

Opening Statement of Chairman Ron Johnson
“Protecting America from Cyber Attacks: The Importance of Information Sharing”
January 28, 2015

As prepared for delivery:

Good morning and welcome.

Today’s hearing—the Committee’s first hearing in the 114th Congress—is about the cybersecurity threat our nation faces and what we can do to mitigate it.

Two years ago, then Director of the National Security Agency, General Keith Alexander, described cyber thefts from private and public organizations as “the greatest transfer of wealth in human history.”¹ Recent attacks on private companies have shown that statement to be true, and the threat continues to grow.

Over the past year alone, we saw cyber-attacks on Sony Pictures Entertainment; retailers like Target, Home Depot, and Neiman Marcus; and U.S. government systems, from social media to systems with sensitive personnel records. A recent study by the Center for Strategic and International Studies estimated the total economic loss of cyber-attacks to be up to \$100 billion annually.² A study commissioned by HP Enterprise Security figured the mean annualized cost of cybercrimes in the U.S. to be \$12.7 million per company.³

One of our missions for this Congress is to address the cybersecurity threat. The first step in addressing any problem is defining it. The purpose of this hearing is to take that first step and develop an understanding of the reality of the cybersecurity threat—the frequency and complexity of the cyber-attacks U.S. businesses endure every day, what businesses can do to better defend themselves, and what businesses need from the federal government.

Today we will discuss two important things Congress can do to help businesses mitigate the cybersecurity threat: cybersecurity information sharing with liability protection and a national data breach notification policy. On information sharing, we will consider its value in mitigating cybersecurity threats, what information must be shared for it to be useful, with whom that information must be shared, the importance of liability protection to participation, and privacy considerations. On data breach notification, we will consider the need for federal preemption of the patchwork of state laws that all provide different requirements for when, how, and who businesses must notify upon a data breach.

Thank you. I look forward to your testimony.

¹ Keith B. Alexander, *An Introduction by General Alexander*, 19 NEXT WAVE 4 (2012).

² CENTER FOR STRATEGIC AND INTERNATIONAL STUDIES, MCAFEE, THE ECONOMIC IMPACT OF CYBERCRIME AND CYBER ESPIONAGE (July 2013).

³ PONEMON INSTITUTE, 2014 COST OF CYBER CRIME STUDY (2014).