

National Infrastructure Advisory Council

February 26, 2004

The Honorable George W. Bush
President of the United States
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20502

Dear Mr. President:

We are pleased to submit the final report and recommendations of the National Infrastructure Advisory Council's (NIAC) study of cross-sector interdependencies and risk assessment guidance. The NIAC would like to credit and thank our colleague Mr. Martin G. McGuinn, Chairman and CEO of Mellon Financial Corporation, for his leadership in this study, and all of the members of his study group for their dedication and contributions to this effort.

A summary of the final report is attached. NIAC began work on this report in early 2003. In parallel, the Department of Homeland Security (DHS) began "standing up." We received a briefing of their efforts in December. Significant effort has been directed toward addressing issues expressed in the report. This progress is due to many factors, including the effective staffing and organization of DHS. The NIAC is encouraged to see that many of the issues raised in our report have been acknowledged by policies within Homeland Security Presidential Directives (HSPD) 7 and 8. The Council believes that the interaction between DHS and the NIAC provided an effective forum for private industry's voice to be heard on these important issues. In light of these directives and in support of their objectives, the Council respectfully submits two key conclusions and policy recommendations for your consideration:

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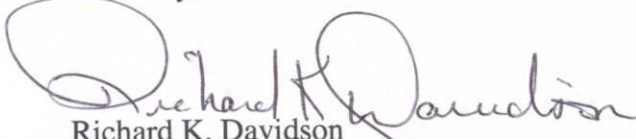
- **Formalize The Public/Private Partnership.** The private sector embraces its responsibility for the security and resiliency of strategic assets under its control. To accomplish this, the private sector must be integrally included in planning for critical infrastructure protection and national incident management.


Our policy recommendation is to formalize a framework for including the private sector in all phases of developing, implementing and sustaining processes designed to protect our Homeland. While the Council does not favor an increase in prescriptive regulations, we do believe the Federal Government has the responsibility to provide the structure through which the private sector can interact with all levels of government before, during and after an emergency. This includes identification of a role for the private sector within the National Incident Management System and all activities identified within HSPD 7 and HSPD 8.

- **Prioritize Federal Critical Infrastructure Mitigation Activities.** Concentrate federal efforts on those industries upon which other sectors most rely: telecommunications and electrical power. In an ever-increasing way, all critical infrastructure sectors rely on telecommunications and electric power to operate. Analysis of the infrastructure requirements of our study group members, as well as previously funded research on this topic, supports this conclusion. Efforts to improve the resiliency of telecommunications and electric power will have the most overall benefit to the enduring vitality of the Nation's economy.

The partnership demonstrated by DHS and members of the NIAC has been extraordinary. Mr. President, on behalf of our fellow NIAC members, thank you for the opportunity to serve our Country through participation in this Council.

Sincerely,


Richard K. Davidson
*Chairman, President and CEO
Union Pacific Corporation
Chairman, NIAC*


John T. Chambers
*President & CEO
Cisco Systems, Inc.
Vice Chairman, NIAC*

Attachment: Summary of Recommendations - Cross Sector Interdependencies and Risk Assessment Guidance: Final Report and Recommendations By The Council - January 13, 2004

cc: The Honorable Thomas Ridge, Secretary of the Department of Homeland Security