INVEST TEXAS COUNCIL

Invest Texas Council (ITC) is a policy-oriented organization founded to champion public-private partnerships across economic sectors. Cybersecurity is one such partnership opportunity and must become an urgent priority for state and local government. Rapidly evolving technological advancements, coupled with increased threats on the international stage, require cooperation and information-sharing between the public and private sectors to better identify and mitigate malicious threats.

Texas witnessed such dangers when a 2019 assault hit more than 20 small towns, threatening gas and meat supplies. Dozens of school districts have also fallen prey to breaches, with several forced to pay "ransoms." High profile national incidents have included the SolarWinds event that breached multiple U.S. government agencies and infiltration of Colonial Pipeline that led to significant fuel shortages along the East Coast.

As tension with Russia escalates, and other nation-state actors use cyber warfare as an offensive capability, never has the need been more critical for the public and private sectors to unite in ramping up our cyber defenses.

A strategy known as "collective defense" allows participants to identify, report, and mitigate cyber threats in real time across industries and geographic regions, enabling entities of all sizes and resources to assist one another in identifying types and sources of potential attacks, and how best to respond. Paper, after-the-fact reporting is simply inadequate. Collective defense initiatives have been recognized at the federal level, with the 2022 federal Omnibus spending bill including language around the swift disclosure of all hacks and ransom payments, as well as recommendations to accelerate investments in systems aimed at avoiding breaches and damages. The federal Office of the National Cyber Director has publicly recognized the importance of collective defense, supporting its use both in the government and private sectors.

In a letter to DIR and DPS, Governor Abbott directed the agencies to enhance critical infrastructure protection against cyber-attacks. The Governor emphasized the imperative to follow best industry practices, as well as other key measures, to quickly detect a potential cyber intrusion using software services. Collective defense is a best practice.

Although private businesses should never be mandated to participate in such a program, the State is in a unique position to develop a collective defense system for its own agencies and operations that will permit, or even incentivize, local municipalities and private businesses to participate in the vital effort to protect Texans against cyber criminals, including nefarious nation-state actors. ITC urges state lawmakers to explore policies to rapidly facilitate collaboration and encourage partnerships

between government agencies and private entities in the effort to protect sensitive data, personal identifying information, and critical infrastructure.

The Honorable Ron Simmons, Chair

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