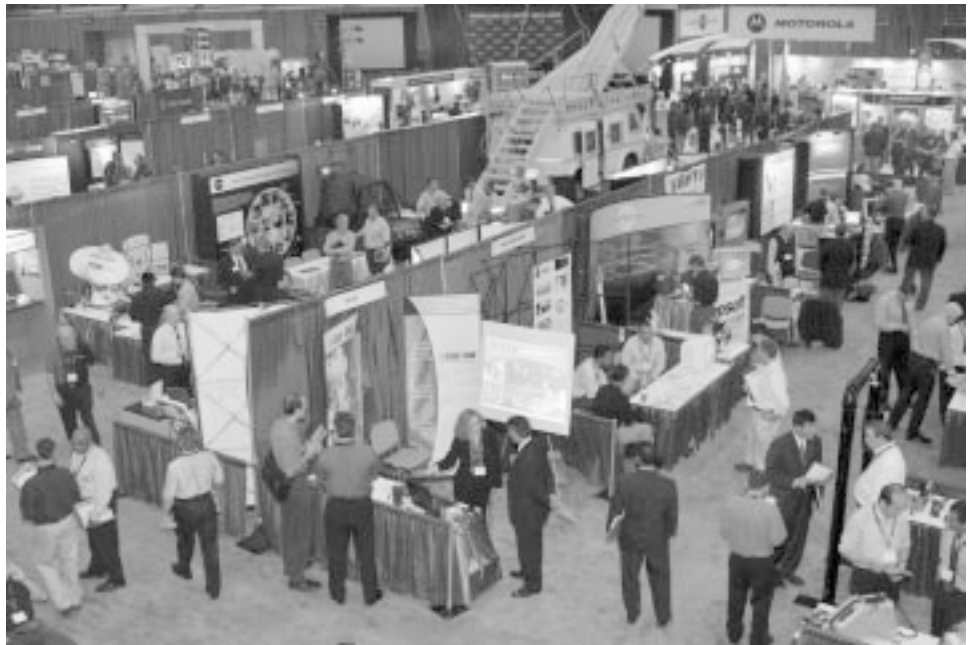
The Commerce Department hosted a Homeland Security Tech Expo that brought together Federal Government and private sector representatives to explore technologies that will enhance our nation's homeland security, September 19, 2002.

Through this conference series, the CIAO – in conjunction with state and local associations, academia, and other stakeholders – is facilitating the formation of an informational tool that communities can use to assure their own critical infrastructures. An electronic compendium of *Effective Critical Infrastructure Assurance Practices*, resulting from the Effective Practices Working Groups identified in the CIAO's four state conferences, will aid communities across the United States. The main thrust will be "lessons learned" from the events of September 11 and effective practices across the sectors to ensure the security of critical infrastructure services (i.e., mutual aid agreements, response and recovery planning, annual disaster drills and exercises, training tools/forums, and the like).

In conjunction with these state conferences and the CXO Executive Forums, CIAO and CXO Media hosted policy forums. These Policy Forums were highly visible, expertly produced, and copyrighted public dialogues conducted by

well recognized public figures on key discussion topics related to critical infrastructure security and leadership. Like the executive forums, these Policy Forums were webcasted and archived by CXO Media.

Outreach to the General Public

During Fiscal Year 2002, the CIAO helped form the National Cyber Security Alliance (the Alliance), which is comprised of both business and government organizations. The Alliance works to foster awareness of cyber security issues through educational outreach and publicity campaigns. As part of this program, computer security professionals discuss different elements of online computer security and regularly release information on a website accessible to the public (*www.staysafeonline.info*).

The CIAO also participated in and helped coordinate town hall meetings in three cities organized by the President's Critical Infrastructure Protection Board. These meetings addressed community concerns regarding cyberspace security and promoted an open dialogue between the President's Critical Infrastructure Protection Board and community leaders.

In addition, the CIAO partners with the U.S. Secret Service Electronic Crimes Task Forces to support the Task Force's community-based outreach programs and to incorporate its expertise in cyber security and threat management into Task Force awareness efforts.

Goals for Fiscal Year 2003

BIS intends to continue the important work of outreach to the business community and the general public regarding export control and critical infrastructure assurance issues. Specifically, BIS plans to develop a training package that Export Management Services (EMS) Workshop participants can use to train export and overseas personnel, including a video training tape, EMS Workbook, and slides. The package will be offered to seminar participants and as a downloadable tool from the EMS Web Page.

BIS also plans to offer full-day programs on export compliance for freight forwarders with presentations by BIS, the Census Bureau, and the U.S. Customs Service. The addition of two export control attachés in the Middle East will help enhance awareness of the U.S. export control system in a critical region of the world. Under the new Department of Homeland Security, the CIAO will continue its outreach programs to the business community, state and local governments, and the general public concerning critical infrastructure protection.