

MINUTES
SENATE STATE AFFAIRS COMMITTEE

DATE: Tuesday, January 20, 2015
TIME: 8:00 A.M.
PLACE: Room WW55
MEMBERS PRESENT: Chairman McKenzie, Senators Hill, Winder, Siddoway, Lakey, and Stennett
ABSENT/ EXCUSED: Vice Chairman Lodge, Senators Davis and Werk

NOTE: The sign-in sheet, testimonies and other related materials will be retained with the minutes in the committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.

CONVENED: **Chairman McKenzie** called the Senate State Affairs Committee (Committee) to order at 8:05 a.m. **Chairman McKenzie** explained that the Pacific NorthWest Economic Region (PNWER) delegation was attending the meeting. They would be presenting information on cyber security; an issue Idaho has been involved with. The media coverage of a recent foreign state's attack on Sony, which has been attributed to North Korea, highlights the issue. Cyber security is an important issue for Idaho and will continue to be in the future as work is done to keep businesses and government secure. **Chairman McKenzie** introduced Brig Gen Brad Richy.

Brig Gen Brad Richy, Director of the Idaho Bureau of Homeland Security, stated that cyber threats are probably the most important, least understood and least explored cyber risks to not only the private sector, but to government and individuals. There is a list of local communities throughout the State that have been affected by cyber threats. Vulnerabilities are extreme. A breakdown in information services could affect water supplies, electricity supplies, first responders, the health care system and the correction system. All of these systems rely on industrial services that must be protected.

The Bureau of Homeland Security (Bureau) has established the State Emergency Operations Plan, and within that plan they can respond to fire, floods and earthquakes as well as other types of threats. However, cyber security was the one thing missing. The Bureau, along with the Department of Administration, worked through a cyber plan that addresses all the responding agencies and state agencies that would assist in that type of threat. The Idaho National Laboratory (INL) evaluated the plan. Idaho has created a plan that other states are imitating. A cyber workshop has been created that has established relationships with both private and public sector entities. All of this has been accomplished through PNWER. It is a great relationship and the plan is to have more workshops in 2015 and 2016.

Brig Gen Richy introduced Brandon Hardenbrook, Deputy Director, PNWER, to provide further information on the workshops. **Mr. Hardenbrook** explained that PNWER has been examining disaster resilience since 2001. Cyber security has been an important topic over the last several years and was first addressed in 2004. PNWER and the Bureau organized a workshop that focused on interdependencies around cyber issues. The workshop was held on November 13, 2014, in Boise with 115 participants from all different sectors. The Federal Bureau of Investigation talked about current threats and INL discussed current technology. There were also experts from the private sector sharing their perspectives.

The recommendations that came from the workshop were as follows:

- Educate employees at all levels to understand the role cyber systems play in their business,
- Integrate cyber security with physical security as part of a company-wide plan,
- Utilize resources to check your policies and train staff,
- Develop a cyber policy, train employees and introduce performance measures,
- Use the same tools as hackers to test the system, and
- Develop a public-private Idaho Resilience Partnership.

The purpose in forming an Idaho Disaster Resilience Partnership is to advance cross-sector initiatives which facilitate public-private efforts crossing regional jurisdictions to develop a disaster resilient state and region.

PNWER has developed partnerships in Washington and Alaska and they are currently working with Montana, Oregon and Idaho to create partnerships within those states. There are other partnerships that are linked to the Department of Homeland Security Regional Consortium Coordinating Council. PNWER assisted in linking those partnerships together.

To build resilience, there must be trust within the relationships. Once those relationships are established then there will be information sharing and an understanding of interdependencies that are not readily apparent at first glance. This is a three-year process: year one raises awareness and facilitates networking; year two enables key stakeholders to design and conduct infrastructure tabletop exercises; and in year three an action plan of activities based on the exercise is developed for inclusion in existing preparedness plans.

Mr. Hardenbrook said that all the workshop participants agreed to be part of the Idaho Resilience Partnership and they also agreed to recruit additional partners. PNWER is currently working on the 2015 cyber interdependencies exercise workshop. He announced that a representative from the private sector would continue the presentation.

J. R Tietsort stated that he leads Global Information Security for Micron. Part of that function is to understand cyber threats that affect the company's intellectual property and global interests and to find solutions to address those threats. **Mr. Tietsort** provided some background on Micron. He said that the state of cyber security today is challenging. Industry has high profile breaches involving large amounts of data theft that leads to fraud or some form of public embarrassment. Breaches that no one hears about are of more concern. Trade secret thefts are generally not discovered until much later. U.S. companies are being impacted economically by this activity. Hacking has become a main stream priority that is discussed by governments, consumers and private industries across the world. A skilled attacker will find a gap through most defenses. It is important to focus on defense and mitigation capabilities; that is what makes the cyber workshops so valuable.

Mr. Tietsort said that through those workshops, new connections were made between the Idaho Bureau of Homeland Security, the Department of Homeland Security, the Pacific Northwest National Lab and the Idaho National Lab. Other contacts were reestablished from both the public and private sectors. The relationships that are built at the workshop are an important component in the development of detection and mitigation capabilities.

Workshops also fill a vital need for training for small to medium size organizations. Larger companies generally have training budgets. **Mr. Tietsort** stated that he was honored to play a role in the workshop and the conversations that have come about as a result of it.

Chairman McKenzie asked for questions from the Committee.

Senator Hill asked Mr. Hardenbrook if there was a method to establish who would be in the regional partnerships. **Mr. Hardenbrook** responded that it all depends on the economy and personality of the region. There is not one recommended way to develop partnerships.

Senator Lakey asked Mr. Tietsort if the threats to the private sector were coming from individuals, organized entities or other nations. **Mr. Tietsort** answered that the majority of threats came from three groups: 1) activist groups with personal interests, 2) organized cyber crime groups that are generally organized crime with money interests and, 3) groups interested in acquiring property and/or technology resulting in monetary gains.

Senator Winder asked Brig Gen Richy if the State's aging computer system affected the people managing these kinds of threats. **Brig Gen Richy** stated that the hardware and software segments of a system can be affected. Anything that is old and outdated is more vulnerable to attack. In many instances older systems no longer have the manufacturer's support. To be more efficient, it takes periodic upgrades in software and hardware.

Chairman McKenzie thanked the speakers for their presentations. He introduced Alana Delong, Member of the Legislative Assembly from Alberta, Canada and David Kettles, Director, U.S. Relations, Alberta Province. Both are members of the PNWER delegation.

ADJOURNED: There being no further business, **Chairman McKenzie** adjourned the meeting at 8:31 a.m.

Senator McKenzie
Chair

Twyla Melton
Secretary