

INFORMATION SECURITY AND PRIVACY ADVISORY BOARD

*Established by the Computer Security Act of 1987
[Amended by the Federal Information Security Management Act of 2002]*

September 15, 2004

The Honorable Joshua B. Bolten
Director, Office of Management and Budget
17th Street and Pennsylvania Avenue, NW
Washington, D.C. 20503

Dear Mr. Bolten:

Enclosed please find a report on funding for the cyber security program at the National Institute of Standards and Technology prepared by the Information Security and Privacy Advisory Board. The Board, a federal advisory committee, was created by the Computer Security Act of 1987 and reauthorized the Federal Information Security Management Act of 2002 to provide advice to you and other senior policy officials.¹ In the course of its examination of other issues, it has become apparent to the Board that funding for the cyber security research and the development of standards and guidelines are crucial to the protection of the cyber infrastructure on which the Federal Government and the American people have come to rely. Among our key findings are that:

- The government's and the nation's critical dependence on information technology demands an effective cyber security program. Recent evaluations of agency programs suggest that we have a long way to go. A key element of such a program is effective standards and guidelines.
- The cyber security program of the National Institute of Standards and Technology performs a vital function in helping protect the critical information systems not only of the civil (non-defense) side of the Federal Government but also of the nation as a whole. Legislation enacted by Congress in recent years (e.g., FISMA and the Cyber Security R&D Act) suggests that the Congress recognizes that need but the programs authorized in those Acts have not been funded.
- NIST cyber security record of accomplishment is impressive in a wide range of areas that continue to demonstrate its value.
- While funding for the program in real terms has grown modestly, it has not kept pace with the growing demand for cyber security guidelines and standards as a result of the government and the nation's growing reliance on information technology, the growth and diversity of the technologies on which we have come to depend, and the increased threat both from acts of negligence and inadvertence and from those who seek to disrupt or disable our vital systems.

¹For more on the Board and its membership see <http://csrc.nist.gov/isspab/>

- **Interagency transfers of funds, while an important part of the financing of NIST's program, are not a solution as they are (1) inherently unpredictable; and (2) *per force* tied to an agency's specific needs rather than the good of the larger community.**

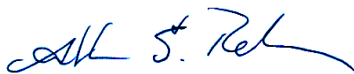
While the Board did not undertake an analysis to determine what level of funding for this vital program would be sufficient – we would be happy to engage in such an undertaking if asked to do so - we feel safe in concluding that the current levels of funding are seriously inadequate. Important work is not being done or is proceeding far too slowly.

The Board recognizes and understands the pressures of the current fiscal climate and the intense competition for limited discretionary resources that you must balance in the budget recommendations that you must make. We also appreciate that the administration has sought modest increases for NIST's cyber security programs in recent years. Therefore, we strongly recommend that OMB:

- 1. Seek to hold the line in the current budget discussions for Fiscal Year 2005 to assure that the funding for this vital program not be reduced below the level requested in the President's budget.**
- 2. Increase funding for the core program in the 2006 budget.**
- 3. Provide funding for the new responsibilities given to NIST under FISMA and the Cyber Security R&D Act.**
- 4. Look to other possible sources of funding to help finance the NIST program. While the Board has serious reservations, voiced above, about the long-term viability of interagency transfers as a method of funding, it seems to us that monies allocated to other programs for cyber-security purposes would be well-spent if shared with NIST.**

The Board remains available to you and your colleagues to answer any questions that you may have about our findings and to help advance the cause of protecting our vital information technology resources.

Sincerely,



**Franklin S. Reeder
Chair**

**cc: The Honorable Donald Evans
Secretary of Commerce**