

National Infrastructure Advisory Council

August 23, 2006

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

Dear Mr. President:

We are pleased to submit the final report and recommendations of the National Infrastructure Advisory Council (NIAC) study regarding Public-Private Sector Intelligence Coordination. The NIAC would like to thank John T. Chambers, President & CEO of Cisco Systems, Inc., and Gilbert G. Gallegos, Chief of Police (Ret.) Albuquerque, New Mexico, for their leadership in this study. A special note of thanks to Alfred Berkeley III, Chairman of Pipeline Financial Group, for conducting CEO interviews for this study. The Council would also like to thank the members of the Working Group and Study Groups for their dedicated efforts.

Mr. President, two years ago you asked the NIAC to investigate whether improvements could be made in the way the Intelligence Community (IC) coordinates with critical infrastructure owners and operators. The Council respectfully submits its eight policy recommendations for your consideration:

- **Senior Executive Information Sharing.** Develop a voluntary executive-level information sharing process between critical infrastructure CEOs and senior intelligence officers. Begin with a pilot program of volunteer chief executives of one sector, with the goal of expanding to all sectors.
- **The Attorney General should publish a best practice guide for employers to avoid being in conflict with the law.** This guide should clarify legal issues surrounding the apparent conflict between privacy laws and counter-terrorism laws involving employees, and to clarify the limits of private sector cooperation with the intelligence community.
- **Build on Existing Mechanisms.** Leverage existing information-sharing mechanisms as clearinghouses for information to and from critical infrastructure owners and operators. This takes advantage of the realities that exist sector by sector.
- **National-level Fusion Capability.** Establish or modify existing government entities to enable national- and state-level intelligence and information fusion capability focused on critical infrastructure protection.
- **Staffing.** Create additional “sector specialist” positions at the executive and operational levels as applicable in the Intelligence Community. These specialists should be civil servants who can develop a deep understanding of their private sector partners.
- **Training.** Develop an ongoing training and career development program for sector specialists within intelligence agencies.
- **Request for Information Process.** Develop a formal, and objectively manageable, homeland security intelligence and information requirements process, including requests for

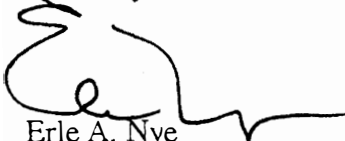
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information (RFIs). This should include specific, bi-directional processes tailored sector by sector.

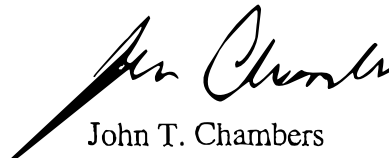
- **Standardize Sensitive But Unclassified Markings and Restrictions.** The Federal government should rationalize and standardize the use of Sensitive But Unclassified (SBU) markings, especially FOUO, and publish standard handling instructions clearly for all intended recipients.

Mr. President, on behalf of our fellow NIAC members, thank you for the opportunity to serve our country through participation in this Council.

Sincerely,



Erle A. Nye
Chairman Emeritus
TXU Corp.
Chairman, NIAC



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

cc:

Vice President Dick Cheney
Frances Fragos Townsend, Special Assistant to the President for Critical Infrastructure Protection; Homeland Security Advisor
The Honorable Michael Chertoff, Secretary of the Department of Homeland Security

Attachment: Final Report and Recommendations – Public-Private Sector Intelligence Coordination, July 11, 2006.