



DEAN ROHRER

Group effort needed to secure U.S. cyberspace

Parties must work together to counter threat

By CHRIS BRONK, DAN CASTRO & DAN WALLACH

THE Internet is not broken, but it could be. Protecting the nation's computer and communications networks from attack remains a challenge. Day after day we are bombarded by stories of data breach and potential vulnerability in our national information infrastructure. Addressing this issue and following up on a campaign pledge, the Obama administration has conducted a 60-day review, completed in April, of our national cybersecurity posture. Led by Melissa Hathaway, a former consultant and senior staffer at the Office of the Director of National Intelligence, the review was designed to set the stage for a "strategic vision" on cybersecurity. Key to that vision is creation of a cybersecurity coordinator position in the White House, linked to the National Security Council, but also economic advisors.

Clearly applicable to the cybersecurity "czar" position is the aphorism, "Vision without resources is but mere hallucination." We should recall the most common critique of the "Drug Czar" job, once a cabinet-level position. Without an agency to run, the director of the Office of National Drug Control Policy typically held little sway over those doing the work at the DEA and FBI. This should be remembered. Although many agencies contribute to cyber-

security, including the departments of Commerce and Homeland Security, the largest and most capable government organ in the domain is the National Security Agency (NSA). Shrouded in secrecy, the NSA is big — employing tens of thousands, an estimate, as the actual number and the agency's budget remain classified — and holds enormous material and intellectual resources. That said, the NSA can't handle the job alone. The reality is that cybersecurity is a problem for anyone who writes software, employs a digital supply chain management system, stores electronic medical records, or chooses to use the Internet. It is an individual and organizational responsibility. Wisely, the Obama administration has recognized this complexity and the concomitant need for public-private partnership on the issue.

The reality is that cybersecurity is a problem for anyone who writes software, employs a digital supply chain management system, stores electronic medical records, or chooses to use the Internet. It is an individual and organizational responsibility.

has had enormous difficulty in securing its own computer networks. It cannot make cyberspace more secure without significant input from industry, academia and the population at large. While one pundit quipped that Oprah Winfrey should broadcast an episode on the topic and give away free Internet security software to her massive audience, the truth is, such a suggestion is not a bad idea. A national cybersecurity strategy will require buy-in from the broader public, not just government and technology insiders. Teleworking, the BlackBerry and videoconferencing have each changed the way America works and for

Please see **THREAT**, Page B11

Management, union decisions sink automakers

By STEPHEN J. ROPPOLO

IT can't be much of a surprise to anyone that General Motors has followed Chrysler into bankruptcy. The move was rumored for weeks, and it was probably overdue by more than a year.

The severe economic recession that began in 2008, combined with rising fuel prices last summer, created a perfect storm that made bankruptcy virtually inevitable. Both Chrysler and GM have now begun the process of drastically reducing their dealer networks by terminating franchise agreements or notifying dealers that their franchises will not be renewed in 2010.

The dealer cuts have hit close to home. Several Houston area dealers, many family-owned and in business for decades, have been told by Chrysler or GM to hit the road. Rogers Dodge, the Archer dealerships and Baytown Chrysler are among the Chrysler casualties. GM hasn't released its termination list, so only those dealers who received the non-renewal letters know for sure which local companies are on the chopping block.

The manufacturers claim they have no choice and need to cut costs if they're going to survive. No one disputes that they need wholesale reorganization, but automobile dealers are a source of revenue, not expense, for the automakers. The dealers constitute a vast distribution network at minimal cost to the manufacturers. The dealers bear the cost of the inventory in their showrooms, actually purchasing the vehicles they sell to the public. And those showrooms? The dealers pay for the facilities you visit to buy and service your automobiles, not GM or Chrysler. A group of dealers made this case during a recent hearing before the U.S. Senate Commerce Committee, but few believe things will change. On Tuesday, the Automobile Dealer Economic Rights Restoration Act of 2009 was introduced in Congress, requiring Chrysler and

BANKRUPTCY HITS HOME

Car dealers take fall for errors of others



DANIEL ACKER : BLOOMBERG NEWS

CLOSING TIME: A pedestrian walks outside Elm Dodge in Kearny, N.J., last Monday. The dealership was dropped by Chrysler as part of a plan to shed 25 percent of its dealers.

General Motors to continue to honor their commitments to auto dealers and follow state franchise laws. At this point, however, there's no way to predict if these political measures to protect dealers will succeed.

So if dealers aren't the real problem, what is? There's enough blame to go around, but most of it has to be laid at the feet of the United Auto Workers Union and GM and Chrysler managers, who have made poor decisions about marketing, design and labor issues for decades. Unfortunately, under pressure from the Obama administration's

automotive task force, the manufacturers have taken a hatchet to their distribution networks, while the politically favored UAW winds up owning a large chunk of each company. In the case of Chrysler, the UAW's health care trust fund will actually be the majority shareholder. The next round of collective bargaining negotiations should be interesting, when the UAW representatives find themselves wondering, "What should we demand from ourselves this time?"

Inefficient union work rules have hamstrung the domestic automakers for years,

while non-union Japanese and European manufacturers who build cars and trucks in the U.S. have enjoyed the flexibility to make needed changes to enhance productivity. One of the more notorious UAW-demanded practices at GM and Chrysler were "job banks" that paid thousands of workers not to work, some for years at a time, while they waited for new work that never materialized. News reports suggest that the UAW has agreed to suspend the job banks, but there has been no word so far on whether the suspensions

Please see **AUTOS** Page B11



PAUL LACHINE

ExxonMobil on right path

Ignore calls to follow course that Enron took

By ROBERT BRADLEY, PH.D.

LISTENING to the dissident shareholders leading the proxy fight to recast Exxon Mobil Corp. as a political energy company, it's tough not to be reminded of the meteoric rise and operatic fall of the Enron Corporation.

That is what comes to my mind when I read the shareholder resolutions ask-

ing ExxonMobil to buy into climate alarmism and splash into uneconomic but politically correct renewable energy investments. Renegade shareholders Sister Patricia Daly, Neva Rockefeller Goodwin, et al. dress their case in the language of maximizing longer-run profits, asserting that the future of ExxonMobil is not in its traditional, very successful activities. But they are wrong on both business and public-policy counts.

In my 16 years at Enron, I watched the company shift from its core natural gas operations to investments in solar power, wind power, and other "green" energy activi-

ties. Time and again, environmental groups lauded Enron for practicing "energy sustainability." The politically correct company received a climate-protection award from the EPA and a corporate-conscience award from the Council on Economic Priorities.

I remember how an Enron lobbyist asserted that passage of the U.N.-sponsored Kyoto protocol in 1997 — with its unrealistic mandate that the developed world cut greenhouse-gas emissions — would be "good for Enron stock." He predicted that Enron's wind, solar, and emissions-trading

Please see **ENRON**, Page B11

EDITORIAL

Conflicting roles at county department

A second job held by a Harris County voter registrar creates the appearance of partisan bias. **PAGE B13**

KRAUTHAMMER

Obama displays ambivalence

This president goes astray when he attempts to equate evil done to Muslims with evil done by Muslims. **PAGE B12**

GOODMAN

Practicing identity politics

Why is it that only minorities are accused of making decisions based on their origins? **PAGE B12**

PROTECTING THE VULNERABLE



Help for immigrant kids

■ Law requires government to act in interest of the children

By WENDY YOUNG

JUAN was 16 years old when he fled Guatemala for the United States to escape a life of abuse. His alcoholic father regularly beat him and forced him to work from a young age. Juan endured severe hardship on his journey to the U.S., and often wondered if he'd survive. Juan (not his real name) ended up in immigration court in Texas, where authorities are seeking to send him back to Guatemala. More than 8,000 children like Juan come to the United States alone each year; many are seeking safe haven from human rights abuses, domestic violence and trafficking. When they are caught, they are put in immigration proceedings to decide whether they can stay or must return home. More than half of these children, some of whom are remarkably young, must face these proceedings without the help of a lawyer or guardian. The U.S. government does not provide people in immigration proceedings — even children — with a

If children are returned, they must be sent home with assistance. Currently, children are abandoned in airports in their home countries rather than assisted to reunify with their families.

lawyer, even though the government is represented by a lawyer. Children who have viable claims are often not able to present them and are sent home, where their well-being, even their lives, may be in danger. But Juan is one of the lucky few; he has a pro bono attorney who is helping make his case to stay in the United States so he is not sent home to face more abuse. The good news is that more vulnerable children will have access to free lawyers and other basic protections thanks to the passage of a law that for the first time requires that children's well-being be considered foremost by officials who pick them out entering the United States. The Trafficking Victims Protection Reauthorization Act of 2008 says that when children come here without documents and without a parent or legal guardian, officials are to act according to the best interests of the child

— and not according to an archaic and outdated system that was never designed to handle children. The law requires the government to facilitate the representation of children by pro bono attorneys in the private sector. This opens the door to innovative public/private partnerships at no cost to the government that will make a real difference in these children's lives. Now the law needs to be fully implemented and the government needs to do its part. It must institute procedures that give children a fair opportunity to share their experiences of abuse and trauma. Judges and lawyers must be trained so that they don't inadvertently cause children more trauma. Imagine being a young teenager and having to tell lawyers and a judge who you have never met your story of being sold to traffickers. Or having to describe beatings by your father, and showing a stranger the 10

scars that attest to this brutality. Compassion must be shown so that children are not sent home to face further harm or even death. In 2004, Edgar Chocoy faced exactly that. He told an immigration judge that gangs in Guatemala would kill him if he were forced to go home. He was denied asylum, sent back to Guatemala and murdered 17 days later. If children are returned, they must be sent home with assistance. Currently, children are abandoned in airports in their home countries rather than assisted to reunify with their families. Ensuring that this important law is implemented will not only help vulnerable children alone in Texas and nationwide, but will save our government time and money, and give the United States an opportunity to serve as a role model by demonstrating our commitment to protecting children in desperate need within our borders. Young is executive director of Kids in Need of Defense (KIND) (www.supportkind.org). She served as chief counsel on immigration policy in the Senate Judiciary Subcommittee on Immigration, Border Security and Refugees for Sen. Edward M. Kennedy.

THREAT: Partnership needed for security

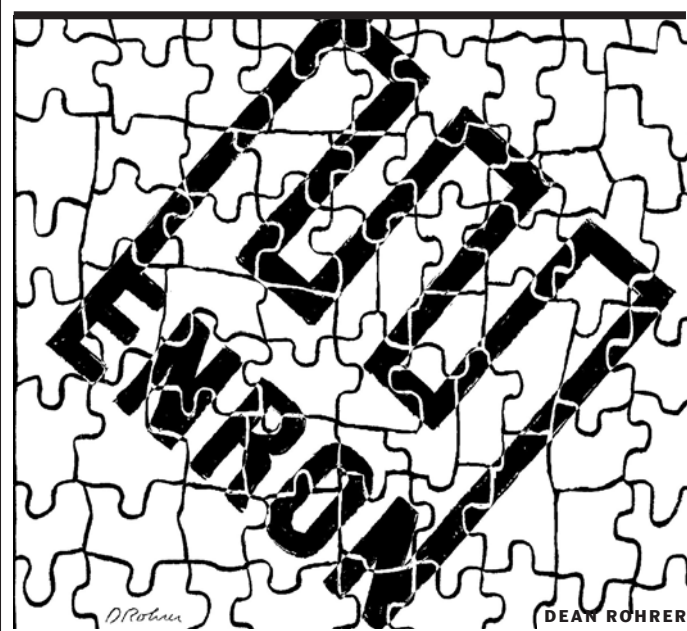
CONTINUED FROM PAGE B10
 many, life without information technology is unimaginable. We have heard plenty of bleak prognostication on Internet security, "Digital Katrina" being the latest rhetorical flavor of the month, but big thinking on the topic is required nonetheless.

Cyberspace is an ecosystem, composed of billions of users, machines and lines of software code. To have government control such a thing is as nonsensical an endeavor as the Communist command economy. Sure, a cybersecurity czar will help, and industry working with government in public-private partnerships is a must, but policy needs to take a long-term view. Government's key role should be in doing again what it did before in the crafting of the Internet from 1969 to 1992, providing investment to drive innovation. While monitoring cyberspace should continue, government and industry working together to detect vulnerabilities and mitigate them, the cyber czar should serve as the chief advocate for a safer, more secure global information network and the lead secure IT buyer for the sector's largest single customer, the U.S. government. The job will entail keeping research oriented agencies, both military and civilian, focused on the cybersecurity issue and appealing to Congress for the necessary funding.

Market forces aside, government will also need to govern in cyberspace, partnering with others to construct new rules and regulations. The job will require reaching out to foreign counterparts, especially from the world's most developed and, therefore,

most vulnerable nations, as the problem of cybersecurity does not begin and end at the borders of the United States. But what must be resisted is the temptation to push the cybersecurity challenge strictly into the highest level of the U.S. national security agenda. This is not a job that the Pentagon or intelligence community should choose to go it alone on. As the United States continues along a path of digital transformation and builds new digital infrastructure such as a "smart" energy grid and electronic health records, cyber security will be a critical issue for all government agencies. Certainly the NSA will be needed at times, but often it will not. The departments of Commerce, Justice, Homeland Security as well as non-government players, from network operators to software and hardware developers, should provide the knowledge and resources called for in mitigating threats to what has become the critical infrastructure of our nation's critical infrastructures, the national information grid. For now, the cyber coordinator's most important job will be to create the strategy that determines which government agencies and industry partners are needed to handle each major vulnerability or incident.

Wallach is an associate professor of computer science at Rice University. Castro is a policy analyst at the Information Technology and Innovation Foundation in Washington, D.C. Bronk is a fellow at Rice's James A. Baker III Institute for Public Policy.



ENRON: Ignore calls to adopt failed strategy

CONTINUED FROM PAGE B10
 investments would take off once Kyoto came into force. "We bet on the future," he crowed, "while others have bet on the past." Chairman Ken Lay, in fact, announced at a management conference that Enron's vision was "to become the world's leading renewable energy company."

Meanwhile, ExxonMobil (founded by the legendary John D. Rockefeller, Sr.) plodded along with its consumer-driven hard-asset energy model. It made steady progress by avoiding the energy fads that so captivated Enron. The tale of two companies has played out. None of Enron's "green" initiatives was profitable, and the "new-economy" company imploded. The smartest guys in the room were not so smart after all. ExxonMobil has proven itself to be sustainable in both the boom and busts of the present business cycle.

There is a deeper lesson in all this that both dissident shareholders and company supporters should take to heart: Reject political rent-seeking. A business can make money via the free-market means of voluntary consumer patronage or via the political means of special governmental favor. The first is the way of capitalism; the second, of political capitalism.

None of the wind or solar projects Enron pushed were economically competitive with its natural gas business. And the energy-efficiency contracts peddled by Enron

Energy Services turned out to be a mirage. ExxonMobil is doing just fine, thank you, without a forced change in business direction. BP and Shell, in fact, have moved toward their rival's business model by de-emphasizing their renewable-energy investments because of the field's subpar profits (as determined by consumers). All the major oil companies are now focused on their core natural gas and oil activities, including offshore drilling and heavy oil production. Nobody, including BP, has gone Beyond Petroleum. And this is good news for consumers. The International Monetary Fund and the International Energy Agency have concluded that the world needs trillions of dollars of oil and gas investment. The Energy Information Administration of the Department of Energy sees hydrocarbons as continuing their dominant role in the United States and the world for decades. Successful companies stick to their core strengths and avoid profit centers that depend on special government favor. That was John D. Rockefeller's philosophy a century ago, and ExxonMobil shareholders deserve to be the heirs to his genius, not to the flawed business model of Ken Lay and Enron.

Bradley, a former Enron employee, is founder and CEO of the Institute for Energy Research and author of "Capitalism at Work: Business, Government, and Energy."

AUTOS: Dealerships take the fall

CONTINUED FROM PAGE B10
 are temporary or permanent. The sheer volume of work rules is enormous: CBS News reported in December that the UAW's contract with Ford and its accompanying work rules weigh 22 pounds. And you thought the government bureaucracy was impressive.

It is troubling that the federal government has strong-armed the parties to these bankruptcies in a way that appears designed to favor political allies. There's no doubt that the unions have been expecting political payback since their preferred candidate won the presidential election in November, but few believed the government would turn bankruptcy law on its head to provide it. Secured bondholders for Chrysler and GM have found that the normal rules favoring their claims don't apply here, resulting in objections from investors like the Indiana State Police Pension Fund, who claim that their priority claims have been ignored. The U.S. Supreme Court initially granted a stay of Chrysler's sale to Fiat to consider these arguments, but backtracked on Tuesday, lifting the stay and effectively ending the legal dispute. Caught in the crossfire of all this political and legal maneuvering are the dealers and their employees. Some of the



MATTHEW STAVER : BLOOMBERG NEWS

MOVING DAY: Juquin Rornia carries out a computer from the closed Medved Chrysler Jeep Dodge dealership in Castle Rock, Colo., last Tuesday. Chrysler is in the process of shedding 789 of its automobile dealers as it emerges from bankruptcy.

top Detroit executives have paid with their jobs, most notably former GM CEO Rick Wagoner, and surely others responsible for this mess deserve to be shown the door. Besides the dealers themselves, the real losers are likely to be consumers,

who will have fewer choices when it comes to sales and service of new automobiles from U.S.-based manufacturers. Nearly everyone seems to be paying the price for the mess largely created by the unions — except the unions themselves.

Roppolo is regional managing partner of the Houston Office of Fisher & Phillips LLP, a national labor and employment law firm representing employers, including automobile dealerships and dealer associations.