





**Beyond the Fortune 1000:  
What the Other Half of America's  
Economy Needs from Cybersecurity Policy**



- Roadmap

- The Environment We Find Ourselves In
  - The Problems That Environment Creates
  - What We are Doing About It Now
  - Why That Is Not Enough?
  - Solutions?
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- The Environment We Find Ourselves In
    - International Environment
      - “Rules-Based International Order” / “Liberal World Order”
        - No Soviet
        - No Oil Needs
        - Public Resentment
    - US Pulling Back
      - Consequences for Russia, China, Iran, and North Korea
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- The Environment We Find Ourselves In
    - Cyber Attacks are Just Attacks, but Two Things Make Special
      - Not Territorially Bound
      - Subtle
    - Tools Are Used to Achieve an End
      - Attract US Attention/Concessions
      - Hard Currency
      - Economic Advantage
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- The Environment We Find Ourselves In

- 2012-15

- Iran

- Target



- Home Depot



- OMB



- FBI Focus

- NIST Resources







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- The Problems That Environment Creates
    - US Will Get Hit.
      - Big Enterprises are Better Equipped
      - Therefore, Unlikely To Be Front Line in Future
    - Small Businesses Will Be Targets For Attention, Hard Currency, and Advantage
    - Nonprofits For Attention and Hard Currency
    - Local Governments For Attention and Hard Currency
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- The Problems That Environment Creates
    - Small Business
      - Statistically, Will Be Out of Business Within Six Months
      - Beachhead Target for Entry Into Larger Systems
        - Stuxnet
      - Disrupt 45% of US Economic Activity and 48% of US Employment
      - But Inherently Fewer Resources to Deal with Threats
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- The Problems That Environment Creates
    - Nonprofits
      - People Think There's Little Money Due to Label, but 5% of GDP
      - Prime Target for Terrorism/Radicals
    - Local Governments
      - Ample Hard Currency, Even From Small Towns
      - Higher Electeds Tend to be Responsive to Local Reps' Needs
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- What We are Doing About It Now
    - Department of Homeland Security
      - Information & Communications Technology Cyber Supply Chain Risk Management Task Force (“C-SCRM”)
    - National Institute of Standards & Technology
    - DOD
    - DOJ
    - States
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- Why That Is Not Enough?
    - Department of Homeland Security
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- Solutions?
    - Small Business
      - Need a Reason to Take Proactive Steps
      - Carrots and Sticks
        - Carrot – Tax Credits Narrowly Tailored to Companies with small profits
        - Stick – Steep Penalties for “unreasonable” security practices
          - North Carolina HB 904 and Clarity
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- Solutions?
    - Nonprofits & Local Governments
      - Carrots and Sticks
        - Carrot – State Grants
        - Stick – Hold to Same Standard as Businesses
    - Politically Unpalatable to Use Sticks?
      - Cost of Not Doing So is Higher
      - HB 904
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# Thank You, Questions, and Contact

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