



Acceptability Process Committee

August 10, 2005

Agenda

- I. Welcome, Introductions, & Announcements
- II. Introduction
- III. Principles
- IV. Commission Structure
- V. Findings of the Commission
- VI. Acceptability Process
- VII. On-Site Review
- VIII. Potential Trade Secret List
- IX. Conclusions

I. Welcome, Introductions, & Announcements

- Committee Members:
 - Jack Nicholson, Chair
 - Randy Dumm
 - Steve Burgess
 - Howard Eagelfeld
- Conducting Committee Meetings
 - The public is encouraged to participate
 - The idea is to reach a consensus on changes

II. Suggested Changes to the Introduction

- Included provision for new legislative language p. 1-2
- Definition of Trade Secrets (s. 812.081) p. 2

III. Suggested Changes to the Principles

- Transcripts not recorded p. 5 #1
- Updated to include trade secrets p. 5 #3

- **Commission Structure –**
How the Commission Operates
- **Acceptability Process –**
Steps Modeler must take to be found
Acceptable

IV. Suggested Changes to the Commission Structure

On-site Visits

p. 8-9

- 1) On-site visits expanded to include visits by commission members
- 2) Commission members will only go on-site to review a model at the time that the Professional Team goes on-site
- 3) Deadline for making request to go on-site is 7 days prior to the March meeting (for Agenda purposes)
 - a. Approved by vote of Commission
 - b. Scheduling considerations
 - c. SBA Budget considerations

4) The work of the Professional Team:

- a. The on-site visit is not for the purpose of the Professional Team educating Commission members. Educating Commission members is better accomplished in other settings.
- b. Commission members may observe the activities of the Professional Team but not interfere in any way with their work.
- c. Separate meetings will be scheduled for the Commission member(s) to ask questions of the modeler.
- d. The preferred course of conduct is for Commission members to ask questions directly of the modeler.
- e. Commission members should not discuss the model among themselves while on-site. Provisions of the Public Meetings law applies to non-trade secret discussions.

Documents Containing Trade Secrets

Documents containing “Trade Secrets” are exempt from the public records requirements. Two types are:

1) “**Part B**”

2) “Materials Containing Model Trade Secrets to be Visually Displayed or Discussed during the Closed Meetings (**Trade Secret List**)”

Documents Containing Trade Secrets

1) **Part B** p. 9

- Commission may require that the modeler provide a “list of documents” containing trade secrets as part of the submission.
- Modeler may voluntarily submit Trade Secret Disclosures.
- Such documents are to be recommended by each Committee responsible for reviewing the appropriate set of Standards (General, Meteorology, Vulnerability, Actuarial, Statistical, and Computer).
- The Non-Trade Secret portion of a submission will be referred to as **Part A** and the part of the submission containing Trade Secrets will be referred to as **Part B** of the submission if the Commission has identified such documents and wants to take custody of these documents. Part A and Part B are both submitted by February 28th.
- A single, password protected, electronic copy of Part B, if required or voluntarily submitted, will be provided to the SBA/FHCF acting as staff for the Commission.

- The SBA will maintain security over Part B and develop an internal policy for this purpose.
 - a. Commission members may only examine Part B of the submission on the SBA's premises.
 - b. Such documents containing trade secrets will at all times be accompanied by a SBA staff employee and will not be allowed to be taken off-site.
 - c. Commission members will not be allowed to duplicate documents containing trade secrets and all notes taken shall be destroyed (shredded) prior to departing the SBA.
 - d. Commission members will not be allowed to use cell phones or other electronic recording devices while reviewing documents containing trade secrets.
 - e. Only one Commission member at a time shall review a specific document containing trade secrets unless a Commission meeting has been noticed and scheduled for such purpose.
 - f. Following the Commission's review of the model, Part B of the submission will be returned to the Modeler but will be required to be retained by the Modeler and will be available to the Commission upon request for two years.

2) Trade Secret List p. 9-10

- The Commission may develop additional list of Trade Secret documents
- Such documents are to be recommended by each Committee responsible for reviewing the appropriate set of Standards (General, Meteorology, Vulnerability, Actuarial, Statistical, and Computer)
- Identified in a separate section
- Documents will be visually displayed or discussed during the closed portion of the meeting to review models for acceptability
- All hard copies of such documents, if provided, will be returned to the modeler prior to the conclusion of the closed meeting but will be required to be retained by the Modeler and will be available to the Commission upon request for two years.

Closed Meetings

p. 10-11

Portions of Commission meetings where Trade Secrets are discussed will be exempt from public meeting requirements. As such, these parts of the meeting will be closed to the public.

- 1) Closed meetings for the purpose of discussing trade secrets will be scheduled during the meeting to review models for acceptability
- 2) No voting regarding the acceptability of a model will occur in a closed meeting
- 3) Discussions other than those involving trade secrets shall take place during the public portion of the meeting
- 4) Authorized attendees:
 - a. Commission members
 - b. Commission Staff
 - c. Professional Team Members and consultants hired by the SBA to staff the Commission
 - d. Modeler personnel of the model under consideration

- 5) Questions related to trade secrets shall be addressed directly to the modeler
- 6) No equipment shall be accessible to attendees (ie: cell phone, briefcase, laptop)
- 7) Any notes taken will be shredded prior to conclusion of meeting
- 8) Modeler may choose to provide direct access to the model by electronic means
- 9) Teleconference call-in number will not be available for security reasons
- 10) During breaks attendees shall not discuss proceedings and access to the meeting room will be limited
- 11) There will be no transcripts of the proceedings of a closed meeting
- 12) A quorum is not required
- 13) After the public portion of the Commission meeting has begun, any Commission member may make a motion to go back into a closed meeting. A second and a majority vote is required.

Notice Requirements for Public Meetings

p.12

- Notice must contain time certain
- Commission should determine time allotment for closed portion of the meeting
- Time needed will depend on length of Trade Secret List and Part B questions
- Recommended language for the Meeting to Review Modeler Submissions: *insert on p.17*

“For scheduling purposes, a vote will be taken on how long to allow for review of each model specifying the maximum amount of time for the closed and public portions of the meeting. This will allow for complying with the notice requirements for the Meeting to Review Models for Acceptability”.

V. Suggested Changes to the Findings of the Commission

p. 23

- Proprietary information now referred to as Trade Secrets
- Trade secrets exempt from the public records law
Discussion of Trade Secrets exempt from the public meeting requirements

- Commission Structure –
How the Commission Operates
- **Acceptability Process –**
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VI. Suggested Changes to the Acceptability Process

- Notification requirements and format updated to include Part B of submission (if required or voluntarily submitted) p. 25
- Number of copies modeler is required to submit is reduced from 25 to 20 p. 25
- As appropriate, moved portions to the Commission Structure and to the On-Site Review sections of the Report of Activities
- Removed duplication
- Modeler Presentations distinguished between public and closed meetings p. 32

VII. Suggested Changes to the On-Site Review

p.38

- As appropriate, moved portions from the Commission Structure and Acceptability Process sections of the Report of Activities
- Included review of Trade Secret List
- Removed duplication

VIII. Potential Trade Secret List

IX. Conclusions