



SECURE COMMONWEALTH PANEL BUSINESS AND INDUSTRY SUB PANEL MEETING

June 24, 2009

WELCOMING REMARKS

Leigh Middleditch called the meeting to order and thanked all panel members for joining the call.

Congratulations to Mary Loose DeViney on winning the Charlottesville/Albemarle Chamber of Commerce Small Business Firm of the Year Award for Ms. DeViney's jewelry store!

We have 7 new members joining the sub panel this month:

- Sheriff J.D. "Danny" Diggs from York/Poquoson County.
- Andrew Rowland, Rodney Willette, and Scott Hammer from Northhighland Consulting.
- Ann Gambardella from the Virginia Auto Dealers Association.
- Julie Hammond from the National Federation of Independent Businesses.
- Sue Kirk from Continuity First.

Sub panel membership is now above 150 members.

BUSINESS GOOD SAMARITAN

The Business Good Samaritan legislation was unanimously passed by the General Assembly and will take effect on July 1. The legislation provides liability protection to businesses and non-profits against simple negligence that aid the Commonwealth in a time of disaster (or during emergency training) at the request of the Commonwealth. We will distribute the statue to members and would ask you to forward this information to your own organization's senior management and attorney if applicable. Businesses should be familiar with the legislation and develop a policy for how they will respond to a request for and by the Commonwealth. We ask you to also forward the information to association members and contacts so we can achieve a wide distribution.

PREPAREDNESS TAX HOLIDAY

The 2nd annual preparedness tax holiday concluded on May 31 and data on the holiday is still being compiled. The holiday was more successful than last year and we have built some excellent relationships that provide a good foundation for next year. Some organizations like Target, Lowes, Kroger and others took specific steps to promote the tax holiday. Another positive example was being included in the “In Case of Emergency blog” which was started by a former New York Times reporter and has used Virginia as a best practice to encourage New York to adopt similar legislation.

The Department of Emergency Management worked very hard on developing promotional materials that were used by several retailers. The tax holiday was publicized more this year than last with local television stations running information on the holiday, homeowner’s associations including articles in their newsletters and rural electric co-ops printing information about the holiday on their bills.

The Department of Taxation stated that \$2.3 million was saved on preparedness items during this year’s holiday.

An after action report with lessons learned will be issued. As for next year, a focus will be on local governments by working with the Virginia Association of Counties and the Virginia Municipal League.

Laurie Aldrich from the Virginia Retail Merchants Association is still compiling the feedback from retailers. The retailers appreciated a list of the tax exempt items. The feedback is positive, but slow coming in.

Jim Shortal of Cox Communications remarked that in a past life in Florida there were issues involving the products covered under the tax exempt list and asked if merchants reported anything about the classing of items? Ms. Aldrich did not hear any confusion of the tax exempt products. Ms. DeViney did remark that there may have been some confusion on the generators and the \$1,000 amount may have to be increased. Ms. Aldrich stated that the amount for the generator should be addressed, mainly the ceiling needed to be raised. You have to buy a generator at \$1,000 to get the tax exempt status – its all or nothing. Dominion Power will look into the program they have on financing the purchase of a generator.

CYBER SECURITY

The President has issued a 60-day cyber security review. This document will be on the Office of Commonwealth Preparedness website and is somewhat voluminous. It has a good executive summary. The ultimate goal is to see a harmonizing of federal, state, local, and private sector systems and establishing a coherent structure from the feds on the policy.

Mr. Follmer spoke to the US Chamber of Commerce’s discussion on *Promoting Defense in Cyberspace* providing the Commonwealth’s perspective on the federal governments

announced overall goals for cyber security, the President's 60-day Cyberspace Policy Review and the pending Rockefeller/Snow legislation.

The federal government is making more of an effort to work with the private sector since the private sector owns 80% of critical infrastructure in the country. Also the feds are taking steps to make sure the infrastructure is protected. There are issues with off site control and manipulation of systems.

From Virginia's perspective, cyber security should not be viewed simply from an IT perspective but rather holistically and needs to consider numerous issues such as physical security, access to server room, maintenance, priority of restoration of service for IT systems, etc.

Both Virginia and the federal government would also like to see a better education program for the general public on using technology safely, especially small businesses and their vulnerability towards hackers. Small business websites often lack security and can be used by hackers, to redirect customers to other sites, which infect the computers with software and turn the computer into a robot or zombie. That computer is then added to a network controlled by the hacker and used to launch coordinated denial/disruption of service attacks. Public Service Announcements (PSA) should be developed and can look to other successful PSAs such as the Ready Campaign to publicize the importance of software patches.

Late last year Virginia received an alert from the Multi State Information Sharing and Analysis Center that it was showing 10,000 Virginia addresses with elements of the Conflicter virus. When the addresses were reviewed it was discovered that 85+% of these were residential broadband. Had the users installed a patch released by Microsoft in October they would not have picked up the Conflicter virus 1 month later.

In our view, the federal government would prefer working directly with individual industry because stove piping can result. The states have existing business groups that the feds can leverage.

Virginia also believes that the federal government should make money available for this issue within the homeland security grant package. At the moment cyber security is not a permitted expense. Private sector funding should also be made available possibly in the form of tax breaks.

Evan Smith of Exxon/Mobile talked about his experiences two years ago about participating in the National Business Roundtable Cyber Security Exercise. A report was published about that exercise and is in the public domain. Mr. Smith can provide the report to the members if they are interested. It was two years ago, but we could build upon their findings and close some of the gaps.

There was a good deal of discussion about information sharing. The federal government likens information sharing as a highway - information is exchanged in both directions.

The Business and Industry sub panel believes a better analogy is a pooling of information among members in order to build a broad consensus and move forward.

There was a discussion of developing a list of best practices from businesses and posting them on the Office of Commonwealth Preparedness web page. Renee Wentworth of the Department of Medical Assistance agreed that there are great best practices out there. Tina Ayotis of CSC also agreed and volunteered to review any useful items for website consideration.

CREDENTIALING TASK FORCE

The progress on the credentialing project has been slowed due to red tape with the Commonwealth's procurement process. Work is still progressing with the Department of Emergency Management and Department of General Services on the "quick quote", which organizations can submit their qualifications in a three week time period to see if they meet the scope of work and be considered as the winning contract.

The private foundation that was going to provide fiscal agent services to the project has encountered financial problems and will most likely not be able to help. However, we are still working to find a way to bring outside contributions in to help the project. Target has contributed \$10,000 to this effort. The Department of Planning and Budget is looking at allowing the contributions to be added to the non-general funds of the Department of Emergency Management and held as an earmark for this project. Non-General Funds do not have to be appropriated by the General Assembly. A decision brief is being developed and we have high hopes to move this forward.

EDUCATION

Mary Loose DeViney reported that she is a national trainer for Jewelers of America and has promoted business continuity plans with the jewelry industry. David Peters with Jewelers of America recently featured a business continuity plan as a Tip to Thrive for Retail Jewelers on their national e-magazine. Jewelers Mutual Insurance has a business continuity plan outline on their website for planning use.

Ms. DeViney has been invited by the Nelson Rotary to provide a presentation on business continuity plans to the vineyard/winery community in the fall.

Mr. Follmer and Ms. DeViney have served as consultants to Dr. Jason Levy's Virginia Commonwealth University's Homeland Security Strategic Planning Course in the spring and intend to serve again in the fall. The students work on developing questions for online modules. Hopefully a demo of the website will be held at the September meeting.

Our new member Northhighland Consulting is interested in the Pandemic Flu Module as well as general risk management. Scott Hammer from Northhighland Consulting noted that they are thrilled to be helping with this project and have worked with many public-private organizations such as Lowes and the Virginia Lottery on risk management issues. They have a lot of resources to draw upon.

National Fire Protection Association (NFPA) Standard 1600 has been revised and issued for public comment. We have been drafting content for the education module with the NFPA 1600 (2007 edition) as a reference and hope that the 2010 edition will not have wholesale changes.

INFORMATION SHARING

Fred Vincent provided the report on information sharing. Mr. Vincent has been working with the Department of Homeland Security to re-do the Virginia Portal of the Homeland Security Information Network (HSIN) so that the private sector can use this portal to exchange critical information, best practices at a state level. They are looking at the Next Generation Tool and it should be ready in the near future.

The Virginia Fusion Center now posts historical data and reports to the HSIN. Members of the sub panel are eligible to request and gain access to that information. Mr. Vincent will provide registration details to Mr. Follmer to post on the Office of Commonwealth Preparedness website.

ADMINISTRATIVE MATTERS

At April's sub panel meeting we discussed the *Washington Post* article entitled "Five Myths about Pandemic Planning". The Department of Health still cautions people on the pandemic flu and considers this article "hog wash". Since that article, the H1N1 has popped up and has spread like wildfire. Luckily we have had a low number of casualties. Dr. Mark Levine, Deputy Health Commissioner of the Department of Health has a presentation showing the number of cases of Spanish Flu from 1918 with a graph that shows infections fell for several months than spiked quickly at the start of the next flu season.

Thank you all sub panel members for responding to our request to distribute a message by the Health Commissioner, Dr. Karen Remley, on the H1N1 virus. Due to your efforts, 25,000 people received this important information.

Mr. Middleditch noted that his partner speaks around the country on the legal aspects of the pandemic flu and could possibly address the sub panel members.

Mr. Middleditch thanked all the sub panel members for their involvement in today's meeting and the meeting was adjourned.

Our next meeting is scheduled for September 30. Please mark your calendars.