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COMBATING TERRORISM: OPTIONS TO IMPROVE FEDERAL RESPONSE

JOINT HEARING

BEFORE THE

SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS, AND EMERGENCY MANAGEMENT

OF THE

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

AND THE

SUBCOMMITTEE ON NATIONAL SECURITY, VETERANS AFFAIRS AND INTERNATIONAL RELATIONS

OF THE

COMMITTEE ON GOVERNMENT REFORM

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COMBATING TERRORISM: OPTIONS TO IMPROVE FEDERAL RESPONSE

APRIL 24, 2001

HOUSE OF REPRESENTATIVES, SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC BUILDING, AND EMERGENCY MANAGEMENT, COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE, JOINT WITH THE SUBCOMMITTEE ON NATIONAL SECURITY, VETERANS AFFAIRS AND INTERNATIONAL RELATIONS, COMMITTEE ON GOVERNMENT REFORM,

Washington, DC.

The subcommittees met, pursuant to notice, at 3 p.m., in room 2167, Rayburn House Office Building, Hon. Christopher Shays, chairman of the Subcommittee on National Security presiding.

Mr. LATOURETTE. The subcommittees will come to order.

Today's hearing is the first held by my subcommittee during this Congress. First, I would like to thank my fellow co-chairman of this hearing, Congressman Chris Shays, for working with me to put this hearing together. I am very pleased to be working with the Government Reform Subcommittee on National Security, Veterans Affairs and International Relations, of which I am a member, on this issue.

I would also like to thank all of our witnesses for their participation in this important hearing to discuss proposals for improving the Federal response to terrorism.

Work accomplished by the Transportation and Infrastructure Committee during the last Congress has shown that in the wake of the Oklahoma City bombing we have taken great strides to improve the Federal efforts to combat terrorism. Unfortunately, we still have a long road ahead before we will achieve preparedness.

Last week marked the passing of 6 years since 168 Americans were killed and many more injured in the heinous attack. It is my hope that through this hearing and our continued efforts in this area we can prevent future attacks—or at the very least, minimize the injuries and disruption caused by terrorist attacks, including those with chemical, biological or radiological agents.

Since the bombings of the World Trade Center in 1993 and the Murrah Federal Building in 1995, Federal spending for terrorism programs has increased without control. More than $11 billion will be spent in fiscal year 2001 by at least 40 departments and agencies administering counter-terrorism and preparedness programs. This figure is nearly double the amount spent 3 years ago. And yet, there is no single Federal entity in charge of this effort, no single person who can be brought before Congress to discuss an overall

approach to combating or responding to terrorism, and no comprehensive strategy to guide this massive spending effort.

In fact, the Federal Government does not even know what programs exist or what they are designed to accomplish.

Each of the proposals we will examine today is aimed at defending our country and communities against terrorist attacks.

The first proposal, H.R. 525, was introduced by Transportation Committee member Wayne Gilchrest. It would create a Presidential council to draft a national strategy and organize the Federal effort through the existing agency structure. It would eliminate duplication and fragmentation of Federal efforts by coordinating with agencies during the budget process to bring programs in line with the strategy. This proposal closely tracks a similar measure, H.R. 4210, introduced by former Representative Tillie Fowler, that passed the House unanimously last Congress.

We will also address bills introduced by Congressman Ike Skelton, H.R. 1292, and Congressman Mac Thornberry, H.R. 1158. The Skelton bill would require the designation of a single individual within the Federal Government to be responsible for this effort. It would also require the drafting of a strategy to address terrorism.

The Thornberry bill would transform FEMA into the "National Homeland Security Agency" which would include the Coast Guard, Border Patrol, and Customs Service. This new agency would focus on operational planning and coordination.

I look forward to hearing more about all of these proposals during the course of today's hearing.

Today signifies another step toward adding some sense to this Federal spending spree. It is our duty to impose accountability and require a reasoned approach to this effort. We must determine the threats and risks that exist in our communities and spend our tax dollars addressing them. We simply can't wait another 6 years before we know that our local emergency personnel are prepared to respond to a terrorist attack.

This hearing continues the process of reforming our counterterrorism effort. It is my hope that we can accomplish some significant reform during this session of Congress. Before we commence, I want to commend the gentleman on our first panel for introducing legislation to address this issue. I look forward to hearing the testimony from all of our witnesses and I'd now like to yield to the chairman of the Government Reform Subcommittee, Mr. Shays, for any comments he would choose to make.

Mr. SHAYS. Thank you, Mr. Chairman. A joint hearing on these important legislative proposals is particularly fitting, because terrorism crosses so many jurisdictional and substantive domains. Only a cross-cutting, unified approach will enhance Federal counterterrorism efforts and help us to avoid the false choices often posed by narrow legal and bureaucratic boundaries.

For example, the bills we consider today would appear to present mutually exclusive options regarding the focal point of Federal counterterrorism policy. One approach would place that responsibility in the Executive Office of the President, leaving the current agency structure in place. The other would consolidate key homeland defense functions in a single cabinet level department.

But for this hearing, these options would have been considered by separate committees. Instead, we asked our witnesses this afternoon to describe the relative merits and challenges of both concepts in the hope that overall executive branch coordination and the role of a lead homeland defense agency can be clarified and strengthened.

In January, the subcommittee wrote to Dr. Condoleezza Rice, the President's National Security Advisor, concerning the need for stronger leadership and a more coordinated Federal effort against terrorism. She informed us a review of counterterrorism organization and policy is underway. But we needn't wait for the results of that review to begin consideration of proposals to correct longstanding and widely noted deficiencies in Federal structure and coordination.

Previous subcommittee hearings led us to the conclusion the fight against terrorism remains fragmented and unfocused, because there is no one in charge to develop a coordinated threat and risk assessment, articulate a national strategy, measure progress toward defined goals or disciplined spending. Legislation to restructure the Federal effort to combat terrorism should address those weaknesses.

Almost a decade after the dawn of a harsh new strategic reality, international terrorism aimed at our military and civilian personnel abroad and here at home, these bills address today's equally stark realities. As a Nation, we are not ready. As a Government, we are not prepared.

Our witnesses this afternoon bring us the benefit of their substantive experience, substantial experience and expertise in this area. On behalf of the Government Reform Subcommittee on National Security, Veterans Affairs and International Relations, I thank them for their time and their testimony. Again, Mr. Chairman, I thank you for this joint hearing.

Mr. LATOURETTE. I thank you, Mr. Shays.

Mr. Berry of Arkansas, filling in for the distinguished ranking member of our subcommittee, Mr. Costello, indicates he has no statement to make. I'd now yield to the ranking member of Mr. Shays' subcommittee, the gentleman from Ohio, Mr. Kucinich.

Mr. KUCINICH. Thank you very much, Mr. Chairman. Good afternoon. I want to welcome the distinguished members who will be discussing their respective bills today. Let me also welcome the other witnesses who took time out of their schedule to testify. I would like to briefly raise several points.

First, GAO has stated in past hearings that Federal priorities in spending should be based on a comprehensive threat and risk assessment. The logic was that until we identify the threats, evaluate their likelihood and craft a strategy to address them, we have no basis upon which to build a national strategy, and we have no guarantee that spending is properly apportioned among various programs.

I'd assume that such a threat and risk assessment would evaluate all terrorist threats, foreign and domestic, and prioritize all Federal counterterrorism programs. After reviewing the bills, however, it appears that some of the proposals are limited to domestic preparedness programs alone. I wonder, therefore, how these pro-

posals could escape the same criticisms made of the current structure. In other words, how do we know we're spending the correct amount on domestic preparedness vis-a-vis other counterterrorism initiatives, such as border patrol, intelligence gathering and international law enforcement cooperation efforts.

Taking this one step further, focusing on terrorism alone, might even be overly narrow. One could argue that a truly comprehensive threat and risk assessment should take into account all threats, regardless of their origin, whether our embassies are threatened by military or rebel forces, for example, may have different political implications. But the security concerns are very similar. As we know, the line between state actors, state sponsored actors and insurgent groups continues to blur.

Related to this issue, in a recent National Security Subcommittee hearing, a few of us had a candid exchange with some of our expert witnesses about the perception of American citizens, American Government and American corporations. These individuals, who have spent many years living and working abroad, all cited the existence of anti-American sentiment that pervades many foreign countries to various degrees.

For me, this underscores the need for discussion of the effects of American foreign policy and American corporate activity on threats to American interests. We cannot assess risk and develop national counterterrorism strategies, divorced from the larger reality of our role in this world, and the perceptions of our actions abroad.

In other words, we must look not only for responses to threats, but also for ways to eliminate the currents of enmity from which these threats arise. Diplomacy in this regard can provide as much protection as strengthening our borders or hardening our embassies.

GAO has stated that there is no single individual accountable to Congress with authority to make counterterrorism decisions and effect budgetary priorities. Although some of the proposals create new positions, some of which are subject to Senate confirmation, I did not see any proposal that would confer power to direct the spending of other agencies such as the Departments of Defense and State, which both perform substantial counterterrorism functions.

Again, this relates to the need for a risk assessment that considers all manner of threats to American interests and a counterterrorism strategy that articulates more than simply a plan for domestic consequence management.

Finally, at the last terrorism hearing before our subcommittee, I raised the issue of civil liberties. Other various proposals say they would ensure the protection of civil liberties. I have yet to hear how these proposals would do so. The protection of civil liberties must be included in any of our discussions. I would be very skeptical of any proposal that would jeopardize civil liberties. A properly conducted and comprehensive risk assessment, threat and risk assessment, is mandatory and preliminary to a proper assessment of the impact on civil liberties. Civil liberties, freely exercised in a free society, remain a strong protection against terrorism.

I would appreciate if our witnesses today could address these fundamental concerns. I thank the chairman and Mr. Shays for holding this hearing.

Mr. LATOURETTE. I thank you very much. I'd now like to yield to Mr. Gilman of New York for his observations.

Mr. GILMAN. Thank you, Mr. Chairman. I want to commend our chairmen, Mr. LaTourette and Mr. Shays, for bringing us together on this important hearing. I'm pleased to join our colleagues today who will be making a further examination of the Federal effort to confront and combat terrorism here in our own Nation.

We've often focused on this grave threat to innocent persons and property only when it's been in the headlines as a result of an act of terrorism, too much of a band-aid approach. The Federal Government, pursuant to various Presidential directives, began over the last decade to concentrate on this problem, and regrettably, well-intentioned efforts too often have wound up being parochial, designed to shore up security of a given agency's assets, their personnel and traditional functions. The effort to coordinate anti-terrorism planning among Government entities at the Federal, State and local level has faltered, and the end result has been a fragmentation of responsibility that features turf protection and a proliferation of resources among some 40 Federal agencies.

The three legislative proposals before us today seek to correct that situation by assigning a central authority to direct our government's anti-terrorism efforts. A similar effort has been underway since the creation of the Office of the National Coordinator for Security, Infrastructure Protection and Counterterrorism in the mid–1988 period within the National Security Council. The national coordinator of that program provides advice, but lacks any authority to direct or to assign agency budgets for counterterrorism efforts. And therein may be the problem.

I believe budgetary authority, and not just the amount of money authorized and appropriated, is central to fixing the most important problem in our plans to thwart domestic terrorism. Any solution that we propose must give the central coordinating entity responsibility to set terrorism related budgets in order to establish clear lines of direction and responsibility. Without that kind of a control, the anti-terrorism coordinator is at the mercy of agencies focused on their own albeit virtuous interests, but pulling in too many directions.

More generally, prevention should be at the center of any anti-terrorism coordinator's focus. Better human intelligence on possible planned attacks is a key to foiling such threats. In our recruiting to develop better human intelligence, our government has exercised due responsibility and due caution over contact with persons involved in human rights violations. There is a time, however, when higher interests prevail, and such contacts become vital to preventing future violations of human rights resulting from any terrorist attack.

In conjunction with the efforts to acquire better human intelligence, our Nation should also put greater emphasis on international cooperation with police in other agencies in the fight against terrorism. At this point, terrorists often turn to criminal elements for stolen cars, for explosives and other ingredients in planning any kind of a terrorist attack.

It seems to me that the FBI and other U.S. law enforcement training for police forces overseas would serve to improve our inter-

national cop to cop contacts, expanding our terrorist information network. Mr. Chairmen, it is long overdue that we provide a central authority with a comprehensive national strategy to direct and coordinate our Nation's fragmented anti-terrorism efforts.

I want to thank our chairmen again for continuing these hearings, and we look forward to the testimony of our three distinguished witnesses from the House as we seek to craft appropriate solutions.

Thank you, Mr. Chairman.

Mr. LATOURETTE. I thank the gentleman. Ms. Holmes Norton.

Ms. NORTON. Thank you very much, Mr. Chairman. If I may, I'd like to thank both of our chairmen, Mr. LaTourette and Mr. Shays, for their very sensible beginning of a solution. If Members of two subcommittees can see the problem and get together, perhaps we can get the respective agencies together as well.

And may I thank the members who have devoted some considerable time and very deep thought to what, in my view, is the most serious, major problem confronting our society today, and for which there is no strategy: no one can doubt the rise of worldwide terrorism. We can all be grateful that as a matter of fact, we have experienced so little of it.

I am constantly amazed that we have experienced so little of it, and believe that the major reason for this has to do with the personnel who control our borders and keep people from entering this country who might have been most inclined to engage in some such terrorism. Although I do note that the only major act of domestic terrorism in this country was the work of an American.

As the member who represents the Nation's Capital, I am ashamed of how our capital looks. When your constituents come to visit you in our capital, I can assure you that they are, and they comment upon, how astonished they are at how our capital looks. The capital is being closed down in our midst. You don't see it because you come to work every day.

But your constituents see it. They came 3 years ago to bring a sixth grade class, and they come back now and it looks different. And they know it, and they say it. They see the barricades and they're troubled.

They will ask me, has there been an incident here? When I pass by and they say, this is the member who represents the Nation's Capital, did you have something happen here? Can you imagine what children think when they come to the Nation's Capital and every important building is surrounded by barricades of the kind that might have been easily used in the 19th century if you were trying to protect yourself against terrorism?

Because I don't see any advance over what might have been used then over what we are using here. I believe what the members on the dais are doing, the members who have prepared legislation are doing, is most important. But I would like to suggest today that it is time that we added a layer to our thinking about how to keep an open society in a world of rising terrorism.

My friends, that is the challenge, not how to combat terrorism alone. We can all get together and figure out ways to keep them out. But would you want to live in a society that only figured out

ways to keep them out? Or to keep enemies from within from committing acts of terrorism?

I believe that we need to look at terrorism in the context of maintaining an open democratic society. If you want to really grapple with this problem, you cannot simply deal with one aspect, albeit a hugely important aspect of it. Because you can deal with that aspect and end saying, how could we have done this to ourselves? Is there no better way to do this?

May I suggest that I think that beyond ourselves we have to, in order to come to grips with what is a problem that has never faced the world before, at some level and in some ongoing working forum bring together the best minds in the society. And I do not simply mean security minds, albeit they are indispensable minds. I mean people who know how to think about the kind of society in which we live, the society's intellectuals, the society's security people, the society's police people, the people who understand what kind of a society it is, and let them all help us gather this problem and think this problem through.

We've done this in the past, when we had problems we didn't know what to do with. We did it in Los Alamos. We did it with the Kerner Commission came forward. We realized that we did not have all the answers, or that we were all grappling with one part of the aspect of the beast.

We need an approach that takes full account of the importance of maintaining our democratic traditions, while responding adequately to a very real and very substantial threat that terrorism poses. Are you proud that the best your country could think to do after the outrageous, stunning bombing in Oklahoma City was to close down America's main streets? Is that the response of the world's greatest power, of its most advanced technological power?

If so, we are truly bankrupt. And I do not believe we are. But I do not believe we have brought to the table all of those that are necessary to help us think through this problem. We are called upon to provide ever higher levels of security in public spaces, while somehow remaining just as free and open as we were before there was any worldwide terrorist threat. As yet, our country does not begin to have, has not begun to do any of the thinking through of a systematic process or strategy for meeting the dual challenge of securing us against terrorist threats and maintaining the open democratic society which is all that we stand for.

Before he left, I discussed with Senator Daniel Moynihan an approach that would put the people I'm calling the best minds in society together at a table. And he was very taken with it. Unfortunately, he has retired. I am not giving up, and I regard this hearing as one way of informing me about an indispensably important aspect of this problem. I thank our Chairs and all who have been involved in preparing legislation for their contribution.

Thank you, Mr. Chairman.

Mr. LATOURETTE. I thank the gentlelady.

If there are no further opening statements, I would now like to call up today's first panel. This panel consists of three very distinguished Members of the House of Representatives, who are to be commended for their work and their leadership in addressing the problem.

We're honored to have with us today Mr. William Gilchrest of Maryland, Mr. Mac Thornberry of Texas and Mr. Ike Skelton of Missouri. And we'd now like to turn to you, Mr. Gilchrest, because you are a long recognized champion of the Transportation Committee, a champion of wetlands environments everywhere, and now you're showing your versatility with H.R. 525.

STATEMENT OF HON. WAYNE GILCHREST, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MARYLAND

Mr. GILCHREST. Thank you, Mr. Chairman, Mr. Shays, for the opportunity to testify here this afternoon. Part of this is in recognition of terrorist activities for the Nation's ecosystems as well, I'm sure, and certainly for our wetlands.

I would like to very briefly respond to some of the comments that have been made by the members of the committee toward our three bills. I think that Mr. Skelton and Mr. Thornberry and myself recognize that each of us doesn't have all the answers to this problem, and that a collaboration of our three proposals might be best at the end of the day.

But my particular bill certainly doesn't deal with the comprehensive problem of terrorism in an international way from let's say, Chestertown, MD on the Eastern Shore to a city in Pakistan. But it does deal specifically with the nature of the problem, with our first responders here in the United States.

When someone sees a building blow up or a possible terrorist activity, using, God forbid, radioactive material, germ warfare, chemical warfare, they call 911. And if you live in Chestertown, that's probably a retired man in that 911 dispatch office that's going to get the call. He will then call a volunteer at a local volunteer fire department who will call the paramedics, who are also volunteer people. And they will be the first people to respond.

Our effort is in some way small steps, immediate steps to take provisions to coordinate as much as is possible all the resources of this country to help those first responders. This bill is not a massive, comprehensive overhaul of Federal approach, this Nation's approach to terrorist activity. And I recognize that is a good idea.

Also, Mr. Kucinich made a comment, very good comment about civil liberties. I would suggest that in our three bills it is inherent that constitutional rights of your civil liberties will certainly not be denied by any of these bills. If anything, they will be enhanced because of the recognition of people's education to respond to these kinds of disasters.

And Ms. Norton, your comments about combating terrorism in a free society are excellent comments. How do we do that? Do we continue to increase the barricades and reduce the access to our public buildings because of the threat, the real threat of terrorism? So we do need to discuss that issue. And our U.S. Capitol must continue to be the most accessible public building in the world, which it has been for some time.

I think the legislation before you in the form of these three bills makes those concerns about terrorism, about civil liberties, about access to public buildings, about responding quickly and in a coordinated fashion to those volunteers calling 911, that's going to happen with and through these kinds of discussions.

Mr. Chairman, what I'd like to do is go through some very brief points about what H.R. 525 does. 1, H.R. 525 establishes a President's council within the Executive Office of the President to coordinate Government-wide efforts for improving preparedness against domestic terrorist attacks. The bill is the right approach because it raises the profile of domestic preparedness by placing the formulation of the national strategy into the Executive Office of the President. We don't say specifically how this is to be done or which agencies are to participate in it. This is up to the President.

The council will include representation from each Federal department that has an important role to play in the development of that strategy. The council will participate in agency budget processes, making recommendations to accomplish the goals of a defined national strategy. It also improves accountability by directing the council to provide clear budget recommendations to the Office of Management and Budget. With those recommendations, it would be required to follow the national strategy.

We've increased the amount of money used for domestic terrorism by billions of dollars over the last few years. And yet, the members on the committee have all testified in one way or another that we still have a fragmented strategy. Well, it's important for the budget to be clear and succinct on how we're going to spend those dollars. H.R. 525 will help to better coordinate the Federal response to other major disasters. It's not only for terrorist activities, but major weather disasters.

And I'd like to conclude with, the bill is designed to afford the President the latitude and the flexibility to be able to work with his staff to create domestic preparedness plans that incorporate the recommendations of all the Federal agencies, streamlines the budget process, incorporates needs of State and local first responders, those folks in Chestertown that made that 911 call, and to find a level of preparedness to guide our national efforts in order to deal with the existing, emerging and evolving nature of domestic terrorism and natural disasters.

And I thank the chairmen for the opportunity.

Mr. LATOURETTE. We thank you.

Mr. Skelton.

STATEMENT OF HON. IKE SKELTON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MISSOURI

Mr. SKELTON. Thank you very much, Chairman LaTourette and Chairman Shays, for this opportunity to appear before you today.

I think all of us today would agree that our country needs to improve its ability to provide security for our citizens. Unfortunately domestic terrorism is an increasing national problem. The sad truth is that the various governmental structures at all levels now in place do not operate in an efficient, coordinated and coherent way to provide adequate homeland security for our citizens. As a matter of fact, recent GAO reports indicate that some 43 different Federal agencies deal with this issue.

Part of the reason for the lack of coherence in our domestic terrorism prevention is that terrorist attacks can come in many forms. They can be intercontinental ballistic missiles, crude home made

bombs, computer intrusions that would disable either a power grid or an air traffic control system, conventional chemical, radiological, biological weapons may be involved. An attack could come at our borders, our places of government, our military installations or places where people congregate for lawful events.

The process of identifying and acquiring and planning the use of resources needed to prevent, on the one hand, or respond, on the other, are very complex and involve several executive departments and agencies at the various levels, Federal, State and local. I do not believe we presently have an adequate, comprehensive government wide national strategy concerning the role of the U.S. Government and the many facets of homeland security.

This is a war. This is a war against terrorism. Many aspects of it are unknown until we find out by way of intelligence or by way of an occurrence coming to pass. In order to attack these threats, just like we had an effort, a successful effort, against Nazi Germany, there was a strategy before any decisions were made as to how to conquer Nazi Germany in Europe.

The bill I've introduced, H.R. 1292, recognizes the deficiency and directs the President to develop and implement a national homeland security strategy and points out in Section 4(b) that the President shall designate a single official in the Government to be responsible for and report to the President on homeland security.

The first thing we have to do is study the threats and inventory our capabilities, our resources, and devise an overall strategy on how to best address the problem. Ladies and gentlemen of these committees, it's premature to specify the organizational structure and shape the Federal homeland security operations until we have this strategy in place, until we know what we are going to have to face.

At the same time, I know that any national strategy must include certain components. For instance, a strategy only makes sense if you identify the threats against which you must be prepared to respond. Any strategy will involve roles for existing governmental agencies, and we must make those roles explicit. The bill introduced tries to outline the broad perimeters and the components of a national homeland security strategy without being overly prescriptive about the specific strategy.

Thus, because in my view, we in Congress are not in the best position initially to know what should go into the homeland security strategy, they will have to be carried out by the executive branch. The President, as chief executive, initially is in a far better position to make those determinations. And as ranking member of the Armed Services Committee, I know that any homeland security strategy will have to make use of our military assets, make use of our military capabilities.

But I can't tell you specifically how to make best use of our military, because those bureaucratic decisions are best left to the military and executive branch to make those recommendations. The President and his departmental secretaries are in the best position to know those answers to those issues. As a result, this bill directs the President to devise and implement this strategy.

However, I also recognize that Congress has obligations to the country for homeland security. And we do, after all, authorize and

appropriate the funds that will make execution of any strategy possible.

Therefore, my bill requires the President report to Congress on the progress and the process and the time table for development of homeland security strategy, so that we here in the Congress can adequately have the opportunity to intervene legislatively should that become necessary. We all recognize that domestic terrorism is a growing problem. We all want our Government resources to be used in the most effective way.

My bill simply reflects my effort to keep the horse before the cart to require the development of a comprehensive national homeland security strategy before we start implementing operational solutions to the problems. We have to have the strategic thought in mind before we can start adding up the techniques thereof. Thank you.

Mr. LATOURETTE. Thank you, Congressman Skelton.

Mr. Thornberry.

STATEMENT OF HON. MAC THORNBERRY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

Mr. THORNBERRY. Thank you, and I appreciate the opportunity to testify before both subcommittees. But I appreciate even more your having the hearing. Because if you believe, as I do, that one of the primary reasons we have a Federal Government to begin with is to defend the country, then we're all going to have to spend a lot more time and effort discussing the issues around homeland security.

There have been a number of studies over the past couple of years which mostly all come to the conclusion that we are more vulnerable here at home than we have been in the past. Others out in the world have realized that you don't hit us where we're strong, you look for our weak points.

I noticed, for example, there's an article in last week's New Orleans paper which publishes a CIA translation of a Chinese report which says, you don't hit the United States on conventional military, you use computer viruses, information warfare and stock market manipulation as ways to disrupt the country.

The Commission on National Security in the 21st Century, upon which my bill is based, says that a direct attack on American citizens on American soil is likely over the next quarter century. And we spend a fair amount of time talking about chemical, biological, nuclear weapons. We have the computer threat. These days, we have to worry quite a bit about livestock diseases or something getting into our food supply. There are all sorts of ways to complicate our lives.

Let me give you one fact which certainly caught my attention. Every day, $8.8 billion worth of goods, 1.3 million people, 58,000 shipments and 340,000 vehicles enter our country. And the Customs Service is able to inspect 1 to 2 percent of them. The volume of trade has doubled since 1995. A lot of people think it would double over the next 5 years.

We have got to do something, and you all have seen the reports that say, we are not well organized to address this threat. Homeland security is a big, complicated issue. Certainly my bill, none of

the bills, solve all of the problems or address all the issues. But if we wait around until we get all the issues studied and solved, then we will do nothing. And I think that would be a great tragedy.

We absolutely have to have a strategy on how we're going to deal with these issues. But that strategy has to be evolving. It's never going to be a final product. In the meantime, we have to make sure that the efforts are getting adequate resources and, in my view, we also have to deal with some of the organizational deficiencies.

President Eisenhower put it pretty well. He said, the right system does not guarantee success, but the wrong system guarantees failure. Because a defective system will suck the leadership into the cracks and fissures, wasting their time as they seek to manage dysfunction rather than making critical decisions. I think that's where we are.

Again, my bill does not even try to deal with all of the organizational problems. But it does try to get our arms around some of the key deficiencies. First, it would create a national homeland security agency, building upon the existing FEMA structure. The reason it builds upon FEMA are a lot of the reasons that Mr. Gilchrest just talked about. The first people out there are going to be State and local folks. FEMA already has a relationship with those people. It already has 10 regional offices. It makes sense to have this integration from the Federal down to the State and local level, to build upon that structure that is there.

This entity would be one focal point and one contact point for the retired guy who's hanging out at the fire station who takes that 911 call, or for the National Guard at the State office or whoever it is, there's one focal point so that somebody knows who to contact.

It's also one focal point, by the way, to coordinate other Federal entities, like the Centers for Disease Control or the DOE labs, the intelligence folks. It brings it together, and it puts priority on planning and coordination, to make sure that we are getting our act together and doing it well with one person who's responsible, which is a point in Mr. Skelton's legislation.

What it would do then is bring several other agencies under that umbrella. In addition to continuing the FEMA work, it would bring the Coast Guard, Customs Service and Border Patrol as distinct entities, in other words, it doesn't take them apart, it brings them as distinct entities under the umbrella of the homeland security agency. These are folks that are on the front lines of protecting our border. They're people who could be on the front lines of responding.

We have to do a lot better in coordinating their efforts, not just what they do day to day, although that's important, but giving them the resources to be ready to do what they do. And if you go down the line of each of those agencies, we're not putting the money, we're not recapitalizing, we're not giving them the vehicles, the helicopters, the planes, the boats, that they need to do the job.

Finally, my bill would consolidate a number of information infrastructure programs into one place. I mentioned the issue on China. Clearly, this is an impressive array of charts down here. It is also an impressive thing if you look at how many agencies are doing little pieces of information infrastructure protection. Clearly, we've got to get more coordinated and more focused on that. It seems to

me to make sense to put that together with homeland security from a domestic standpoint.

Last point, Mr. Chairman, I realize my time is up, but I want to address one of Mr. Kucinich's other points. And that is, I think civil liberties, actually it goes to Ms. Holmes Norton, too, civil liberties and how we trade off these things, security versus freedom, is a difficult but essential thing that we've got to talk about. One of the benefits, I think, of doing the structure that I've outlined, is we're talking about civilians, not military. Every year on the floor we have this vote on a bill putting troops on the border, giving them guns to perform kind of like law enforcement activities on the border.

That's troublesome. It's particularly troublesome in Texas, where we had a very unfortunate incident a couple of years ago. But it's also that we are taking away from the FBI and some of those other law enforcement people, making them less focused. FEMA is an agency that has more of a preventive mission, and I think that's a better approach.

If we wait until something bad happens, the country is just going to say, come in and save us, whatever it takes, without having thought through the consequences. I think it's going to be very likely that we'll call upon the military to come in then and assume the role of law enforcement, and I think that would be a step beyond which we ought to go. Thank you.

Mr. LATOURETTE. I thank you all. I thank all of our colleagues for their excellent explanation of their legislation and also discussion of this national problem.

Before beginning with questions from the panel, I want to ask unanimous consent to enter two letters of support of H.R. 525, Mr. Gilchrest's legislation, into the record, one being from the International Association of Fire Chiefs and the second from the Joint Commission on Accreditation of Health Care Organizations. Without objection, so ordered.

Mr. Shays, would you care to ask questions?

Mr. SHAYS. Thank you.

Mr. Skelton, I believe that you have probably thought about this issue more than anyone else over the years, but know all three of you are very active in your concern about this issue, and all of you have spent a great deal of time thinking about it. But I wanted to start with you.

I have, during the course of the hearings we've held, become very sympathetic to the concept of actually reorganizing rather than coordinating. I'm not looking for you to necessarily critique, I'd like a critique of the concept of reorganization where you literally have a home office versus just telling the President to take charge versus having—I'd like you to kind of walk me through what you think the pitfalls and the good points are of the three different approaches we're seeing, particularly the two between you and Mr. Thornberry.

Mr. SKELTON. This whole issue is somewhat like, it's so complicated, and Mac and I, both serving on the Armed Services Committee, can both testify to the fact that, Mark Twain once said, the more you explain it to me, the more I don't understand it. It is truly a complicated issue to get your arms around. There are two

aspects to it. The first is fighting it. It's called anti-terrorism activities. It includes everything from forced protection to prevention and detection of attack, including intelligence, networks and the like.

The second is the consequence management after it happens. What do you do, what Government entities are designed to respond to and to mitigate the damages. You have to keep those two aspects in mind. If you fuzz them together, you might very well end up with some legislation that finds itself contradictory. So we have to keep the anti-terrorism activity and the consequent management of it both in mind when we make our decisions.

Frankly, I just want something to work. I introduced the legislation that I did so we could get a good handle on it, look at the various types of anti-terrorism activities that we can do, several types of consequent management that we can do, with an overall strategic thought in mind. There is one person, as you know, that is responsible to the President to put together this strategy, and the President sends it over to us. Bottom line is, the buck stops with us right here in the Congress to write whatever laws.

Mr. SHAYS. What I'm basically hearing, I think, is that you believe this is a gigantic problem.

Mr. SKELTON. Oh, it is. It is.

Mr. SHAYS. And you believe that we haven't responded to it adequately. And so I sense an openness in terms of considering alternatives besides the one you mentioned. I'm struck with the fact, though, that you want ultimately the President to seize this issue, take charge———

Mr. SKELTON. And make recommendations. Ultimately, the buck is going to stop with us, eventually, sooner or later. Since any administration, this administration or any others will have to implement and glue these entities—you know, there are 43 agencies out there, some $7 billion is going into this effort today. And it's not coordinated with an overall strategy at all.

Mr. SHAYS. Time is running out, but maybe the two of you would just respond. It seems to me like we need to wake people up. It may be one of the reasons why I like your proposal, Mr. Thornberry, which is the one recommended by Senator Rudman and his commission. I share the concerns that are expressed here about what can we do about the possibility of terrorism coming into our domestic experience.

Everyone of us who represents people has those same concerns, and the members who have taken it upon themselves and have had the opportunity to work closely with Mr. Skelton, more than the other two members, who I respect greatly. But I know that Mr. Skelton has a dedication to this country second to none. So your articulation of your love for the country and your desire to defend it I think is something that everyone in your district and my district would applaud.

So while I think that this discussion is extremely important, I would urge that we be very deliberate in our approach to coming up with any kind of a solution. Because at this moment, we're really looking at some territory that other Congresses have looked at, other administrations have had to deal with, with varying results. There is a piece here from the Air Force Judge Advocate General

School, the Air Force Law Review, Mr. Chairman, that I'd like to submit for purpose of the record, without objection.

Mr. LATOURETTE. Without objection.

Mr. KUCINICH. And in this piece by Major Kirk Davies, it's entitled The Imposition of Marshal Law in the United States, it's a very interesting read. Because one of the things it talks about is the tendency in recent years has been for the President and the Congress to direct the military into more and more operations that are traditionally civilian in nature. But then as he goes into his review, he speaks of statutes and regulations that cover the military's involvement in civilian affairs, and particularly focuses on a discussion of 1878, the Posse Comitatus Act, which I know you're all familiar with, because that's the act that forbids military personnel from executing laws or having any direct involvement in civilian law enforcement activities.

I think the concern of generations of lawmakers has been to, while we want a strong military, the military presence in the civilian life of the country sends quite a different message as to the type of system that we have. And Major Kirk points out that when the founders drafted the constitution, they weakened the possibility of a military with a dominant role in society by subordinating the military to civilian control.

And while we all appreciate greatly the role of the military in protecting our liberties and keeping this a strong Nation, I think we've had some concerns about how far the military would go in terms of serving as a, as some of these bills would recommend, in a coordinating role with State and local officials.

I mention this not in any way to denigrate the concerns that our members brought to us, but as a cautionary note of how, as we get into this idea of a homeland security act, we have to be very gentle on the ground that we're walking on. Because I'll go back to my initial remarks, concerns about basic civil liberties. If we have a cyber tax, for example, we know those are going on, and they've been going on, how would we devise a regimen for dealing with that without compromising computer privacy, for example?

There are privacy issues.

Mr. SHAYS. Would the gentleman yield for a question?

Mr. KUCINICH. Of course I will.

Mr. SHAYS. When I've been listening to your questions, because you've done it in a previous hearing, I'm left with the feeling that somehow you're connecting reorganizing Government with threatening civil rights. And I see that as a very valid concern whether we reorganize it or not.

What I view this hearing as is an issue of our failure to have, the fragmented reform of Government doesn't allow us to respond to the real threat of terrorism that I don't see in any way would move forward or backward the issue of civil rights.

Mr. KUCINICH. I would respectfully submit to my good friend, Mr. Shays, who I am honored to be on this committee with, that there are civil rights issues that are central to this discussion. As a matter of fact, if you read one of the proposals here, it may have been Mr. Skelton, he specifically mentions that he would want, this is in section 3, article 4, that providing for the selective use of personnel and assets of the armed forces, circumstances in which those

personnel and assets would provide unique capability and could be used without infringing on the civil liberties of the people of the United States.

So there is a recognition that civil liberties could be at issue here. I'm saying with all due respect that, speaking as one member here, you've raised the issue, Mr. Shays, about reorganization. It's a valid concern. And I'm raising the issue as one member about civil liberties. And I will stand on that point and will not be moved from it until I can see some assurances that's going to be dealt with.

Mr. SKELTON. Could I comment on that?

Mr. KUCINICH. Of course, if we have the time, Mr. Chairman.

Mr. LATOURETTE. Sure.

Mr. SKELTON. That's why it's there. That's why that language is there. This country lawyer feels very strongly that in the anti-terrorism activity and the consequent management of that is helping, should a disaster come to pass, that's separate and distinct from a fair trial, all the rights that go into protecting anyone that might be accused of any type of crime. So that's why that language is there, to recognize the fact that there is a limitation to what the military can do, and the other agencies can do, without trampling on individual human rights.

That's very basic, as far as I'm concerned, Mr. Kucinich.

Mr. KUCINICH. Well, I'm glad to hear Mr. Skelton say that. Because I think it's important as we move through this legislative proposal that there be specific language that would make sure that civil rights are not abrogated in any way. When you're talking about, in this one bill, about the designation of responsible official, there's also an issue as to whether or not, if the President designates a single official, on this issue of homeland security, in the context of the military involvement, how does that compromise his role as commander in chief?

These are questions that I think are legitimate and with no disrespect to the sponsors at all, with all due respect to the sponsors. But again, you know, I think the just have to be raised. I'm very interested in how we can make this country more protected against domestic terrorism. I'm interested in how can we do that and protect civil rights. I think if we can do both, it's a great idea.

Mr. GILCHREST. Mr. Chairman, if I could just make a very brief comment to Mr. Kucinich's concerns. It's important for us to use all the intelligence at our disposal, all our resources, to protect American citizens from terrorism and disasters. In line with certainly our constitutional rights and protecting everybody's civil liberties, I think we have the potential and the ability to do that.

I share your concern, interestingly enough. In the late 1960's, I came to Washington with a group of Marines during the anti-war demonstrations. And we used to stand there protecting the Pentagon or protecting the Capitol, protecting some other place, while very often young women would come up and put flowers in the barrel of our M–14s. But I also came here in 1968, after Martin Luther King, Jr. was assassinated, to protect the Capitol. And we walked the streets of this fair city, as Federal troops, armed with rifles, hand grenades, gas, machine guns, helmets, flak jackets, protecting the Nation's Capital.

And we were carefully instructed and carefully trained to work with the local police. But there was always that sense that there was an intimidating factor by Federal troops that could cross the line of civil liberties. In my district, we have Bloodsworth Island, where the Navy comes in, and has been for a long time, they bomb the island. That's where people fish and canoe and things like that. So the Federal presence has to be carefully balanced.

I think the legislation, the last comment Mr. Thornberry said is, if we're well prepared and well trained, then we won't cross the line. If we're not well prepared and well trained or fragmented, that's when problems arise.

Mr. KUCINICH. Could I ask one final question?

Mr. LATOURETTE. All right, Mr. Kucinich.

Mr. KUCINICH. And that is, do you see then the homeland security act, any of you, taking place within the context of a declaration of marshal law or apart from it?

Mr. GILCHREST. I would say in most circumstances, I don't see it enhancing or contributing to the increased use of marshal law. I certainly know that in certain circumstances, in the 1960's across the country, whether it was Newark, New Jersey or Detroit or Washington, DC, that was put in place in a limited way to protect citizens.

Mr. LATOURETTE. I thank you, Mr. Kucinich. I was going to make the observation that you did before, I thought Mr. Thornberry hit the nail on the head, that it's important that not only this committee but the Congress and the entire Federal Government work on this activity. Because after something happens, the likelihood of having a result or a measure that people will be screaming for because of the emergency may not protect some of the things that I think you're talking about, Mr. Kucinich.

Mr. Gilman, do you have questions you would like to ask?

Mr. GILMAN. Thank you, Mr. Chairman. I'll be brief.

Let me ask our three panelists, who made some excellent suggestions, what mechanism does each of you in your bill utilize to impel coordination and coherence among the many agencies that are out there in fighting domestic terrorism? And does each of you have in your bill budgetary discipline as a role in forcing compliance?

Mr. SKELTON. My bill is preliminary to that. The President would be in charge and dictate to the various directors, secretaries, after a review was made as to their suggested role, but he would bring it to us for us to implement or to change or to make better. My bill has nothing to do regarding the budgetary process. My bill costs nothing except the salaries of some folks that are trying to put together a strategy that the President would recommend to us.

Mr. GILMAN. Mr. Thornberry.

Mr. THORNBERRY. My bill creates a homeland security agency that would have budgetary authority over the entities that I mentioned. It would also be the single point of contact for the other agencies that may be involved, depending on what kind of threat or what kind of incident we're talking about.

And it would create one single individual accountable to the President who's responsible for homeland security. And I think that gets back to what Mr. Shays was asking about earlier, the

benefits of reorganization versus coordination. I really think that's the shades of difference between Mr. Gilchrest's bill and mine.

I was struck by the testimony that you all had before in your subcommittee, the CSIS guy who says you've got to have three things, authority, accountability and resources. If you just deal with a coordination, you have to struggle and reach to figure out how you're going to get the control over the money in this coordinating agency, go through OMB back and forth. I think we've got to be more direct than that. So that's the approach that my bill takes for those agencies.

Mr. GILMAN. Mr. Gilchrest.

Mr. GILCHREST. What we do is set up a council in the executive branch directly beneath the President. This council, at the direction of the President, will then bring in the various myriad of agencies to look at what everybody does. And I would guess, I would not want to use the word reorganization, but to enhance the activities and the coordination of those agencies to be much more effective.

Thereby, instead of the fragmented agencies not working together, we use the existing structure to create coordination so they do work together, and thereby saving the taxpayers a lot of dollars by coordinating the budget.

Mr. GILCHREST. I want to thank our three colleagues for giving a great deal of thought to this. I think it's incumbent upon all of us in these joint committees, members of the joint committees who are here today, to undertake a thorough, comprehensive review to make a more effective program with regard to anti-terrorism. Thank you, gentlemen.

Mr. LATOURETTE. Thank you, Mr. Gilchrest. Thank you, Mr. Gilman.

Mr. Putnam, questions?

Mr. PUTNAM. Thank you, Mr. Chairman.

Based on the previous hearings that our subcommittee has had, and the discussions that we've had so far today, we're all having this difficult time getting our arms around the implicit nature of crime versus terrorism and what is what. I just wanted to pose a question, as the new kid on the block.

If an 18 year old in a high school in my district and a 25 year old radical anti-globalization protestor and an operative in the Bin Laden operation are all simultaneously working to crash the New York Stock Exchange, which one is the terrorist, and how do we respond? Do we define terrorism based on the act, based on the perpetrator, based on the geographic location from where they levy their operations? Which of those individuals is the terrorist?

Mr. SKELTON. Both of them are in violation of the criminal law of the United States, we know that. Both of them would be subject to criminal sanctions of the United States. But that very question that you pose is the very question that the President and his study would have to make recommendations to us. True, it's a fine line. But one of them has a tail to it, Bin Laden, and the other is a straight out and out criminal activity.

But that's the purpose of our study, that this bill would call for. These are difficult questions. They're not cut and dry. That's why we have to do the first thing first, establish what the strategy is going to be, and then start fitting, as a result of the recommenda-

tions from the President, start fitting the pieces together. We're going to get there. This Congress has to do something. But the first step should be the right step in establishing the overall strategy along with the help of the President.

Mr. THORNBERRY. Mr. Putnam, I would agree. I think the situation you pose is the kind of thing we're going to be facing. It's not going to fit in a nice, neat little box that we can put a label on and make us feel better and say, yes, this is your problem, it's not our problem. That's one of the reasons that we've got to do something about all of these charts that you see up here. There's got to be a single focal point for the U.S. Government for dealing with homeland security issues, even if you don't have all of the agencies involved under his jurisdiction, there has to be one focal point accountable to the President to deal with these things.

I think that is a very likely scenario, some outside entity wants to smuggle something in to some Timothy McVeigh type to do something horrible. That's one reason we have to do better in getting control of our borders, we have to have more focus in trying to prevent these things and deal with the consequences of them. And then the law enforcement, you know, finding them and prosecuting them later, is a separate thing.

But I don't think you can divide very easily the terrorism versus the consequence or the domestic versus the foreign. I think it is all very fuzzy.

Mr. GILCHREST. I think we have to have the ability to determine whether or not that single 18 year old acted alone to cause the stock market to crash versus, which is a crime, plus a terrorist activity, because it affects tens of thousands if not millions of people. So if it affects large groups of people, not having a law enforcement background, not being an attorney, I would as a layman say it's a terrorist act.

But we need the skill to find out if there's anybody else involved in that, such as a Bin Laden. I think each of these bills makes that attempt.

Mr. SKELTON. Mr. Putnam, if I may add, the recent kidnapping and murder of a man, from my district, Sunrise Beach, MO, down to Ecuador, posed that same question, were these mere criminals or were they terrorists. It made a great deal of difference as to the response from our country as to whether we could engage them as terrorists.

Well, as you know, ransom was paid and the rest of those who were kidnapped were returned, of course, with the very sad murder of the very first one.

Mr. PUTNAM. Let me follow up, Mr. Skelton, if I may, with your proposal. Should the design of your consequence management strategy be apart and different from the design of the anti-terrorist strategy?

Mr. SKELTON. Well, it has to be. The left hand has to know what the right hand is doing. But one, you're trying to stop it before it happens. And the other is, doing something after it happened, all the way from helping people who are injured to catching the culprits.

Mr. PUTNAM. This hearing sort of illustrates the problems that Congress is having. We have a transportation and infrastructure

and a government reform, obviously a lot of expertise from armed services is required. Now we're beginning to review the fact that agriculture needs to be a part of this, and domestic law enforcement. What does Congress need to do, institutionally, to better deal with these issues?

Mr. THORNBERRY. Let me just mention that the Commission on National Security in the 21st Century has a whole chapter on us, about how we're part of the problem and we've got to get our own house in order. And they have some specific recommendations in there about how we need to rearrange ourselves.

But I think that it's a very real problem, if we allow jurisdictional concerns and protectiveness to prevent something from happening, I think that will not be something that we'll be proud of in the days ahead.

Mr. GILCHREST. I'll just make a quick comment, because cyberspace has been mentioned here, agriculture has been mentioned here, U.S. ports have been mentioned here today, along with a myriad of other things. What we attempt to do in our bill is to have the President bring all of those Federal entities together and develop a very specific coordinating policy, planning, training activity that can go from the Justice Department, the FBI, to Customs, to the Department of Agriculture, down to all the medical, police and first responders on the local level, to get all of this not only coordinated, but to get the big picture.

Mr. PUTNAM. Thank you, Mr. Chairman, and I thank the panel.

Mr. LATOURETTE. Thank you, Mr. Putnam.

Mr. Platts, do you have any questions you'd like to ask?

Mr. PLATTS. No, thank you.

Mr. SKELTON. May I add something to that?

Mr. LATOURETTE. Certainly.

Mr. SKELTON. The thing that worries me most is, we do nothing. Another tragedy comes to pass, and then we rush to judgment with legislation that might not work on the one hand, or be a great violation of our American civil rights, which consequently would be struck down by the Supreme Court, and the end result is we have done nothing. That's why you need a step by step study, strategy, to give direction both to the anti-terrorism activities and to the consequent management of this.

It has to be thought out methodically and hopefully we can do it before another tragedy comes to pass and we rush to judgment and pass something that's not very good. That concerns me.

Mr. LATOURETTE. Thank you very much. And we thank all of you.

Mr. Gilchrest, if I could, before we let you go, ask you one question. In looking at your legislation, I think Mr. Thornberry mentioned the three elements of legislation or a proposal that we'd like to have, accountability, authority and resources. The question is, clearly in yours, with this council, I think it's a good idea that it raises the profile by putting it within the administration. There's accountability in that there is someone that can be responsible, the buck stops here, I think Mr. Skelton indicated. And resources have not been a problem, the figures go between $7 billion and $11 billion.

Do you see, however, that there is the authority in this council to enforce or cause the reorganization that may need to occur and end some of the turf battles that now plague a coordinated effort as we respond to domestic terrorism?

Mr. GILCHREST. I think turf battles in any bureaucracy is difficult to the degree of the makeup of the person in charge. If you have a strong person, I don't think the difficulty in turf battles will be much of an issue. Thereby, putting this in the Office of the President, it's not going to be under FEMA, it's not going to be under the Treasury Department, it's not going to be under anybody else but the leader of the free world, which is the President.

If you do that, I think turf battles will fade away like the morning fog—over wetlands. [Laughter.]

Mr. LATOURETTE. Good analogy, and a good place to end. I want to thank you all very much for not only your legislation, but your patience with the committee, and your excellent testimony. Thank you very much.

We will now welcome before the joint hearing the second panel of witnesses. We have with us today Mr. Raymond Decker, who is the Director for Diffuse Threat Issues for the Defense Capabilities and Management Team of the General Accounting Office, and Mr. William Ellis of the Congressional Research Service. We thank you gentlemen for being here.

And Mr. Shays, you have a unanimous consent request?

Mr. SHAYS. Mr. Chairman, thank you. I ask unanimous consent to insert into the hearing record a series of charts depicting the current organizational structure of the Federal Government dealing with domestic and international terrorism that are around the room.

Further, I ask unanimous consent to insert into the hearing record the following prepared statements from the Embassy of Israel concerning terrorist threats to Israel and how the Israeli Government is organized to respond to such threats, the British Embassy, concerning the terrorist threats to the United Kingdom and the government's organization and coordination effort to counter the threat. And from the Embassy of Japan concerning the terrorist threat to Japan and measures taken by Japan to prevent terrorism. And finally, from the Office of Management and Budget. I'd ask unanimous consent.

Mr. LATOURETTE. Without objection, so ordered.

I'm also advised that we have Steve Caldwell, who is accompanying Mr. Decker today, but won't be speaking or answering questions, which is OK.

Mr. Decker, we'd invite you to begin.

STATEMENT OF RAYMOND J. DECKER, DIRECTOR, DEFENSE CAPABILITIES AND MANAGEMENT TEAM, U.S. GENERAL ACCOUNTING OFFICE, ACCOMPANIED BY STEVE CALDWELL, ASSISTANT DIRECTOR

Mr. DECKER. Chairman LaTourette, Chairman Shays, Representatives Gilchrest, Thornberry and Skelton, and members of the subcommittees. We're pleased to be here this afternoon to discuss three bills, H.R. 525, H.R. 1158 and H.R. 1292, which provide pro-

posals to change the overall leadership and management of programs to combat terrorism.

As you indicated, sir, Mr. Steve Caldwell is here to assist. He has managed much of our recent work in this area.

Given that our Government is spending approximately $11 billion this fiscal year to combat terrorism, and that over 40 Federal agencies are involved, as indicated by all those place tags on the table there, we view this hearing as a very positive step in the ongoing debate concerning the overall leadership and management of this complex and cross-cutting issue.

Our testimony is based on our extensive evaluations of Federal programs to combat terrorism, many of them done for your subcommittees. Our experience is in evaluating programs to combat terrorism and not the broader topic of homeland security, which includes terrorism and additional threats such as cyber attacks on our critical infrastructure. The scope of both H.R. 1158 and H.R. 1292 focuses on homeland security issues, while H.R. 525 addresses domestic terrorism and preparedness at the Federal, State and local levels.

Mr. Chairman, in an attempt to direct our comments at the two primary thrusts of this hearing, namely, how each bill might produce a more effective and efficient organization in the Federal Government to counter terrorism, and which provisions of each bill could be used to enhance the others, we believe it would be beneficial to provide our observations on five key actions we deem necessary for any effective Federal effort to combat terrorism.

First, a single high level Federal focal point must be established to lead and manage the national efforts in this area. Each bill, as outlined by the three representatives, the sponsors of the bills, addresses the issue of who's in charge. H.R. 525 proposes a council with an executive chairman within the Executive Office of the President. H.R. 1158 places a Cabinet level official in charge of a new proposed National Homeland Security Agency. And H.R. 1292 calls for a single official designated by the President for homeland security.

Second, a comprehensive threat and risk assessment is essential to underpin a national strategy and guide resource investments. Both H.R. 525 and 1292 require some form of threat and risk assessment. H.R. 1158 stresses the need for effective intelligence sharing to identify potential threats and risks against the United States.

Third, a national strategy to combat terrorism with a defined end state must integrate plans, goals, objectives, roles and actions for an effective overall effort. All three bills propose positive solutions in this area, which generally follow the chief tenets of the Government Performance and Results Act of 1993.

Fourth, an effective management mechanism must exist to analyze and prioritize Government-wide programs and budgets to identify gaps and reduce duplication of effort. Again, all three bills propose varied measures to effectively oversee program activities and budget requirements.

Finally, the coordination of all Federal level activities to combat terrorism must be efficient and seamless. All bills stress the need

for enhanced interagency coordination and establish mechanisms to achieve this goal.

In closing, as we have observed today, there is no consensus in Congress, in the executive branch, in the various panels and commissions which you will hear after we speak, or the organizations representing first responders on the ideal solution to this complex issue. However, to the extent that these three bills or some hybrid of them address the five key actions we have identified above, we are confident that the Federal effort to combat terrorism will be improved.

Sir, this concludes my testimony, and Mr. Caldwell and I will be happy to answer any questions the subcommittees may have.

Mr. LATOURETTE. Thank you, Mr. Decker.

Mr. Ellis.

STATEMENT OF WILLIAM W. ELLIS, SENIOR SPECIALIST IN AMERICAN NATIONAL GOVERNMENT AND PUBLIC ADMINISTRATION, CONGRESSIONAL RESEARCH SERVICE

Mr. ELLIS. Good afternoon, chairmen and members. I'm Bill Ellis of the Congressional Research Service.

The governmental structures and procedures for combating terrorism have been a concern for the Congress for a number of years, and the enactment of any of these three bills would represent a new departure in this area. However, the proposals move forward in different ways. H.R. 1292 would require little or no change; H.R. 525 would add a coordinating group to existing structures; and H.R. 1158 would create a whole new Government agency.

As is the case with the others, I've been asked to take two tacks at this. But at the outset, let me just note that congressional guidelines on objectivity and non-partisanship for my agency, the Congressional Research Service, require me to confine my testimony to technical, professional and non-advocative aspects of the matters under consideration.

First, how might these bills make our Government more effective and efficient at combating terrorism? We've been through the details of these acts, so I won't rehearse those. But let me just say briefly that H.R. 525, the Preparedness Against Domestic Terrorism Act of 2001, would create a President's council on domestic terrorism preparedness, and it's a mechanism to coordinating existing Federal agencies in the development and implementation of Federal policy to combat terrorism. In providing a specific mechanism, this bill might increase the coherence of now fragmented national policy and reduce interagency duplication.

H.R. 1158, the National Homeland Security Agency Act, would also probably increase national policy coherence and reduce program overlaps. Its approach is to combine many units from Federal agencies rather than to work within the existing agency framework.

H.R. 1292, the Homeland Securities Strategy Act of 2001, would require the President to systematically coordinate the development and implementation of national policy to combat terrorism, using the existing organizational arrangements. The cost of this measure would be minimal, as has been pointed out, and if vigorously imple-

mented, it might also be effective, especially if it is conceived of as a prelude to any major change.

The extent to which of these options would provide for better coordination depends a great deal on its implementation. While Congress will undoubtedly consider the costs and benefits of each of these proposals, issues of implementation should be taken into consideration in doing this. And of course, it's important, if you're going to do an analysis of the benefits and costs of any prospective action, that you understand clearly and have a clear statement of what the objectives are.

Turning to the second area, which specific provisions of each bill could be used to enhance the others, I make seven points. One, some have suggested that the kind of threat assessment required for systematic policy development is lacking in our deliberations. Both H.R. 525 and H.R. 1192 specifically address this, while H.R. 1158 does not. Perhaps it might.

Two, all three bills require the development of a national policy to combat terrorism and an implementation plan for it. H.R. 1292 requires the President to develop a multi-year implementation plan and the other bills may benefit from the addition of this longer time dimension.

Three, H.R. 525 has specific requirements to guide the making of Federal grants to the States. The other bills might benefit from more specific language in this area.

Four, in the area of Federal to State liaison, H.R. 525 specifies the creation of a State and local advisory board. Something on this order might be considered for the other bills.

Five, in the area of standards for equipment, training and other aspects of domestic preparedness, H.R. 525 and H.R. 1158 have them, while H.R. 1292 does not. The addition of language on standards and guidelines might be appropriate.

Six, all three bills have requirements for the centralized development of the budget to combat terrorism. The requirements of H.R. 525 and H.R. 1292 are more explicit than those of H.R. 1158. Perhaps there might be more said about that in that measure.

Seven, and finally, all of the bills require reports to Congress. But there are differences. There might be some benefit to comparing these requirements to determine the best configuration for Congress.

That concludes my testimony. Thank you for your attention. Of course, I'll answer questions.

Mr. LATOURETTE. Thank you very much, Mr. Ellis.

Mr. Decker, and Mr. Caldwell, if that's appropriate, in your observations and your testimonies, you indicated that there should be five things that you would be looking for in any piece of legislation or reorganization that the Government should undertake. You went through those in great detail, and I began making a schematic, looking for—there's a new show on called the Weakest Link—I was looking for the weakest link of the three pieces of legislation we discussed today.

But in response to each of the five observations or items that you wanted to see, all three, you said, contained the five components that you were looking at.

When Mr. Ellis was talking, he sort of went through and indicated that maybe H.R. 525 was good in terms of outlining how grants are going to go to the States, and perhaps some standards and guidelines discussions.

Would it be your recommendation to not only the two subcommittees here today, but to the Congress, that all three of these bills, we should just pass them and we're done, or are there things that you think are missing from the three pieces of legislation that we're considering today that you think, or Mr. Caldwell thinks, or Mr. Ellis thinks, would help us do this better?

Mr. DECKER. Mr. Chairman, that's a very difficult question. It's much like going to the grocery store which has apples, oranges, and bananas, and being asked to pick which one is the best fruit. Clearly, the scope of the three bills vary, and I think Dr. Ellis addressed that as well as we did in our testimony and in our prepared statement. Mr. Skelton's bill looks at a strategy, a homeland security strategy, whereas Mr. Gilchrest's bill looks at an amendment to the Stafford Act to improve domestic preparedness at the State and local level, primarily. And the bill from Mr. Thornberry looks at the establishment of a new agency to deal with other issues besides terrorism.

I can only go back to our foundation, and that is, regardless of what mechanism, what organization, what model is used, there has to be key elements to promote the effectiveness of the model. The key elements deal with leadership, with strategy, with implementation, with interagency coordination, and with some ability to link the effectiveness with some type of results.

Mr. LATOURETTE. And I understood that from your testimony. I guess my question is, are there specific things, as you have reviewed these three pieces of legislation, specific suggestions that you would want to share with the subcommittees that would improve any of the three? I don't think any of the authors would take umbrage by it. I think they want to have the best possible product possible.

Are there specific suggestions that you would choose to offer or can offer that might improve what's before us now?

Mr. DECKER. Sir, I think if we look at each of the five, I would just simply make a comment or two about each. On the leadership, I think each of the proposals outlined someone in charge. I think a key aspect is accountability. And accountability to me would mean, with the advice and consent of Congress, the individual would work on, in the executive branch, toward these measures. There would be visibility and accountability.

The national strategy is another important aspect. I think a key to any program has to have a framework that pulls in all the key components for an effective effort. As mentioned by Representative Skelton, the threat and risk assessment is critical. Without that, you cannot really structure a good national strategy to implement.

Each of the proposals did talk about a threat and risk assessment. As I mentioned, it was H.R. 1158 that did not clearly stipulate or require threat and risk assessment. We think that's critical.

It gets a little bit more fuzzy when you talk about interagency coordination mechanisms. That probably is one of the hardest aspects of the Federal effort—tying together and linking the efforts

of 43 agencies that are dealing with this at the Federal level. And can you imagine the interagency coordination, if it were intra, intergovernmental coordination as you get into the States and local.

So I would only suggest that the language in any proposal has to have more specificity in those five areas that we just outlined.

Mr. LATOURETTE. Mr. Ellis, your observations were not only diplomatic, but I thought they were also very helpful in terms of where you would choose to make adjustments. Are there others that you didn't mention that you would like to add now, or was that list pretty exhaustive?

Mr. ELLIS. Thank you for your kind words, sir. I would just make these comments. The constitution of the United States of America is one of the most astonishing documents that has ever been created by the human mind. I'm sure we can all agree on that, and celebrate it. One of the things that virtually everyone has agreed upon here is that there are some serious constitutional issues in this. On the one hand, there is the need to protect the realm. And on the other hand, there is the need to protect the liberties. And I would think it would be very useful if the Congress could directly engage that issue as it does these deliberations on this important measure.

On the issue of threat assessment, of course, the logic of the thing is that you must have a threat assessment that is adequate if you are going to press forward with legislating in this vein. However, with the new kinds of threats that have been developed, in terms of potential information warfare, in terms of the chemical and biological threats and the scientific aspects of those things, these are new things that are really very difficult to dimension in terms of any real threat assessment. I would suggest that issue might be engaged as you engage the issue of determining what the threat is that is going to drive this whole thing.

I would also, sir, suggest, in all humility, and certainly it is not my role to tell the Congress what to do, but I would just point out that in a number of these reports it has been suggested that congressional organization is part of the kind of thing that we must deal with in considering reorganization of the Federal Executive. And I would hope that the Congress would address that issue as well.

Mr. LATOURETTE. Good. I thank you very much.

Chairman Shays.

Mr. SHAYS. Thank you. It is wonderful to have GAO here, and it is wonderful to have you here, Dr. Ellis, as well. We usually do not invite CRS to come in to testify but we usually get them into our office so that we get all the good background before we go out to the public. So, wonderful to give you a little public exposure for your very good work.

I bring two basic assumptions to the table. One, there will be a terrorist attack, be it chemical, biological, or nuclear, less likely nuclear, somewhere in the United States in the not too distant future and it will be a pretty alarming event. I take that and that there may be more than one. I just make that assumption because I believe it with all my heart and soul. I also believe that we are totally and completely disorganized in how we respond to it.

I am wrestling with my kind of—and I am not wrestling with what Mr. Kucinich is right at this moment, because I see nothing at all in this legislation that changes the status quo on civil liberties; nothing at all. But I do know that, obviously, there is always the danger, whether we have the status quo now or reorganize. But I wrestle with the three levels: One is, to say to the President set us a strategy and let us see what you recommend, to one where we basically have an office within the White House, to one in which we actually have a cabinet position. And I am wrestling with this in terms of the so-called "HomeLand" office. That is, I see the things that go in it and then I realize there are so many things that are not in it that probably would need to go in it in order to be truly comprehensive, and then I am wondering if I am getting into the problem that we did with the Energy Department when we decided what to put in and what not to put in.

So this hearing is not answering my questions. It is just raising more questions, which is somewhat typical. But having said that, what would I likely add to the Home Office that was not there if I wanted to be more comprehensive? I mean, basically we have FEMA in there, we have the Customs Service, we have the Border Patrol, we have the Coast Guard, and critical infrastructure offices of Commerce, and we have FBI, parts of FBI. Should INS be part of it? Let me put it this way—I am doing a lot of talking here and not listening to the answer—what are the ones that you could go back and forth on and have a wonderful argument and never come to a conclusion?

Mr. ELLIS. Sir, it is very difficult to reckon that one. You have to go just issue by issue. It is an agency by agency———

Mr. SHAYS. Does that problem exist? Am I seeing something that I should not be seeing? Or is there an issue of where you draw the line?

Mr. ELLIS. Oh, yes, sir. No, I think there definitely is a question, if you are going to take that kind of reorganization option and begin creating a new agency, there is definitely an issue of what should go in there and what should not. For example, and this is not taking a position at all, it is quite remarkable that when you look at these agencies that are placed into the new agency there is not anything that represents biological science. And what has been said by a number of these reports is that bioterrorism is really the most significant, or a most significant aspect of what it is that we face. Now whether that means taking the Centers for Disease Control and the Veterans Administration and whatever else components and putting them in there or not, certainly there ought to be, if you take that option, some kind of representation of biological science.

Mr. SHAYS. So, you have given me one example of something you would wrestle with.

Mr. ELLIS. Yes, sir. And that is just an example.

Mr. SHAYS. And would you be able to give me an example of something that should have been there if you were going to really———

Mr. DECKER. Mr. Chairman, my sense is that the homeland security proposals encompass a lot more capabilities than just to combat terrorism. These proposals deal with other emerging threats.

And that is where we have some difficulty evaluating them. Our foundation has been built on evaluating Federal efforts to combat terrorism and we have not looked at reorganizations of the Government in a way to combat terrorism except to ensure that there are certain key fundamental elements existing in any structure.

Mr. SHAYS. OK. Let me ask you this. If we do not go that route, how do we deal with the very real issue that you want responsibility, accountability, and resources? I mean, I do buy into the fact that those are three very powerful forces that you would want. So, is it possible to have coordination and have the responsibility, accountability, and resources?

Mr. ELLIS. Mr. Chairman, I believe it is. When Representative Thornberry talked about authority, accountability, and resources he talked about the authority, the leadership, the assignment of that individual, that entity or body, the focal point; the accountability to not just the executive branch, the President, but also to Congress; and resources. And resources, the point that I did omit would be some type of budget certification. As was mentioned earlier, if you do not control some type of budget or some type of resources, you are really without much leverage. If those three pieces are given to whatever entity that is in charge, I think you would have a more effective mechanism than we have today.

Mr. SHAYS. I am just wondering how you give resources to a coordinating organization that actually has sway over the organizations it is trying to coordinate. But, sadly, I have to leave this hearing, Mr. Chairman, and I am sorry. But I appreciate you all being here.

Mr. LATOURETTE. Thank you very much, Mr. Shays.

Mr. Kucinich.

Mr. KUCINICH. Thank you, Mr. Chairman.

For any of the witnesses, rather than focusing on the number of agencies with a role in counterterrorism, some critics have focused on the lack of coordination among them. They point out there is no single individual with authority to direct budget decisions across all Federal agencies. Would any bill grant a single individual budgetary authority over other agencies engaged in counterterrorism? And would this authority be exercised through recommendations or direction? And would secretaries of other departments, such as DOD or State, be required to abide by this person's requirements? Anyone?

Mr. ELLIS. Mr. Kucinich, I would only suggest that perhaps the wisest approach would be with the budget certification or recommendation. I think it would be very difficult for one entity, let's say within the Executive Office of the President, to have almost veto power or supreme authority over budget issues that involve the other departments.

Mr. DECKER. To me, the coordinating power for the Federal budget is lodged in the presidency. And that is as it should be.

Mr. KUCINICH. So, gentlemen, based on your understanding of the proposals, how would the bills generally handle intelligence-gathering in domestic settings?

Mr. DECKER. Sir, I think there are some very well established guidelines with respect to domestic intelligence collection. The intelligence community—that is, the CIA, the Defense Intelligence

Agency, National Security Agency, and others—are prohibited from collecting domestic intelligence; that is, intelligence involving U.S. persons. This is outlined in Executive Order 12333. On issues that involve domestic terrorism, obviously it gets into the law enforcement area and the FBI has the jurisdiction on collecting information that may lead to prosecution of a criminal act such as terrorism.

Mr. KUCINICH. So you do not see any implications of this legislation running into Executive Order 12333?

Mr. DECKER. Sir, my understanding, based upon our review of the legislation, there are no indications from the language that the intelligence apparatus of the United States would be directed at its citizens.

Mr. KUCINICH. Is that precluded from this legislation, in your understanding?

Mr. DECKER. Yes sir. I think there are very strict guidelines and it has been in effect for over 20 years as a result of hearings in Congress based on the abuses of collecting on U.S. persons during the Vietnam War and during the civil rights period of the 1960's and 1970's.

Mr. KUCINICH. And since some of the legislation speaks in terms of prevention, how would principles governing intelligence-gathering against U.S. citizens be affected by each of the proposals?

Mr. ELLIS. That is one of the things, sir, that I think needs to be made much more specific.

Mr. KUCINICH. Could you elaborate?

Mr. ELLIS. Well, I would just suggest that in each of the proposals, as I read them, the statements about intelligence gathering vis a vis U.S. citizens are not as specific as they could be as the Congress engages these important constitutional issues that are raised by legislating in this area. So I would not say, sir, that either one of them is better than the other. I think there is something of a gap there that is manifest in all of them.

Mr. KUCINICH. Thank you. Do any of the bills that require a comprehensive assessment include within that assessment the impact of U.S. Government actions on the likelihood of those threats?

Mr. ELLIS. I am sorry. Can you repeat your question, sir?

Mr. KUCINICH. The bills which would require a comprehensive assessment, within that assessment is there anything about the impact of U.S. Government actions—you know, creating the threats or———

Mr. ELLIS. Sir, the specificity in the bills is not there with respect to the division perhaps between domestic and international threats. But, clearly, if current policies are followed, the FBI would have jurisdiction over evaluating and providing against the domestic threat, in concert with State and local inputs, and the intelligence community, the CIA, DIA, and others, would have responsibility for the international aspect. And those two components would comprise the threat assessment piece for the United States.

Mr. KUCINICH. Just one final quick question, Mr. Chairman. And I thank you for your indulgence.

In the hearing that we had a few weeks ago in our subcommittee, we had a number of witnesses come up and explain to us about how the United States is perceived in other countries. And in con-

nection with that, I wonder if any of the bills would require an assessment of actions of U.S. corporations operating abroad and the effect of those actions on the likelihood of a threat?

Mr. ELLIS. There is nothing specific in the legislation at this time, as I read these bills.

Mr. KUCINICH. Because certainly threats do not exist in a vacuum. I am just offering that for your consideration. They do not exist in a vacuum. So, is this an area that maybe the legislation ought to consider?

Mr. ELLIS. That is up to the committee, sir. Of course, it is one of the things that legislation may very well consider.

Mr. KUCINICH. Thank you.

Mr. LATOURETTE. Thank you, Mr. Kucinich.

Mr. Gilman.

Mr. GILMAN. Thank you, Mr. Chairman. I want to thank our witnesses for their excellent analysis of these measures before us.

Let me ask, is there any way to reorganize our antiterrorism efforts at home to avoid the creation of a new and large bureaucracy and the significant organizational disruption that could occur in properly responding to this problem? I note that H.R. 1158 provides for a wholesale transfer of various agencies, assets, and authorities. H.R. 525 details how parts of the Federal Government should be reorganized. Is there any easier way to do this without providing a significant disruption of our agencies? I propose that to both of our panelist.

Mr. ELLIS. Well, of course, the two polar opposites are doing a radical reorganization, a very fundamental reorganization, on the one hand, and putting in place some coordinating mechanism de minimis, on the other hand. And then you have a whole array of things along the spectrum. What suggests itself is the logic of the thing, sir, is that whatever it is that you contemplate doing would well benefit from a consideration of the benefits of that change and the costs of that change with respect to what it is that you are trying to do.

So I would come at it from a different way. I would not say there is a danger in creating this bureaucracy, that bureaucracy, or not doing enough to reorganize. I would rather say whatever it is that is contemplated one would benefit from considering what the costs and benefits are in reckoning what would be most appropriate.

Mr. DECKER. Mr. Gilman, I would only state that, of the three proposals, Representative Skelton's is to discuss the homeland security strategy. And a strategy may shake out some of the details that might indicate a better approach to dealing with what he calls antiterrorism and consequence management.

If you go back to Presidential Decision Directive No. 39 and No. 62, which deal with combating terrorism, they make a distinction between crisis and consequence management to prevent, deter, and then actually respond after an incident. I suspect that regardless of the proposals of H.R. 525 or H.R. 1158, those issues of how you actually prevent, protect, prepare, and respond might be clearer based upon the mechanism that you select.

Mr. GILMAN. I think what you are both telling us is that there probably is no easier way of approaching this problem than a major reorganization. Am I correct?

Mr. ELLIS. I would not necessarily say that, sir. Any time you do a major reorganization there are costs that are incurred and you just have to look at the benefits on the other side. On the other hand, if one takes a coordinating kind of an approach, then it may be the case that in the coordination the agencies that are commanded from the White House or whatever through this and that may resist or may come here and seek to mobilize Members of Congress on their behalf, and all kinds of things like that. So this is not an easy problem to solve. There is no silver bullet.

Mr. GILMAN. That is why I am addressing the problem, to see if there is any easier way of taking 40-some agencies where this problem has been proliferated and then $11 billion that we are talking about and try to put it all into one easier method of addressing this problem. And apparently, from what you are both saying, that is not possible.

Mr. ELLIS. No, sir, I would not say that. I have not been clear. What I would suggest to you is that in H.R. 525 and in H.R. 1292, what you have is more coordinating approaches that do not have within the many major reorganization and the costs that would be incurred in such a reorganization. On the other hand, if you take the one that does create the major new agency and does put a lot of pieces of agencies together in doing that, there may be costs that are incurred in doing that but the benefits may vastly outweigh the costs. I do not know without considering that very, very carefully. Have I been clear, sir?

Mr. GILMAN. Yes, you are clear. But it still leaves a major problem for all of us.

Mr. Decker, do you want to comment further?

Mr. DECKER. No, sir. I think the issue is complex as Dr. Ellis said, there is no silver bullet. Whether you rework what is existing and strengthen the mechanism that exists, or reorganize and create a new organization, we would be unable to advise you which is the better approach.

Mr. GILMAN. I want to thank both of you. Thank you, Mr. Chairman.

Mr. LATOURETTE. Thank you, Mr. Gilman.

Mr. Putnam, questions?

Mr. PUTNAM. Thank you, Mr. Chairman. I thank the panel for their insightful discussion of this issue, that all of us are led to more questions than to more answers as a result.

Tell me how this country is inherently at greater risk today than we were at the time of the 1984 Olympics, or the 1996 Olympics, or the 1994 Trade Center bombing? What has substantively changed that we are at a much greater risk today? And what have been our successes in preventing terrorism and terrorist attacks such that we have had as few as we have up till this point? In other words, what is working?

Mr. ELLIS. Of course, Congressman, you will have an opportunity to address those issues to representatives of some of these commissions that have done this work in a subsequent panel, and I hope very much that you will do that.

There are many things. There is the rapid advance of technology, and not just the rapid advance of technology that is related to weaponry, but the proliferation of some of that technology. So that

while it could be said 20 years ago that it would be unlikely for somebody who was a loner with just a few bucks here and there to be able to create a biological weapon that could be effectively deployed and cause extraordinary damage in terms of human casualties and perhaps animal casualties, today the science we are given to understand, and there still is controversy about this, has advanced to the point and proliferated to the point where it is no longer impossible to think about somebody who is a loner with a few bucks being able to do something like that. That is one thing.

Another thing is the increase, as has been pointed out by one of the commissions, in the vast intercourse between different countries, there are a whole lot of things and people coming in here and leaving here and it is really very difficult to watch all of that with great care. And there are other things as well. But perhaps that begins to give you some sense why some people believe that there is more danger now than there was before. But I would urge you, sir, to address that question again to the following panel.

Mr. DECKER. Mr. Putnam, I would only concur with Dr. Ellis. I think when the representatives from the Hart-Rudman and the Gilmore commissions speak, they have looked at that at great length. I would only comment that when you talk about weapons of mass destruction dealing with the biological, chemical, radiological, nuclear, and high explosives, when discussing combating terrorism, and then factor in cyber attack or cyber warfare, it is a much different scenario today than it was in 1984. We are a much more vulnerable country as a result of our computer reliance and the way that the world is evolving with electronics.

I would only suggest that these new and emerging threats require new, probably non-traditional thoughts on how to solve these issues. That is why this hearing is very refreshing, because it does look at proposals other than what we have today which are not working as well as they could or should.

Mr. ELLIS. And then you also have the issue of motivation in which at least one of the commission reports pointed out there are numerous persons and whole social elements that do not regard us as friendly. But also inside the United States there are many people who are hostile to the Government, not just to the particular regime, but to this Government itself. And those things have changed the nature of the dangers that confront us as a democracy.

Mr. PUTNAM. Mr. Caldwell?

Mr. CALDWELL. Let me address your question about some of the successes now that my colleagues have talked a little bit about the threat and how that has changed. There have been several successful arrests of terrorists overseas related to certain terrorist attacks. There is cooperation between the intelligence community and law enforcement going on to carry out those kinds of arrests. There has also been a greater preparation for high visibility special events like the Olympics. The Atlanta Olympics is one that you mentioned. There was really a great deal of cooperation among Federal agencies there in terms of coordinating security. I think more recently agencies coordinated efforts on the cyber threat in terms of preparing for the millenium and Y2K. And related to that, we had the December 1999 arrests on the border with Canada of suspects who intended to commit terrorist acts. And finally, there are activi-

ties going on with the intelligence community to prevent terrorist actions that are better suited to discuss in a closed session or to be discussed by the intelligence community. We are aware of some of those preventive actions, but we do not have the details. Thank you.

Mr. PUTNAM. I am aware of the emerging threats, and our reliance on computer technology, and the interconnectedness of important functions of Government, and our reliance on a single power grid, and things of that nature. But I also reflect on the fact that the worst terrorist incident carried out on American soil was as crude an incident as it could possibly be and could just as easily have been committed 50 years ago as 50 years from now in the sense that fertilizer and diesel fuel will be fairly common and widespread. And so, just as the threat hierarchy did not register that while we would be refueling a ship in Yemen as a major action to be prepared for, I guess my point is that as we become more and more sophisticated and develop a system to react to more sophisticated threats, we cannot abandon the crude ones that have always been around and are oftentimes the most accessible to small groups. Affordability is a factor and the impact is often just as deadly. Thank you.

Mr. LATOURETTE. Thank you, Mr. Putnam.

Mr. Platts, do you have questions?

Mr. PLATTS. Thank you, Mr. Chairman.

To our witnesses, for your testimony and efforts on this important issue, thank you. Actually, just one question. It regards Mr. Thornberry's legislation, H.R. 1158, and the delineation of the specific offices or agencies to be included. And perhaps coming from the State House of Pennsylvania and serving on our Veterans' Affairs Emergency Preparedness Committee and interact with our Guard troops a fair amount, and wonder whether any of you would see the Bureau of National Guard being an agency that should be delineated as being included, maybe as a separate entity, as a distinct entity, but within the Homeland Security Agency, since we rely on the Guard both for emergency response, disaster relief, maintaining civil order when there are major incidents here in the homeland, whether the Bureau of National Guard should be spelled out as one of those agencies to be part of the Homeland Security Agency?

Mr. DECKER. Mr. Platts, I cannot comment directly on the National Guard being incorporated in the Homeland Security Agency proposal. But I can state that currently there are a number of civil support teams which are comprised of National Guardsmen that support at the State level any assistance that would be required from DOD. According to the DOD IG report, this program is not as effective as it should or could be, however, there is hope that it will improve with remedial attention.

If these civil support teams do turn out to be as effective as they are hoped to be, they will be a benefit to the State authorities in a terrorist incident involving a weapons of mass destruction incident.

Mr. ELLIS. I have no further comment.

Mr. PLATTS. The reason for whether it should be a distinct entity and spelled out is because in many cases, as I said, they are our

first kind of response team so often and they kind of have that dual role of being DOD when they are federalized but really are State entities. And when I think of coordination, here in this very agency there needs to be great coordination because of their dual role to begin with, let alone in this type of situation. So that is why I throw that out. It is something that maybe we need to look at if H.R. 1158 is to move forward.

Thank you, Mr. Chairman.

Mr. LATOURETTE. Thank you, Mr. Platts.

Before we let you gentlemen go, Mr. Caldwell, I have been told that you are one of the smartest guys around on this issue. So I want to avail myself of that wisdom before you leave. Specifically, as the subcommittees think about marking up this legislation, I understand you may have some observations about how the council proposed by Mr. Gilchrest's legislation, H.R. 525, is comprised and how it operates, and specifically in section 651, where his legislation talks about the voting and the nonvoting members. Have I been led astray, or do you in fact have some observations that you think would be important to us?

Mr. CALDWELL. We provided some technical comments to your staff in terms of that bill and some of its provisions. In terms of the way H.R. 525 is set up now, there is an executive chairman who would serve in the President's place and yet there is also an executive director. Perhaps if both positions were filled by the same person, it might add accountability. That person would be the focal point but would also be responsible for the staff and the day to day coordination. That was one aspect of H.R. 525 that we commented on.

Also, in terms of the voting, there is a voting structure there in H.R. 525 and we are not quite sure how that would work. If you had the President voting, I think his vote would probably count more than, say another person on the council who was ″the weakest link,″ just to use your analogy. We had some other technical comments of a more specific nature and we can provide those for the record.

Mr. LATOURETTE. If you could put those in writing for the record, that will I think help us as we move forward to markups on the legislation.

I want to thank all three of you for your wonderful testimony today. And thank you for helping both subcommittees as we continue our work.

Mr. LATOURETTE. I now want to call to the table the last panel of witnesses we have today. First, we will have General Charles G. Boyd, who is the Executive Director for the U.S. Commission on National Security for the 21st Century; General James Clapper, who is the Vice Chairman of the Advisory Panel to Assess Domestic Response Capabilities for Terrorism Involving Weapons of Mass Destruction; Mr. Frank J. Cilluffo, who is the director of the terrorism task force of the Center for Strategic and International Studies; and Dr. Amy E. Smithson, a senior associate with the Henry L. Stimson Center.

Again on behalf of both subcommittees, we thank you very much for attending today. Without objection, as with the other two panels, your full and complete written observations will be included in

the record. I would make this observation, because we want to hear from you in a number of questions, if you could just summarize your observations to us in 5 minutes. I think we are going to vote at about 6 and we do not want to be cut short or keep you here while we go over and do that.

So with that, General Boyd, I would invite you to begin.

STATEMENTS OF GENERAL CHARLES G. BOYD, USAF (RET.), EXECUTIVE DIRECTOR, U.S. COMMISSION ON NATIONAL SECURITY/21ST CENTURY; LIEUTENANT GENERAL JAMES CLAPPER, JR., USAF (RET.), VICE CHAIRMAN, ADVISORY PANEL TO ASSESS DOMESTIC RESPONSE CAPABILITIES FOR TERRORISM INVOLVING WEAPONS OF MASS DESTRUCTION; FRANK J. CILLUFFO, CENTER FOR STRATEGIC AND INTERNATIONAL STUDIES; DR. AMY E. SMITHSON, DIRECTOR, CHEMICAL AND BIOLOGICAL WEAPONS NONPROLIFERATION PROJECT, THE HENRY L. STIMSON CENTER

General BOYD. Well, first of all, sir, as a citizen, may I compliment you on this process that is underway here. I wish every civics class in every school in America could be observing how the Congress is wrestling with a very tough problem and providing the forum for earnest debate. This is democracy at its best I think, and you are to be congratulated. And I am honored by participating in this process. I will, in fact, submit my written statement for the record. But let me highlight a few quick points and then we will get on to the question and answer period.

With respect to the three pieces of legislation that you have under observation, I think they all have merit and they all are working in the direction of an overall solution to this terribly difficult problem. I think they are all right in one degree or another. I think Mr. Gilchrest is right in that the solution begins with the President. I am not sure that a separate council needs to be created in that this is a national security issue and it ought to be thought as such. And, therefore, the National Security Council with the President as its head is the place where the solution begins. Mr. Skelton is right in the development of a strategy is the very first step. Unless we know what it is that we are trying to do, it is pretty difficult to figure out how to organize in order to get it done.

But I would be deeply dismayed if you stopped there and waited until some future time to address the type of organization or the organizational construct necessary to deal with the full dimension of this problem. I think Mr. Thornberry goes to the hard part, that of moving the existing capabilities into some kind of a coherent organizational construct vested with authority, responsibility, and by that, I mean accountability, and resources. He said it eloquently and I do not think I can improve on that.

But I would add, because it has been a separate discussion item, that somehow collecting all of the capabilities that we now have into a response structure is a radical solution. I do not see it that way. I think it is no different than putting the existing capabilities that we have, military capabilities into a Department of Defense in 1947. And if it is our choice to either disrupt existing bureaucratic comfort levels or improving the security of our Nation, I think I would opt for the latter choice.

May I suggest, sir, a couple of other points that if you were to put together a more comprehensive piece of legislation here that you might want to consider.

None of the pieces under consideration now addresses directly the role of the Department of Defense, tangentially yes, but not directly. And it is clear that DOD assets would have to be engaged in any weapons of mass destruction attack on U.S. soil. The Hart-Rudman Commission recommends the creation of an Assistant Secretary of Defense for Homeland Security to pull together the increased effort the Department must take in that area, and it also recommends that the National Guard be given more responsibility for homeland security missions without, of course, negating its overseas expeditionary capabilities.

Second, none addresses completely the issue of intelligence, although two of the pieces of legislation do address it in some way. In our view, this is not adequate. I think that the Commission's recommendation is that the National Intelligence Council include homeland security and asymmetric threats as a dedicated area of analysis and it assign that portfolio to a national intelligence officer, and that the community produce regular NIEs, or National Intelligence Estimates, on these threats.

Third, none addresses adequately the issue of congressional oversight. Clearly, the reporting obligations embodied in these resolutions do address the issue of oversight to some degree. But the Commission believes that more needs to be done. It recommends that Congress deal with homeland security more or less as it has dealt with intelligence oversight. It should establish a special body including members of all relevant congressional committees as well as ex officio members from the leadership of the House and Senate. Members should be chosen for their expertise in foreign affairs, defense, intelligence, law enforcement, and appropriations.

The proper legislative branch vehicle to oversee homeland security policy seems to us would go far to ensure that all homeland security issues are managed in such a way as to protect civil liberties. But because Mr. Kucinich has highlighted this terribly important concern, I would add that a complete bill would underscore the oversight responsibilities embedded in this institution, establishing the standards and reporting requirements any national homeland security agency must adhere to.

I await your questions respectfully, sir.

Mr. LATOURETTE. Thank you, General Boyd.

General Clapper.

General CLAPPER. Mr.Chairman, members of the subcommittees, I am pleased to be here today representing Governor Gilmore who is out of the country on a mission for the Commonwealth of Virginia. I would like to offer three general comments.

First, before getting into the specifics of what you asked us to talk to, like General Boyd, I would like to commend the two subcommittees and the sponsors and cosponsors of the bills that are under consideration for their recognition of the importance of the issues and their dedication in keeping them visible to the public and to the rest of the Congress. I would point out also that the fact that these bills have been introduced is probably yet additional testimony to the widespread discomforture with the current setup we

have and the recognition that we as a Nation are not optimally postured to combat terrorism in all its dimensions.

In the interest of truth in advertising, I would like to point out a crucial characteristic of the Gilmore panel, which I represent today, and that is that it is heavily populated and influenced by professional representatives of the State and local levels whose perspective, in my view, is absolutely critical in any such deliberation. They, in fact, represent our first line of defense against a terrorist attack in this country, and the composition of our panel has driven and shaped our approach accordingly.

To many at the State and local levels the structure and processes at the Federal level for combating terrorism appear uncoordinated, complex, and confusing. In fact, the charts on display here are extracted from our first annual report that we issued some 14 months ago. I think they are illustrative of at least the perception of the problem at particularly the State and local level. Many State and local officials believe that Federal programs intended to assist them are often created and implemented without their input. I would hope that whatever legislation emerges from this body considers that input first.

We acknowledge that a lot of good work has been done to foster Federal interagency coordination in the last administration. As one example, let me commend the national plan for combating acts of terrorism in America developed by the Interagency Board for Equipment Standardization and Interoperability. However, overall, we believe the current structure and processes are inadequate for the following reasons, a lot of which we have already talked to today: Lack of political accountability, insufficient program and budget authority, lack of staff resources, and, from our perspective particularly, lack of State, local, and functional expertise.

For the purposes of this hearing, we used 12 major attributes of the recommendations that we made as criteria for assessing all three bills under consideration. In my written testimony I discuss each bill in the context of these attributes. Also included is a functional comparative matrix that we drew up to better illustrate those differences and similarities visually, in comparison to what the Gilmore panel has advocated.

One area where all three bills seem to agree, as do we, is on the need for a true national strategy. We have talked about that quite a bit already.

All three bills, again as we do, seem to endorse the need for improved intelligence assessments and dissemination of critical information, an area which is particularly near and dear to my heart, having spent 37 years in one capacity or another in the intelligence business.

I want to comment specifically on one aspect of H.R. 1158, introduced by Congressman Thornberry, which endorses the recommendation of the Hart-Rudman Commission pertaining to the organization of a Homeland Security Agency. The Gilmore panel looked hard at several organizational models for the Government, one of which was an embellished FEMA. In fact, we considered recommending FEMA as an 11th cabinet department but which, at the end of the day, we rejected.

We came to the conclusion that, given the wide range of capabilities that must be included in the totality of thwarting and responding to terrorism horizontally across all the Federal departments and agencies as well as vertically with the State and local levels, we did not think it feasible, necessary, or appropriate for any of these organizations necessarily to abrogate their responsibilities. Furthermore, even if a Homeland Security Agency were established, it would still be in the awkward position of attempting to discipline or police those cabinet rank departments which have responsibilities for combating terrorism and would continue to do so even with forming a Homeland Security Agency.

We have reservations about the concept of selectively moving some law enforcement agencies—but not all—to a Homeland Security Agency. This will disrupt the agencies being transferred and will, we believe, jeopardize the tremendous working relationship with FEMA. In the minds of some, such an organization begins to suggest a ministry of interior, which potentially raises the specter, if not the reality, of jeopardy to constitutional and civil rights.

Rather, what we contend is needed is a national strategy that functionally synchronizes these elements and has someone who is authoritatively in charge, who is politically accountable, and who reports to the President or the Vice President.

After 2 years of pretty intense study and debate, the Gilmore Commission has concluded the existing organizations—Federal, State, and local—possess the respective capabilities needed to defend our homeland. What we are missing are the vision, the strategy, the leadership, and what I would call the authoritative coordination apparatus and processes to bring all these disparate pieces together when the situation demands that we do so.

Finally, on a personal note, I ″got religion″ about terrorism as a member of the commission which investigated the Khobar Towers terrorist bombing in 1996. This is an issue, as you have heard today, that is not partisan politically. It goes to the very heart of public safety, our values, and our way of life.

On behalf of Governor Gilmore and the other members of our panel, we urge the Congress and the executive branch to come together and bring some order to this issue. As I said when I testified before Congressman Shays' subcommittee last month, our most imposing challenge centers on policy and whether we have the collective fortitude to forge change both in organization and process. I would again respectfully observe that we have studied the topic to death and what we need now is action.

Thank you very much for this opportunity. I stand ready to address your questions.

Mr. LATOURETTE. Thank you, General.

Mr. Cilluffo.

Mr. CILLUFFO. Chairman LaTourette, distinguished members, I appreciate the opportunity to be before you today on this important matter. My parents taught me that if I do not have anything nice to say about someone else's ideas then I should not say anything at all. And that rule goes double if it comes from Congressmen. I believe that by now my parents have forgiven me, and I hope that after today you will too.

These three legislative proposals and the recent set of hearings on the subject clearly demonstrate the issues surrounding terrorism and homeland defense and are receiving the attention they demand. Congress has recognized that a vacuum exists and is taking active steps to fill it. I would especially like to commend Congressmen Gilchrest, Thornberry, and Skelton for their leadership and for subjecting their legislative proposals to public examination and comment. We have before us a rare opportunity for cooperation, not just within Congress but also with the executive branch, and we should take full advantage of it.

Cooperation with the executive branch is crucial to turn concepts into capabilities. I think we need to have the bumper sticker "Need to Cooperate, Not Mandate." The United States is now at a crossroads. As things presently stand, there is neither assurance that we have a clear capital investment strategy nor a clearly defined end state, let alone a clear sense of the requisite objectives to reach this goal. The dimensions, as we have heard, are enormous. No single Federal agency owns the strategic mission completely. At the moment, however, many agencies are acting independently in what needs to be a coherent response. Unfortunately, to date, the whole has been less than the sum of its parts.

In considering how to proceed, we should not be afraid to wipe the slate clean and take a fresh look at the issue. We must ask ourselves what has worked to date, what has not worked, and what are the gaps and shortfalls in our current policies, practices, procedures, and programs. In so doing, we must be willing to press fundamental assumptions of our Nation's security: Are our organizations and institutions adequate? We cannot afford to look at the world through our current alphabet soup of agencies and their respective organizational charts. In their proposed legislation, Congressmen Gilchrest, Thornberry, and Skelton have done just that.

I offer these comments in the spirit of the hearing; namely, to determine the best course of action. And in order to keep my remarks within the time allotted, I am going to touch only on some of the recommendations for improvement and not discuss their many strengths. And ultimately, of course, it remains up to you, Congress, and the executive branch to jointly decide which of these avenues or combination thereof should be pursued.

First, some over-arching objectives. In short, our antiterrorism and counterterrorism capabilities must be strengthened, streamlined, and then synergized so that effective prevention will enhance domestic response preparedness and vice versa. A complete CBRN (chemical, biological, radiological, nuclear) counterterrorism strategy involves both preventing an attack from occurring, which includes deterrence, nonproliferation, counterproliferation, and preemption, and two, preparing Federal, State, local, and private sector capabilities to respond to an actual attack.

All too often these elements of strategy are treated in isolation. It must incorporate both the marshalling of domestic resources and the engagement of international allies and assets. It also requires monitoring and measuring the effectiveness of the many programs that implement this strategy so as to lead to common standards, practices, and procedures.

The Homeland Security Strategy Act of 2001 might be improved by requiring a series of threat assessments and a sequence of reviews of the comprehensive strategy. The threat environment is a moving target and will likely evolve. So too must our response.

Moreover, homeland defense cuts right to federalism issues. Any legislation should ensure that State and local governments are at the heart of the matter.

To focus the efforts of the various agencies with antiterrorism and counterterrorism capabilities, we need a high level official to serve as the belly button or the focal point to marry up the three criteria that have now been discussed to death—authority, accountability, and resources.

In our report, we recommend a Senate-confirmed position of assistant to the President or Vice President for combatting terrorism. The assistant would be responsible for issuing an annual national counterterrorism strategy and plan that would serve as the basis for recommendations regarding the overall level of counterterrorism spending as well as how that money should be allocated among the various departments and agencies with counterterrorism responsibilities. The assistant would also be granted limited certification and pass-back authority. After all, policy without resources is rhetoric. And I think this gets to the point that Mr. Gilman brought up earlier.

The National Homeland Security Agency Act, introduced by Mr. Thornberry, may be a wise course to pursue in the long term, but a determination can only be made after a careful review. Presently, we require a near-term solution.

Currently, many Federal agencies have a vested interest in combatting terrorism whether at home or abroad. Arguably, the greatest breakdown does not occur at the operational level but at the juncture where policy and operations meet. What is lacking is a clear method of integrating these various responses, getting everyone to pull in the same direction at the same time, if you will. We need to recognize the cross-cutting nature of the challenge and not think vertically within our respective stovepipes.

As a first step in this direction, FEMA needs to be empowered to assume the lead role in domestic response preparedness. We must capitalize FEMA with personnel as well as administrative and logistical support and assign FEMA the training mission for consequence management which now resides at the Department of Justice. While FEMA has distinguished itself when responding to a series of natural disasters, the same cannot be said of its national security missions. Put bluntly, it has become the ATM machine for chasing hurricanes.

An additional point that I wish to make concerns the role of the Department of Defense, and I will be very brief here. Realistically, only DOD even comes close to having the manpower and resources for high consequence yet low likelihood events such as a catastrophic CBRN terrorist attack on the homeland. But, obviously, their role should be entirely in support of civilian authorities. Though we need to make sure that DOD has the resources to assume this responsibility. We do not want to turn to the cupboard and find it empty when we need it.

Perhaps it is just me, but I find it difficult to believe that in a time of genuine crisis the American people would take issue with what color uniform the men and women who are saving lives happen to be wearing.

The Preparedness Against Domestic Terrorism Act of 2001, by Mr. Gilchrest, might be improved by ensuring that it does not artificially divide international terrorism from domestic terrorism. International diplomacy is an essential first step in preventing terrorist attacks. We need not look further than what the Jordanian authorities did last year during the millennium celebrations—they saved many American lives. It is a clear reminder that our efforts must start abroad, and transnational problems must include some form of transnational solutions. And, of course, the role of intelligence cannot be underestimated.

Our first priority should always be to get there before the bomb goes off. Yet we should also know that, no matter how robust, our intelligence capabilities will never be robust enough to prevent all acts all the time, and that those first on the scene to a no warning event are State and local personnel—police, fire fighters, and medics—and time is of the essence to turn victims into patients. The value of training and exercising also must not be underestimated. Hopefully, it is the closest we will get to the real thing, and, if not, it allows us to make the big mistakes on the practice field and not on Main Street, Somewhere, USA.

In closing, we must expand the national security policy planning table to include everyone whose voice must be heard. Since bioterrorism is primarily a medical and public health issue, these communities must be mobilized and integrated into our national efforts. We should also work to leveraging the pharmaceutical and commercial and biotechnology sectors, as we heard earlier.

The sixth anniversary of the Oklahoma City bombing and the recent bombing of the USS Cole remind us that antiterrorism and counterterrorism efforts must be a continued and sustained focus of our Nation's security efforts. We have learned lessons about terrorism the hard way and the time has come to apply what we have learned. If the President and Congress set their sights on developing, implementing, and sustaining such efforts, it will happen. And I am confident that President Bush and Vice President Cheney, in conjunction with these committees, can and will rise to the challenge.

Thank you for giving me the opportunity to express my views.

Mr. LATOURETTE. Thank you, Mr. Cilluffo.

Dr. Smithson.

Dr. SMITHSON. Thank you. Comparatively few of those who have been setting U.S. policies on how best to prepare this nation to confront the specter of unconventional terrorism have ever pulled victims from the rubble left behind by hurricanes, earthquakes, or for that matter bombs, nor have they steered the implementation of measures to contain the spread of an infectious disease like Ebola.

Since an unconventional terrorist attack would create a disaster that has much in common with the calamities that this nation's HAZMAT teams, emergency department physicians and nurses, police, city emergency managers, and public health officials confront on a routine basis, it stands to reason that their experience and

pragmatism should be the driving force behind the Federal Government's approach to terrorism preparedness. These are the very individuals that I have been listening to. And if more people in Washington would do the same not only would this nation's Federal preparedness programs be streamlined, they would cost less and the nation's preparedness would be increased manifold.

My remarks today amplify the voices of public health and safety officials that I interviewed from 33 cities in 25 states from February of 1999 to September of last year. Since the publication of the resulting report, which is titled *Attacksia my coauthor Leslie-Anne Levy and I have continued to interact with front-line officials from these and other cities on an almost daily basis. For those interested in an unvarnished account of the level of preparedness in America's cities and a common-sense approach to readiness, I have been told that Attacksia is not only an illuminating but an entertaining read. So, by all means, dig in.*

Local and state officials would be immensely relieved if somebody was definitively put in charge of Federal programs. They find the current situation confusing—over 90 training programs and multiple equipment grant programs, each with different deadlines, areas of emphasis, hoops, and guidelines. They long ago lost track of the number of Federal rescue teams that have been beefed up or created from scratch.

The intent of the original architects of domestic preparedness—Senators Sam Nunn, Richard Lugar, and Pete Domenici—was to help the nation's first responders get better prepared to grapple with the aftereffects of an unconventional terrorist attack. Instead, money has been buckshot across over 40 Federal agencies. Last year the U.S. Government spent many billions on terrorism readiness but only $315 million went to assist local responders. Clearly, this effort has gone far off track.

Given this topsy-turvy state of affairs, local officials and I would applaud your efforts to wrest order from the spaghetti-like maze that now constitutes the Federal organizational chart. Of the three bills introduced, H.R. 525 holds the most promise because of its proposals to consolidate coordination and oversight to avoid recreating the wheel and to shut down superfluous programs.

In contrast, H.R.1158 would create a new government agency. Among the things to keep in mind when considering this bill is a twist on the maxim with which you are quite familiar—all politics are local. Well, so are all emergencies. If you study the case histories of disaster responses, you will figure this out. What I wonder is why Washington does not get this point.

The key to domestic preparedness lies not in bigger terrorism budgets or in more Federal bureaucracy, but in smarter spending that enhances readiness at the local level. Any improvements in local preparedness would, I remind you, enhance the ability of hometown rescuers to respond to everyday emergencies, and that is a dual-use benefit that your constituents would no doubt welcome.

Although the best of the three proposed laws, H.R.525 would not be a perfect solution, as if such a thing even existed. For brevity's sake, I will simply list ways to enhance the bill, and I would be

delighted to expand on the rationale behind these recommendations in Q&A.

First, ground the council's work in reality by specifying that its executive chairman or director have extensive local disaster and emergency management experience.

Second, broaden the council's elimination authority to apply to spurious programs—Federal rescue teams and federally-funded state terrorism preparedness response teams.

Third, institute a government-wide moratorium on any new rescue teams and bureaucracies until the council completes its initial assessment of the sufficiency of existing programs.

Fourth, assign the council to take the appropriate steps to see that preparedness training is institutionalized in local police and fire academies as well as in medical and nursing schools nationwide.

Fifth, mandate that the council articulate a plan to jump-start Federal efforts devoted to public health and medical community readiness. Such programming should feature regional hospital planning grants and additional tests of disease syndrome surveillance systems followed by plans to establish such capabilities nationwide.

Sixth, and finally, require that the council develop a plan to sustain preparedness over the long term.

With that, I will stop, echoing the comments by others that encourage Congress to coordinate its own oversight activities. I look forward to your questions.

Mr. LATOURETTE. Thank you, Dr. Smithson. I am glad that in your testimony you brought up the notion of first responders. I would note while this panel was testifying we have been joined by some first responders. Chief Chepalo from the Chicago Heights Fire Department and members of the National EMT Association have been kind enough to join this hearing.

The first question I would have is for you, Dr. Smithson, and then maybe you, General Clapper, relative to your observations that our activities should be focused on State and local preparedness. My first question was, and I think you answered it so I am not going to ask it, but that is your view that first responder funding has been adequately addressed in previous budgets. And I assume your answer to that would be no.

The next question then that I have is when we look at some of the programs—I just had all the fire chiefs in my district together because of the fire bill that was passed in the last Congress and President Bush has indicated that he will fund the $100 million that is called for for fire equipment and training—the distribution as I look at it is about half goes to new stuff, equipment, versus half training. I understand why the need for new equipment is there. We have fire departments in this country that are driving around in 35 year-old vehicles, some, if they are lucky, some, those 35 year-old vehicles are their only and best piece of equipment. So I certainly understand why the need for equipment is there. But just any comment that you might have about the emphasis that we place on new equipment versus training, because your observations seem to talk more about training and getting people ready and pre-

pared to deal with what is ahead than necessarily having the new hook and ladder truck.

Dr. SMITHSON. One of the things I think you will find, as you have, when you talk with the first responders is that they can be quite resourceful with what they have. In fact, while the Defense Department first approached them with all sorts of equipment to decontaminate victims, one of the things that they came back with was how they could use the equipment they already have to accomplish the same task. So while it is reasonable to expect that some jurisdictions would want to buy and would need to buy specialized equipment, especially personal protective gear, they would all point out to you is that they need funds to exercise their skills in this area. If they do not exercise their capabilities then they atrophy. So a balance needs to be found there.

Another balance that needs to be found is between what the Federal Government funds and what local jurisdictions fund. The state of Florida has passed a disaster preparedness tax. If other states in this country would do the same then perhaps a strategy could be found for maintaining disaster preparedness over the long term without having the Federal Government foot the entire bill.

Mr. LATOURETTE. OK. Thank you.

General Boyd, General Clapper, observations on that? Mr.Cilluffo?

General BOYD. I think I would agree. We were out last week to talk to the Governor of Colorado on just these sort of issues, what is the role in their view of the Federal Government and what do they need, and explaining how we had in our report addressed our view of how we should deal with the State and local level. Our own discussion with people at the State and local level, clearly, they are looking for some kind of centralized—they would like to know one number to call. They would like some kind of coherent system of training where the marriage of Federal and State capabilities come together. So I think there is much merit there. I do not know that I disagree.

I do believe that a cabinet level organization, which we have called for, in the National Security Agency, some agency of that stature and that kind of clout within our own bureaucracy is absolutely going to be necessary. If you can muster the capabilities at the Federal level, then articulate the needs in a way and come over here and be accountable to the Congress to get those capabilities down to the State and local level, I think that is essential.

Mr. LATOURETTE. OK. Thank you.

General Clapper, anything you want to add?

General CLAPPER. I would vote, given the Hobson's choice of picking between equipment and training, from what I have been able to glean, I would lean on the side of training and education and the ability to draw on support on a mutual supporting basis from others, other communities, from the State at-large, or, if required, from the Federal level.

One of the features of our national office for counterterrorism is a senior staff element that would focus specifically on the issue of training and exercises.

Mr. LATOURETTE. Thank you.

Mr. Cilluffo, is there something nice you would like to say about this question?

[Laughter.]

Mr. CILLUFFO. Just very briefly. I do not see the two as mutually exclusive. Obviously, it comes down to how much—the devil is in the details—specifically how much you are allocating to one over another. But I think that for starters you need benchmarks; you do need standards, you do need common protocols, you do need common procedures. So then you can spend wiser. So I think it is an issue of how do you best spend your money.

And there is just one conceptual point I want to make. I do not see it as a top-down or a bottom-up approach when we look at this holistically as a Nation. It is that box where the two come together. Those are the real hard questions we need to grapple with. Whether it is a civil liberties issue, obviously, we should never infringe upon our liberties in order to preserve them; or whether it is the openness and security issue, you do not want to build up too many walls or the bad guys win by default because our way of life has been lost. But I do not see it as mutually exclusive. I do not see these as either/ors. I see these as ways to augment one another.

Mr. LATOURETTE. Thank you.

Mr. Kucinich.

Mr. KUCINICH. I would like to step back a minute and have kind of a more general discussion. For anybody, what would you define as terrorism? Anyone, since this is all about terrorism, define terrorism.

General CLAPPER. It is an attack on the U.S./U.S. interests that is not in the conventional mode of a military attack and may resort to weapons of mass destruction or weapons of mass disruption, either chemical, biological, nuclear, or cyber.

Mr. KUCINICH. So does this bill then have only to do with that and no other kind of terrorism? Only to deal with weapons of mass destruction?

General CLAPPER. Or disruption.

Mr. KUCINICH. Mr. Cilluffo?

Mr. CILLUFFO. Which bill specifically?

Mr. KUCINICH. Any of the bills that we are talking about here in terms of this national homeland defense.

Mr. CILLUFFO. No. I do not see them as treating merely the chemical, biological, radiological, nuclear threat. The issue is how do you amalgamate them all and how do you have the stars aligning where the different pieces can come together. I do see a possibility where you can have this assistant to the President, give it some teeth, give it some budget authority, then you have the council that oversees that, and then you might have an organization two years out.

Mr. KUCINICH. Let me be more specific. What do you define as terrorism in terms of the meaning of these bills, as you understand it?

Mr. CILLUFFO. On top of whatever else it may be, it is a criminal act. I take sort of the top out. But on top of whatever else is motivating it, whether it is politically, whether it is radically religious, is it a criminal act. Shed the ideology from the definition.

Mr. KUCINICH. And since we are talking about a coordination of local, State, and Federal, would it be a criminal act that is committed locally against a government building, for example, or against local law enforcement authorities?

Mr. CILLUFFO. Could be.

Mr. KUCINICH. General?

General BOYD. In the excellent staff work that your staff put together for this hearing, there are three different definitions, which goes I guess in some ways to part of the problem: There is the FBI's definition, the Department of State's definition, the Department of Defense definition. But they all deal at some level with the intent that goes into the act. I will just read you this one sentence which I think is representative: "The calculated use of violence or the threat of violence to inculcate fear intended to coerce or to intimidate governments or societies in the pursuit of goals that are generally political, religious, or ideological." That seems to be the element. I think that the act is intended to coerce or persuade or frighten people for a specific purpose and, whatever tools you use, that is what is at issue.

Mr. KUCINICH. Right. Has anyone here ever read the Kerner Commission Report, the National Commission on Civil Disorders? Anyone? Do you even know about it? Did you ever hear about it? Anyone know?

[No response.]

Mr. KUCINICH. The Kerner Commission Report actually examined the reasons for violence in American cities in the late 1960's. And based on some of the definitions that are being bandied about here, it would occur that this new national strategy could be taken by some as a license to become involved in intelligence, deterrence, prevention along the lines that the Kerner Commission explored in terms of the civil disorders. Anyone want to comment on that? Are we looking at these groups, focusing in on American cities where, because of high poverty and a number of other social conditions, people begin to express their discontent in very aggressive ways? Anyone want to try that?

Dr. SMITHSON. Your concerns about infringement upon civil liberties are ones that we should all take note of. The three pieces of legislation do not really address that, but the appropriate firewalls can be put in a bill so that those concerns are addressed. That should be done. I do not think the intent was to have the CIA start snooping on U.S. citizens, but to leave the apparatus that normally handles intelligence-gathering in the United States within its current powers, not to expand those powers through any of these bills. So, put in the firewalls and I think you will find your concerns addressed.

Mr. KUCINICH. Thank you. Mr. Chairman, and thank you for your indulgence. Just one final comment I would like to make.

Mr. LATOURETTE. Sure. Go ahead.

Mr. KUCINICH. In these hearings and in these discussions, it seems that one of the problems that we have here is that we end up raising the level of concern about terrorism out of proportion to its incidence. There is an old Yiddish proverb: To a worm in horse radish the whole world is horse radish. I am just offering some horse radish for you.

Mr. LATOURETTE. Thank you, Mr. Kucinich, very much.

Mr. Putnam.

Mr. PUTNAM. Thank you, Mr. Chairman.

General Boyd, in your opening remarks you made the statement about your three points and the third point was oversight and the fact that more needs to be done. You made the analogy to the way that we handle intelligence. The point that occurred to me, and I would just like your observation or your feedback on it, is that really what we are talking about here, whether it is coordinated through the Executive Office of the President or coordinated through a new agency yet to be determined, we are talking about some coordination or facilitation of information, of intelligence. We are not really talking about training agricultural inspectors to diffuse a nuclear weapon, or Customs inspectors to recognize foot and mouth disease, but we are talking about some kind of collaboration so that each knows what the other is looking for and that they can identify it and that there can be some effort in a seamless manner to protect our borders.

So, in addressing the institutional problem of how to coordinate all of this, isn't the Intelligence Committee the proper place to do that because most of what we are talking about is information or intelligence, classified in some cases, in others it is not?

General BOYD. Certainly, that is where it begins. In the strategy that we articulate, the components of the strategy that we recommend in our report are three—prevention, protection, and response. In the prevention, at the outset you have to have a robust intelligence capability to do exactly what you are talking about. And that is not just domestic, that is overseas. That is identifying and addressing the threats as they emerge, wherever they emerge from. We call for, and believe fervently in, enhancing all of the levels of intelligence that we now have. That is a fundamental piece.

But that is not where you stop. Then once you have some sense of where the threats are coming from, you have to deal with them, you have to address them in a variety of ways. And you drift right on in through that prevention component into the protection component. And if you fail, you have to have a robust capability to respond in the aftermath, deal with the consequences. Intelligence is key, but it is by no means where it all ends.

Mr. PUTNAM. So, again, with the protection and dealing with the consequences, we are still talking about a facilitation of existing agencies, whether it is beefing up and cross-training local first responders or coordinating the efforts of the FBI with local law enforcement and things of that nature. If you were to adopt the approach of a new agency, how large an agency would we be comprehending?

General BOYD. We need to keep in perspective we are talking about using existing capabilities and organizations that now exist, not creating new ones, and rearranging them in some coherent fashion so they can deal with this issue exclusively. I do not see agency growth. I do not know how much the Department of Defense grew when it was created by absorbing capabilities that already existed and putting them together in a more coherent structure. I do not know. Over time the Department grew but for rea-

sons other than the fact that it was reorganized in that way to begin with.

Mr. PUTNAM. Is there any other? Dr. Smithson?

Dr. SMITHSON. I think it would be quite optimistic to think that they would not be building more jobs at the Federal level by creating a new agency. Even when some components are taken out of one agency to put it in this new one, the agency that had personnel moved over is still going to retain a staff because they still have some responsibilities and they simply will not cede that turf 100 percent.

Think of ″homeland defense″ as something that is in every U.S. community, not as something vested in Federal bureaucracies that, in all likelihood, cannot get there in time to respond and save lives for a chemical disaster. Federal personnel can certainly be there in time to help cleanup and to help the communities recover in the aftermath, but creating more Federal bureaucracy and layers of interference does little, if anything, to assist the local and state agencies that would be addressing this type of disaster. FEMA can go in with its current capabilities and do what local officials want it to do, as can HHS and the Department of Defense. Let's not create a new agency, please.

Mr. CILLUFFO. Mr. Putnam, one point. I think that if you were to prioritize what we need to do, we need to target those issues that need to be fixed first. And I am not so sure it is where the rubber meets the road at the operational level. Whether it is from top down or whether it is from the bottom up, it is again where the policy and operations come together. It is that convergence right there. And I think that the agency may perhaps be a long term solution and a viable one, but I do not think we know enough to be able to determine whether in fact that is the case.

But I do see the three legislative proposals before us can in some ways feed off one another. They are actually not that different. You can build on one. The problem is we need to make sure that the foreign and domestic all come as a whole because, you talked about a Federal agency, but I think if you were to look at the Congress, with all due respect, this cuts across every committee's jurisdiction and the disconnect between the authorizers and the appropriators is another challenge, that how to put this all together is difficult. But maybe if you guys come out in front, maybe the Executive Branch will follow, or vice versa.

Mr. LATOURETTE. I thank you all. I want to thank all of our witnesses today. Your observations are critical as both committees move forward.

Before adjourning, I do want to ask unanimous consent that the written observations and opening statements of our Ranking Member of our subcommittee, Mr. Costello of Illinois, be submitted for the record if he should so choose, and also the Ranking Member of the full committee, Mr. Oberstar of Minnesota.

With that, this concludes the hearing. The meeting is adjourned.

[Whereupon, at 6:02 p.m., the committee was adjourned, to reconvene at the call of the Chair.]

Prepared Statement of Charles G. Boyd,
Executive Director of the U.S. Commission on National Security/21st Century
before a Joint Meeting of the Subcommittee on National Security, Veterans Affairs, and International Relations of the House Committee on Government Reform and the Subcommittee on Economic Development, Public Buildings, and Emergency Management of the House Committee on Transportation and Infrastructure,
U.S. House of Representatives,
April 24, 2001

Messrs. Chairmen,

I am honored to be here today on behalf of the U.S. Commission on National Security/21st Century, which I have served as executive director under the aegis of the two co-chairs, Senators Gary Hart and Warren Rudman. I would like to go directly to the question at hand: the examination of three legislative proposals—H.R.525, H.R.1158, and H.R.1292—on the question of federal counterterrorism structure.

In general, the Commission is heartened that so much attention is being paid to the problem of homeland security which, it merits saying, includes prominently *but goes well beyond* the issue of terrorism.

The Commission's Phase I analysis suggested the growing salience of this problem over the next quarter century.

Its Phase II analysis indicated a pressing need to deal with the issue of potential mass-casualty terrorism in a manner fully integrated within the overall national security strategy of the United States.

The Commission's final, Phase III report consequently recommends the creation of a National Homeland Security Agency, a proposal essentially captured in H.R. 1158. The Commission firmly believes that significant policy innovations cannot be sustained in the absence of sound managerial reform. Put differently, we believe that without a sound managerial base, it is not possible to have sound policy.

It is the view of the Commission that the three bills before the Congress do not essentially contradict one another. H.R.525, in our view, calls for a limited organizational adaptation. It is not fully consistent with H.R. 1158 but could be made so, for it captures the need for effective interagency processes as part of any solution. H.R. 1292 deals most essentially with the question of overall strategy and the need to devise coherent ways of designing budgets for homeland security that accord with strategy. While these matters stand separate from the proposals embedded in H.R. 1158, they express perfectly the sense of the U.S. Commission on National Security/21st Century.

In the Commission's view, the United States needs to inculcate strategic thinking and behavior throughout the entire national security structure. I want to be clear, therefore, as to what the Commission's proposal for a National Homeland Security Agency is designed to do, and what it is not, in and of itself, designed to do.

We conceive of the National Homeland Security Agency is a *part* of, not a *substitute* for, a strategic approach to the problem of homeland security. Even with the creation of the National

Homeland Security Agency, the National Security Council will still play a critical role in coordinating the various government departments and agencies involved in homeland security. The National Security Council also must play the key role in the government's overall strategy function. The Commission proposed three components for a homeland security strategy—to *prevent*, to *protect*, and to *respond*—to the problem of terrorism and other threats to the homeland. We believe that H.R. 1292 would facilitate the development of a serious integrated strategy for homeland security at the NSC level, even if its specific conclusions may differ from those of the Commission.

Having a strategy, and a coherent budget process to match that strategy, is in our view a necessary, *but not a sufficient,* condition to repair the inadequacies in current U.S. Government organization.

We believe that the United States stands in dire need of stronger organizational mechanisms for homeland security. We need to clarify accountability, responsibility, and authority among the departments and agencies with a role to play in this increasingly critical area. We need to realign diffused responsibilities because, frankly, several critical components of U.S. homeland security policy are located in the wrong places. We also need to recapitalize several of these critical components, not least the Coast Guard, the Customs Service, and the Border Patrol.

Unlike H.R. 525, which establishes a policy council that duplicates existing NSC mechanisms, H.R. 1158 contends that we need a Cabinet-level agency for this purpose, and the Commission agrees. The job is too big, and requires too much operational activity, to be housed at the NSC staff. It is too important to a properly *integrated* national strategy to be handled off-line by a "czar." Certainly, no council or interagency working group that lacks a permanent staff will suffice. We believe that the importance of this issue requires an organizational focus of sufficient heft to cooperate with the Departments of State, Defense, and Justice in an efficient and effective way. H.R. 1158 is consonant with this aim.

The purpose of realigning assets in this area, as proposed in H.R. 1158, is to get more than the sum of the parts from our efforts. It does not propose vast new undertakings. It does not propose a highly centralized bureaucratic behemoth. It does not propose to spend vastly more money than we are spending now. It does propose a realignment and a rationalization of what we already do, so that we can do it right. It proposes to match authority, responsibility, and accountability. It proposes to solve the "Who's in charge?" problem. Most important, it proposes to do this in such a way as to guarantee the civil liberties we all hold dear.

More specifically, H.R. 1158 would consolidate border protection.

It would institutionalize in coherent fashion many of the critical infrastructure protection mechanisms established by PDD-63 that have been subsequently scattered across various departments and agencies of government.

It would increase the federal capacity to rationalize and coordinate its aid to those local, state, and regional responders who almost invariably will be the first to contend with natural disaster or terrorist events.

In our view, however, even all three of the measures before the Congress, taken together, are incomplete. They leave out, or underplay, three important issues.

First, none addresses directly the role of the Defense Department. This is a significant omission. It is clear that DoD assets would have to be engaged in any weapons-of-mass destruction attack on U.S. soil. The Commission recommends the creation of an Assistant Secretary of Defense for Homeland Security to pull together the increased effort the Department must make in this area. It also recommends that the National Guard be given more responsibility for homeland security missions, without, of course, negating its overseas expeditionary support function.

Second, none addresses completely the issue of intelligence for homeland security. H.R. 1158 does discuss the matter, and it is implied in H.R. 1292, for assigning intelligence priorities is part of the strategy process. But in our view, this is not enough. The Commission recommends that the National Intelligence Council include homeland security and asymmetric threats as an dedicated area of analysis, that it assign that portfolio to a National Intelligence Officer, and that the Intelligence Community produce regular National Intelligence Estimates on these threats.

Third, none addresses adequately the issue of congressional oversight. Clearly, the reporting obligations embodied in these resolutions address the issue of oversight to some degree. But the Commission believes that more needs to be done. It recommends that Congress deal with homeland security more or less as it has dealt with intelligence oversight. It should establish a special body including members of all relevant congressional committees as well as ex-officio members from the leadership of the House and Senate. Members should be chosen for their expertise in foreign affairs, defense, intelligence, law enforcement and appropriations. Having a legislative branch vehicle to oversee homeland security policy would also ensure that all homeland security issues are managed in such a way as to protect civil liberties.

One final point, if I may. All fourteen members of the Commission are united in the view that its proposal is the best way for the United States Government to see to the common defense. All fourteen, without dissent, agreed to put this subject first and foremost in the final Phase III report. All fourteen, seven Democrats and seven Republicans, are ready to promote this recommendation on a fully bipartisan basis. All agree, too, that some combination of the three bills under discussion today, modified somewhat, would constitute the fulfillment of the Commission's recommendations on homeland security at least in large part.

But we know that we are asking for big changes. We know that what we are proposing requires complex and difficult congressional action. Taken together, the proposals before you stretch over the jurisdiction of at least seven committees of the House and Senate. That is why the work of these committees, particularly working jointly as is the case today, is so critical to the eventual success of this effort.

Congress of the United States

House of Representatives

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Joint Hearing of the

Committee on Government Reform

SUBCOMMITTEE ON NATIONAL SECURITY, VETERANS AFFAIRS AND INTERNATIONAL RELATIONS

And the

Committee on Transportation and Infrastructure

SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS AND EMERGENCY MANAGEMENT

Testimony of

JAMES CLAPPER, JR.
(Lieutenant General, U.S. Air Force, Retired)

Vice Chairman,
Advisory Panel to Assess Domestic Response Capabilities for Terrorism Involving Weapons of Mass Destruction

24 April 2001

TESTIMONY OF JAMES CLAPPER, JR.

Mr. Chairmen, Members of the Subcommittees, I am honored to be here today. I come before you as the Vice Chairman of the Advisory Panel to Assess Domestic Response Capabilities for Terrorism Involving Weapons of Mass Destruction, also known as the "Gilmore Commission" (after its Chairman, Governor James S. Gilmore, III, of Virginia). Thank you for the opportunity to present the views of the Advisory Panel. Governor Gilmore was invited to appear today, and would liked to have been here personally, but was already scheduled to be out of the country on a Commonwealth of Virginia trade mission. He asked that I appear in his stead.

The Advisory Panel was established by Section 1405 of the National Defense Authorization Act for Fiscal Year 1999, Public Law 105–261 (H.R. 3616, 105th Congress, 2nd Session) (October 17, 1998). That Act directed the Advisory Panel to accomplish several specific tasks. It said:

The panel shall--

1. assess Federal agency efforts to enhance domestic preparedness for incidents involving weapons of mass destruction;
2. assess the progress of Federal training programs for local emergency responses to incidents involving weapons of mass destruction;
3. assess deficiencies in programs for response to incidents involving weapons of mass destruction, including a review of unfunded communications, equipment, and planning requirements, and the needs of maritime regions;
4. recommend strategies for ensuring effective coordination with respect to Federal agency weapons of mass destruction response efforts, and for ensuring fully effective local response capabilities for weapons of mass destruction incidents; and
5. assess the appropriate roles of State and local government in funding effective local response capabilities.

The Act requires the Advisory Panel to report its findings, conclusions, and recommendations for improving Federal, State, and local domestic emergency preparedness to respond to incidents involving weapons of mass destruction to the President and the Congress at three times during the course of the Advisory Panel's deliberations—on December 15 in 1999, 2000, and 2001.

Mr. Chairmen, you have asked that we provide testimony today on three specific issues:

- *The current organization of the federal government for counter terrorism and the reasons improvement is necessary*
- *How each bill* (H.R. 525, Preparedness Against Domestic Terrorism Act of 2001; H.R. 1292, Homeland Security Strategy Act of 2001; and H.R. 1158, National Homeland Security Agency Act) *might produce a more effective and efficient organization of the federal government to counter terrorism*
- *Which specific provisions of each bill could be used to enhance the others*

Let me start by commending the sponsors of the bills—Congressmen Wayne Gilchrest, Mac Thornberry, and Ike Skelton—and their cosponsors, for their initiative and dedication in keeping these issues before the Congress. Each of these bills contributes significantly to the public debate, and all will help in eventually finding the best possible solutions to some very difficult issues.

Current Structure and Need for Improvement

To many at the State and local levels, the structure and process at the Federal level for combating terrorism appear uncoordinated, complex, and confusing. Our first report included a graphical depiction of the numerous Federal agencies and offices within those agencies that have responsibilities for combating terrorism.

Attempts to create a Federal focal point for coordination with State and local officials—such as the National Domestic Preparedness Office—have been only partially successful. Moreover, many State and local officials believe that Federal programs intended to assist at their levels are often created and implemented without consulting them. Confusion often exists even within the Federal bureaucracy. The current coordination structure does not possess the requisite authority or accountability to make policy changes and to impose the discipline necessary among the numerous Federal agencies involved.

Mr. Chairmen, we discussed extensively to what extent simply maintaining the *status quo* would contribute to a resolution of these issues. We acknowledge the improvements that have been made in Federal Interagency coordination in the past few years, but we adjudged the current structure and processes inadequate, for the following reasons.

- Lack of Political Accountability—The senior person with day-to-day responsibility for Federal programs for combating terrorism—the National Coordinator for Security, Counter-terrorism, and Infrastructure Protection—is not Presidentially-appointed and Senate-confirmed. A career employee of the Executive Branch holds the position. It is essential that the person responsible for these processes must be a senior-level Presidential appointee, confirmed by the Senate.

- Insufficient Program and Budget Authority—The current structure relies on a very involved process of interagency "coordinating groups" which depends heavily on meetings to get things done. While there is opportunity for discussion and for suggestions to improve programs, there is no real authority to enforce program or budget changes. Moreover, that the current format for budget submissions is insufficient in detail to prove useful in the budget deliberative process.

- Lack of Adequate Resources—The current NSC structure lacks sufficient staff even to oversee the Federal coordination structure—there is no inherent directive authority to require Federal agencies to detail support personnel—much less to

engage State and local entities in the process of developing national strategies and implementation plans.

- Lack of State and Local Expertise—The current structure lacks the resources to accommodate the resident State and local staff expertise that is required to build strategies and plans with a true "bottom up" approach.

For those and other reasons, we recommended the establishment of a senior level coordination entity in the Executive Office of the President, entitled the "National Office for Combating Terrorism," with the responsibility for developing domestic and international policy and for coordinating the program and budget of the Federal government's activities for combating terrorism. The title of the entity is not as important as its responsibilities, the functions that it will be called upon to perform, and the structure and authorities that we believe, at a minimum, such an entity must have.

The National Office for Combating Terrorism

Responsibilities and Functions

1. National Strategy. Foremost will be the responsibility to develop the comprehensive national strategy described above. That strategy must be approved by the President and updated annually. I will address the key components of such a strategy later in this testimony.

2. Program and Budget. A concurrent responsibility of the National Office for Combating Terrorism will be to work within the Executive Branch and with the Congress to ensure that sufficient resources are allocated to support the execution of the national strategy. The U.S. strategy for deterrence, prevention, preparedness, and response for terrorists acts outside the United States, developed under the leadership of the Department of State, is comprehensive and, for the most part, appropriately resourced. It is on the domestic front that much additional effort and coordination will be required.

The Executive should provide comprehensive information to the Congress to consider in the deliberative authorization and appropriations processes. In addition to a comprehensive strategy document, supporting budget information should include a complete description and justification for each program, coupled with current and proposed out-year expenditures.

3. Intelligence Coordination and Analysis. We recommended that the National Office for Combating Terrorism provide coordination and advocacy for both foreign and domestic terrorism-related intelligence activities, including the development of national net assessments of terrorist threats. A critical task will be to develop, in concert with the Intelligence Community—including its Federal law enforcement components—policies and plans for the dissemination of intelligence and other pertinent information on terrorist threats to designated entities at all levels of government—local, State, and Federal. To oversee that activity, we recommended that an Assistant Director for Intelligence in the National Office direct the intelligence function for Combating Terrorism, who should be "dual-hatted" as the National Intelligence Officer (NIO) for Combating Terrorism at the National Intelligence Council. That Assistant Director/NIO and staff would be responsible for compiling terrorism intelligence products from the various agencies, for providing national-level threat assessments for inclusion in the national strategy, and for producing composite or "fused" products for dissemination to designated Federal, State, and local entities, as appropriate. That person will serve as focal point for developing policy for combating terrorism intelligence matters, keeping the policymaking and operational aspects of intelligence collection and analysis separate. The Assistant Director will also be the logical interface with the intelligence oversight committees of

the Congress. It is, in our view, important to have a senior-level position created for this purpose. To assist in this intelligence function, we also recommended the establishment of a "Council to Coordinate Intelligence for Combating Terrorism," to provide strategic direction for intelligence collection and analysis, as well as a clearance mechanism for product dissemination and other related activities. It should consist of the heads of the various Intelligence Community entities and State and local representatives who have been granted appropriate security clearance.

4. Plans Review. We recommended that the National Office for Combating Terrorism be given authority to review State and geographical area strategic plans, and at the request of State entities, review local plans or programs for combating terrorism, for consistency with the national strategy. That review will allow the National Office to identify gaps and deficiencies in Federal programs.

5. Proposals for Change. We recommended that the National Office for Combating Terrorism have authority to propose new Federal programs or changes to existing programs, including Federal statutory or regulatory authority.

6. Domestic Preparedness Programs. The National Office should direct the coordination of Federal programs designed to assist response entities at the local and State levels, especially in the areas of "crisis" and "consequence" planning, training, exercises, and equipment programs for combating terrorism. The national strategy that the National Office should develop—in coordination with State and local stakeholders—must provide strategic direction and priorities for programs and activities in each of these areas.

7. Health and Medical Programs. Much remains to be done in the coordination and enhancement of Federal health and medical programs for combating terrorism and for

coordination among public health officials, public and private hospitals, pre-hospital emergency medical service (EMS) entities, and the emergency management communities. The National Office should provide direction for the establishment of national education programs for the health and medical disciplines, for the development of national standards for health and medical response to terrorism, and for clarifying various legal and regulatory authority for health and medical response.

8. Research, Development, Test, and Evaluation (RDT&E), and National Standards. The National Office should have the responsibility for coordinating programs in these two areas. The national strategy should provide direction and priorities for RDT&E for combating terrorism. We believe that the Federal government has primary responsibility for combating terrorism RDT&E. Moreover, we have essentially no nationally recognized standards in such areas as personal protective equipment, detection equipment, and laboratory protocols and techniques.

9. Clearinghouse Function. We recommended that the National Office for Combating Terrorism serve as the information clearinghouse and central Federal point of contact for State and local entities. It is difficult for local jurisdictions and State agencies, even those with experience in complex Federal programs, to navigate the maze of the Federal structure. The National Office for Combating Terrorism should assume that role and serve as the "one-stop shop" for providing advice and assistance on Federal programs for training, planning, exercises, equipment, reporting, and other information of value to local and State entities.

Structure and Authority

1. Political Accountability and Responsibility. The person designated as the focal point for developing a national strategy and for coordinating Federal programs for combating terrorism must have political accountability and responsibility. That person should be vested with sufficient authority to accomplish the purposes for which the office is created and should be the senior point of contact of the Executive Branch with the Congress. For these reasons, we recommended that the President appoint and the Senate confirm the Director of the National Office for Combating Terrorism, who should serve in a "cabinet-level" position.

2. Program and Budget Authority. The National Office for Combating Terrorism should have sufficient budget authority and programmatic oversight to influence the resource allocation process and ensure program compatibility. That authority should include the responsibility to conduct a full review of Federal agency programs and budgets, to ensure compliance with the programmatic and funding priorities established in the approved national strategy, and to eliminate conflicts and unnecessary duplication among agencies. That authority should also include a structured certification/decertification process to formally "decertify" all or part of an agency's budget as noncompliant with the national strategy. A decertification would require the agency to revise its budget to make it compliant or, alternatively, to allow the agency head to appeal the decertification decision to the President. This limited authority would not give the Director of the National Office the power to "veto" all or part of any agency's budget, or the authority to redirect funds within an agency or among agencies

3. Multidisciplinary Staffing. The National Office for Combating Terrorism should have full-time multidisciplinary expertise, with representation from each of the Federal agencies with responsibilities for combating terrorism, and with resident State and local expertise. For programs with a domestic focus, the National Office for Combating Terrorism must have sufficient resources to employ persons with State and local expertise and from each of the response disciplines.

4. No Operational Control. While the National Office for Combating Terrorism should be vested with specific program coordination and budget authority, it is not our intention that it have "operational" control over various Federal agency activities. We recommended that the National Office for Combating Terrorism not be "in charge" of response operations in the event of a terrorist attack. The National Office should provide a coordinating function and disseminate intelligence and other critical information. Mr. Chairman, I should note at this point that the word "czar" is inappropriate to describe this office. The Director of this office should not be empowered to order any Federal agency to undertake any specific activity. With few exceptions, we recommended that existing programs remain in the agencies in which they currently reside. One notable exception will be the functions of the National Domestic Preparedness Office (NDPO), currently housed in the Federal Bureau of Investigation. The new office should subsume all of the *intended* functions of the NDPO—coordination, information clearinghouse, advice and assistance to State and local entities. The National Office for Combating Terrorism should also assume many of the interagency coordination functions currently managed by the National Security Council office of the National Coordinator for Security, Counter-terrorism, and Infrastructure Protection. For example, the responsibility for coordination

of certain functions related to combating terrorism—Assistance to State and Local Authorities, Research and Development, Contingency Planning and Exercises, and Legislative and Legal Issues, among others—will devolve to the National Office for Combating Terrorism. We also recommended that the National Office for Combating Terrorism absorb certain entities as adjuncts to its office, such as the Interagency Board for Equipment Standardization and InterOperability.

5. Advisory Board for Domestic Programs. To assist in providing broad strategic guidance and to serve as part of the approval process for the domestic portion of strategy, plans, and programs of the National Office for Combating Terrorism, we recommended the establishment of a national "Advisory Board for Domestic Programs." That Board should include one or more sitting State governors, mayors of several U.S. cities, the heads of several major professional organizations, and a few nationally recognized terrorism subject matter experts, as well as senior officials from relevant Federal agencies. The President and the Congress should each appoint members to this board.

A National Strategy for Combating Terrorism

Mr. Chairman and Members, the Advisory Panel believes that a truly comprehensive national strategy will contain a high-level statement of national objectives coupled logically to a statement of the means to be used to achieve these objectives. Currently, there is no overarching statement of what the United States is trying to achieve with its program to combat terrorism. Goals must be expressed in terms of results, not process. Government officials have, in the past, spoken of terrorism preparedness goals in terms of program execution. A comprehensive national strategy will answer the more

fundamental and important question: To what end are these programs being implemented?

Instead of a national strategy, the nation has had a loosely coupled set of plans and specific programs that aim, individually, to achieve certain particular preparedness objectives. Senior U.S. officials have previously stated that several official broad policy and planning documents that were published in the prior administration—Presidential Decision Directives 39 and 62, the Attorney General's 1999 Five-Year Interagency Counterterrorism and Technology Crime Plan, and the most recent Annual Report to Congress on Combating Terrorism[1]—taken as a whole, constitute a national strategy. These documents describe plans, the compilation of various programs already under way, and some objectives; but they do not either individually or collectively constitute a national strategy.

Although Executive Branch agencies are administering programs assigned to them in the various pieces of legislation, the Executive Branch, under the former administration, did not articulate a broad national strategy that would synchronize the existing programs or identify future program priorities needed to achieve national objectives for domestic preparedness for terrorism. Moreover, it is our view that, given the structure of our national government, only the Executive Branch can produce such a national strategy.

As a result, we recommended that the incoming Administration begin the process of developing a national strategy by a thoughtful articulation of national goals for combating terrorism, focusing on results rather than process. The structure and specifics of the

national program should derive logically and transparently from the goals, not the other way around.

Basic Assumptions

The Advisory Panel agreed on several basic assumptions to guide its approach to strategy development. First, "local" response entities—law enforcement, fire service, emergency medical technicians, hospital emergency personnel, public health officials, and emergency managers—will *always* be the "first" and conceivably only response.

Second, in the event of a *major* terrorist attack, however defined—number of fatalities or total casualties, the point at which local and State capabilities are overwhelmed, or some other measure—no single jurisdiction is likely to be capable of responding to such an attack without outside assistance. That assumption is critical to understanding the need for mutual aid agreements and coordinated operations.

Third—and perhaps most important—there are existing emergency response and management capabilities, developed over many years, for responses to natural disasters, disease outbreaks, and accidents. Those capabilities can and should be used as a base for enhancing our domestic capability for response to a terrorist attack. We can strengthen existing capabilities without buying duplicative, cost-prohibitive new capabilities exclusively dedicated to terrorism.

Major Elements of the National Strategy

The national strategy should be geographically and functionally comprehensive. It should address both international and domestic terrorism. The distinction between terrorism outside the borders of the United States and terrorist threats domestically is

[1] The Office of Management and Budget, *Annual Report to Congress on Combating Terrorism, Including Defense against Weapons of Mass Destruction/Domestic Preparedness and Critical Infrastructure*

eroding. International terrorism crosses borders easily and may directly affect the American homeland. That was evident in the New York World Trade Center bombing in 1993, and more recently in the activities around the turn of the century. The terrorist bombings of the U.S. garrison at Khobar Towers, Saudi Arabia, the two U.S. embassies in East Africa, and the recent USS *Cole* incident, also illustrate the reach of terrorists against U.S. interests and the profound domestic implications they pose.

To be functionally comprehensive, the national strategy should address the full spectrum of the nation's efforts against terrorism: intelligence, deterrence, prevention, investigation, prosecution, preemption, crisis management, and consequence management. Our nation's highest goal must be the deterrence and prevention of terrorism. The United States cannot, however, prevent all terrorist attacks. When deterrence and prevention fail, the nation must respond effectively to terrorism, whether to resolve an ongoing incident, mitigate its consequences, identify the perpetrators, and prosecute or retaliate as appropriate. The national strategy should deal with all aspects of combating terrorism and must carefully weigh their relative importance for the purpose of allocating resources among them.

The national strategy should apply to the nation as a whole, not just the Federal Executive Branch. The Federal government should lead a strategic planning process that involves States and communities as essential and equal partners.

The national strategy must be appropriately resourced, by all levels of government, to provide a reasonable opportunity to achieve its successful implementation. At the Federal level, that will require a closer relationship between the

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Protection, May 18, 2000.

Executive and Legislative Branches. Nationally, that will require better coordination with State and local governments.

Articulating the End State: National Goals

The first step in developing a coherent national strategy is for the Executive Branch to define some meaningful, measurable expression of what it is trying to achieve in combating terrorism. The Federal government's goals have previously been expressed primarily in terms of program execution. Administrative measurements alone do not foster effective management of a national program.

The national strategy must express preparedness goals in terms of an "end state" toward which the program strives. Since there exists no ready-made measurement of a country's preparedness for terrorism, especially domestically, the Executive Branch must develop objective measurements for its program to combat terrorism, to track its progress, to determine priorities and appropriate funding levels, and to know when the desired "end state" has been achieved.

The nation's strategy for combating terrorism requires results-based goals for three reasons. First, the programs need an end-state goal. Elected and appointed officials from Federal, State, and local governments must be able to allocate resources to specific geographic regions according to requirements of that region. Resources should be allocated to achieve that broadest application for all emergency and disaster needs, consistent with preparedness goals. That approach is fundamental to the principles of building on existing systems and to achieving the maximum possible multipurpose capability.

Second, programs for combating terrorism need accountability. Legislators and public officials, especially elected ones, must have some reliable, systematic way of assessing the extent to which their efforts and taxpayers' money are producing effective results. The performance and results of programs for combating terrorism are currently assessed almost solely according to anecdote. The only concrete measure available at the moment is the dispersal of Federal funds—a process measurement that does not achieve effective strategic management.

Third, programs for combating terrorism need clear priorities. It is impossible to set priorities without first defining results-based objectives. The essence of any coherent strategy is a clear statement of priorities that can be translated into specific policy and programmatic initiatives. Priorities are the transmission mechanism that connects ends to means.

Fostering the Means of Strategy: Program Structure and Priorities

Setting priorities is essential in any strategy, but priorities require clear, results-based objectives. With some meaningful sense of objectives, it will be possible to develop coherent priorities and an appropriate set of policy prescriptions. For instance, should the nation seek a different level of preparedness for large urban centers than for rural areas? What should be the relative importance of preparing for conventional terrorism, radiological incidents, chemical weapons, biological weapons, or cyber attacks? Should the nation seek to improve its preparedness more against the types of attacks that are most likely to occur, such as conventional terrorist bombings or the use of industrial chemicals, or for those that are most damaging but less likely to occur, such as nuclear weapons or military-grade chemical or biological weapons? With respect to

biological weapons, which pathogens deserve priority? Should the emphasis be on small-scale contamination attacks as opposed to large-scale aerosol releases of the worst pathogen types, such as anthrax, plague, and smallpox? What is the relative priority for allocating resources to protect critical infrastructure, especially from cyber attacks?

The answers to these and other questions have important implications for the allocation of resources for training, equipment acquisition, exercises, research and development, pharmaceutical stockpiles, vaccination programs, and response plans. A coherent national strategy would provide clarity to the allocation of resources across the full range of possible activities to combat terrorism. To date, these critical resource allocation decisions have been made in an ad hoc manner and without reference to meaningful national goals.

We cannot stress strongly enough that the strategy must be truly national in character—not just Federal. The approach to the *domestic* part of the national strategy should, therefore, be "bottom up," developed in close coordination with local, State, and other Federal entities.

Mr. Chairman, for those and other reasons, we believe that it is time to craft a national strategy for combating terrorism to guide our efforts—one that will give our citizens a level of assurance that we have a good plan for dealing with the issue; one that will provide State and local governments with some direction that will help them make decisions that will contribute to the overall national effort; one that will let our potential adversaries know, in no uncertain terms, how serious we are.

Analysis of the Three Bills

Mr. Chairmen, I will now attempt to answer collectively your second and third issues, as the apply to each of the measures under consideration:

> *How each bill might produce a more effective and efficient organization of the federal government to counter terrorism; and which specific provisions of each bill could be used to enhance the others.*

If I may, let me address them in a little different order than the sequence in which each was introduced. In order to provide some structure to this analysis, I will direct my critique of each measure to those specific elements that the Advisory Panel determined were essential for any structure and process at the federal level. At the end of my statement, I have appended a matrix that synopsizes this analysis.

H.R. 1292, Homeland Security Strategy Act of 2001 (Congressman Ike Skelton)

Responsibilities

1. National Strategy. The heart of Mr. Skelton's bill is clearly, of course, the development of a national strategy. Therefore, we certainly commend that measure as being a major step forward. The bill correctly notes the absence of such a strategy, and the need for a fully-integrated approach—Federal, State, and local—in developing one. We likewise applaud the recognition in the bill of the need for the "comprehensive threat and risk assessment with respect to homeland security" (Sec. 3(c). The Advisory Panel has stated emphatically and from the beginning of its deliberations that comprehensive, articulate, continuing assessments of the threats are essential prerequisites to everything else that is done. The bill does, however, differ in two significant ways from our recommendations. First, it addresses all issues of "homeland security" including both terrorism and threats from foreign nation military forces. The second way that it differs from our approach to combating terrorism is

that it would only deal with domestic attacks—i.e., those inside the United States. We believe that any strategy dealing with terrorism must include domestic and international aspects.

2. Program and Budget. It is not clear to what extent this bill addresses the responsibilities for program and budget oversight, at least not within a single coordination entity. Although it requires the appointment by the President of a single official "responsible for. . . homeland security" (Sec. 4(b)), it appears to leave all budget functions in OMB (Sec. 4(d)).
3. Intelligence Coordination and Analysis. We applaud the emphasis in the sponsor's bill on intelligence collection and dissemination, including improvements in procedures for information sharing to State and local governments. We believe that improvements in those processes are critical.
4. Plans Review. Not specifically addressed.
5. Proposals for Change. Not specifically addressed.
6. Research, Development, Test, and Evaluation and National Standards. While there appears to be no direct reference to the RDT&E function or to the development of national standards, it is reasonable to assume that the bill's sponsor intends those issues to be addressed in the strategy itself (Sec. 3(b)), and in connection with the various agency responsibilities for implementing the strategy (Sec. 4). Nevertheless, we felt that the issues involving RDT&E and standards are so important, that those areas should be addressed directly.
7. Clearinghouse Functions. Not specifically addressed.

<u>Structure</u>

1. Political Accountability and Responsibility. Although it requires the appointment by the President of a single official "responsible for. . . homeland security (Sec. 4(b)), it does not appear that the position requires Senate confirmation. The Advisory Panel believes that it is important that person with responsibilities of this magnitude should serve at the "cabinet level." Moreover, since this person will inevitably become the focal point for dealing with the Congress on the issues, he or she should be subject to the ordinary confirmation process.
2. Program and Budget Authority. We have articulated in our report the reasons we believe it essential that the Executive Branch senior person have some limited but direct program and budget authority. This bill apparently envisions the normal OMB process. That may work, but it will, in our view, make it more difficult for the "Responsible Official" to carry out the assigned duties.
3. Multidisciplinary Staffing. Not specifically addressed.
4. No Operational Control. It is unclear the extent to which the bill anticipates the "Responsible Official" having operational responsibilities before, during, or after an attack. It is our view that sufficient operational authorities and experience already exist for the various agencies of government, at all levels, to execute activities to deter, protect, and respond. What is needed is a comprehensive national strategy and better coordination. Our proposal does not include operational responsibilities in the National Office for Combating Terrorism.
5. Advisory Boards. This bill does not specifically address advisory boards. We believe that, in certain functions—especially intelligence, domestic programs (such as training and exercises), and health and medical issues—that advisory panels can add

significant value to the development of strategies, including especially those composed of State, local, and private sector representatives.

H.R. 525, Preparedness Against Domestic Terrorism Act of 2001 (Congressman Wayne Gilchrest)

Responsibilities

1. National Strategy. The bill fully recognizes—as it should—the need for the development of a national strategy. We likewise applaud the recognition in the bill of the need for the strategic plan to be based on comprehensive assessments of terrorist threats (new 42 U.S.C. Sec 653 (bill Sec. 9). Unlike our proposal, however, this bill would only address "domestic" elements and functions for combating terrorism. We strongly believe that the domestic and international aspects of terrorism are so interdependent that any strategy should focus on the full range of deterrence, prevention, preparedness, and response, both foreign and domestic.
2. Program and Budget. This bill has very clear provisions for the oversight by the Council and other mechanism for program and budget oversight and coordination.
3. Intelligence Coordination and Analysis. We applaud the emphasis in the sponsor's bill on intelligence collection and dissemination, including improvements in procedures for information sharing to State and local governments. We believe that improvements in those processes are critical.
4. Plans Review. Although not specifically addressed, we assume that the review of state and local plans could be accomplished through the coordination mechanisms established under new Sec. 653.
5. Proposals for Change. Not specifically addressed.

6. Research, Development, Test, and Evaluation and National Standards. While there appears to be no direct reference to the RDT&E function or to the development of national standards, it is reasonable to assume that the bill's sponsor intends those issues to be addressed in the responsibilities of the Council outlined in new Sec. 652. Nevertheless, we felt that the issues involving RDT&E and standards are so important, that those areas should be addressed directly.

7. Clearinghouse Functions. Clearly covered in the functions under new Sec. 652.

Structure

1. Political Accountability and Responsibility. The bill requires the appointment of an "Executive Chairman" of the Council, subject to Senate confirmation. As previously noted, the Advisory Panel believes that it is important that person with responsibilities of this magnitude should serve at the "cabinet level." Moreover, since this person will inevitably become the focal point for dealing with the Congress on the issues, he or she should be subject to the ordinary confirmation process. This bill appears to accomplish that essential purpose.

2. Program and Budget Authority. We have articulated in our report the reasons we believe it essential that the Executive Branch senior person have some limited but direct program and budget authority. This bill requires agencies to submit budget information to the Council; for Council to make comment on those recommendations to the Director of OMB; and for OMB to "consider" the Council's comments. That may work, but without some specific budget authority it will, in our view, make it more difficult for the Council to carry out the assigned duties.

3. Multidisciplinary Staffing. The bill envisions staffing from other Federal agencies and provides authority to hire state and local expertise.
4. No Operational Control. The bill apparently does not anticipates the Council having operational responsibilities before, during, or after an attack.
5. Advisory Boards. We note with approval that this bill specifically addresses the use of advisory boards. As noted earlier, we believe that, in certain functions that advisory panels can add significant value to the development of strategies, including especially those composed of State, local, and private sector representatives.

H.R. 1158, National Homeland Security Agency Act (Congressman Mac Thornberry)

Responsibilities

1. National Strategy. The bill fully recognizes that a "comprehensive strategy" is needed, but does not articulate the essential elements of that strategy, nor who or what agency or entity has the responsibility for developing the strategy.
2. Program and Budget. Other than the planning, programming and budgeting responsibilities for the new Agency (Sec. 8), and the requirement to provide "overall planning guidance to executive agencies regarding. . . homeland security (Sec. 3(c)(3)), there is no indication that there is any program or budget oversight or coordination with other Federal agencies.
3. Intelligence Coordination and Analysis. We applaud the emphasis in the sponsor's bill on intelligence and information sharing but note that it only applies to U.S. and international intelligence agencies (Sec. 7). As noted in our report, we believe it is

essential to share such information with designated, and appropriately cleared, State and local officials.

4. Plans Review. There is only passing reference to working with State and local entities (Sec. 3(c)(2)). We are convinced, for reasons stated in our recommendations above, that very close and direct relationships must be established with state and local governments.
5. Proposals for Change. Covered in detail in Sec. 6.
6. Research, Development, Test, and Evaluation and National Standards. Apparently the bill only addresses the Agency's own RDT&E (Sec 6(b)). Standards are addressed only in the context of cyber security (Sec. 5(a)(2)(E)), and "international standards for enhanced security in transportation nodes" (Sec. 5(a)(1)(C).
7. Clearinghouse Functions. Not specifically addressed.

Structure

1. Political Accountability and Responsibility. Mr. Chairmen, this bill requires that the head of the new Agency serve at the "cabinet level"— appointed by the President with Senate confirmation. While on the surface, that meets one of the specific attributes that our Advisory Panel has identified, it does not, in our view, address the requirement to develop a national strategy (Federal, State, and local) and to have the requisite authority to provide coordination of programs and budget throughout the Federal government, in close coordination with State and local entities. As discussed in the following section, this proposal is, in our view, essentially only a "Federal"-level solution, and indeed not the entire solution at the Federal level.

2. Program and Budget Authority. We have articulated in our report the reasons we believe it essential that the Executive Branch senior person have some limited but direct program and budget authority over *all* affected executive agencies. The Gilmore Panel looked hard at several models, one of which was an embellished FEMA (in fact, we considered recommending FEMA as an 11th Cabinet Department), which, at the end of the day, we rejected.

We came to the conclusion that, given the wide-range of capabilities that must be included in the totality of thwarting and responding to terrrorism---"horizontally" across all the Federal departments and agencies, as well as "vertically" with the state and local levels— we did not think it either necessary or appropriate for any organization to abrogate its responsibilities. Furthermore, even if a "Homeland Security Agency" were established, it would still be in the awkward position of policing those other cabinet-rank departments which have responsibilities for combating terrorism. The approach in the Thornberry bill (HR 1158) is limited to certain "planning guidance" for other entities outside the new Agency, and essentially no budget input beyond its own Agency requirements. If this approach is designed to bring coherence and structure to the entire Federal government, we suggest that it falls significantly short of that goal. The bill would:

- Transfer the U.S. Customs Service, U.S. Coast Guard, and U.S. Border Patrol to the new "Homeland Security Agency," using the existing Federal Emergency Management Agency as the foundation. As a preliminary matter, each of the agencies to be transferred have significant

missions—which they conduct effectively every day—which have little or nothing to do with the apparent intent of the instant legislation.

- Transfer certain other subagency entities—such as the Critical Infrastructure Assurance Office (CIAO), the National Domestic Preparedness Office (NDPO), and the National Infrastructure Protection Center (NIPC)—to the new agency.

Mr. Chairmen, even if that approach were sound, it would leave out of this new Agency several of the most important players in homeland security, most notably the Federal Bureau of Investigation. More important, such drastic measures are, in our view, not necessary. We firmly believe that existing agencies and entities—Federal, State, and local—possess essential authority and expertise to conduct the operations and activities required to defend our homeland. What are missing are the vision, the strategy, the leadership, and the coordination, to bring all of those disparate pieces together when the situation requires. Fortunately, that requirement does not occur on a regular basis. There is, in our view, no requirement, therefore, to restructure our government in such an extreme fashion, with potentially far-reaching and unintended consequences.

3. Multidisciplinary Staffing. The new Agency would not, apparently, have the authority for staffing from all of the agencies potentially affected by the activities contemplated in this bill.
4. No Operational Control. While it appears that the new Agency would have significant operational assets of its own, there is little if any provision for the

incorporation of other operational assets. The strategy and plan for the incorporation of all affected entities—Federal, State, and local—is missing from this approach.

5. Advisory Boards. Not addressed.

Summary

Mr. Chairman and Members of the subcommittee, the members of the Advisory Panel to Assess Domestic Response Capabilities for Terrorism Involving Weapons of Mass Destruction are convinced that essence of two recommendations are essential to the national effort to combat terrorism: the promulgation of a truly national strategy, and the appointment of a senior person at the Federal level who has the responsibility—importantly, who can be *seen* as having the responsibility—for coordinating, not controlling our national efforts—Federal, State, and local.

We believe that can be accomplished without major upheavals in our governmental structures or in our uniquely American way of life. Although the Advisory Panel on which I serve has its own views about how that should be done, each of the proposals before you, and perhaps others yet to be introduced, contributes immeasurably to the public debate, and should be seriously considered in the search for the best solution.

This is not a partisan political issue. It is one that goes to the very heart of public safety and the American way of life. We have members on our panel who identify with each of the major national political parties, and represent views across the entire political spectrum. We urge Members on both sides of the aisle, in both Houses of the Congress,

to work with the Executive Branch to bring some order to this process and to provide some national leadership and direction to address this critical issue.

Thank you again for this opportunity.

COMPARISON OF HR 1292, HR 525, AND HR 1158 WITH RECOMMENDATIONS OF THE ADVISORY PANEL TO ASSESS DOMESTIC RESPONSIBILITIES FOR TERRORISM INVOLVING WEAPONS OF MASS DESTRUCTION ("Gilmore Commission)

	HR 1292	HR525	HR1158	Gilmore	Comments/Issues
National Strategy	X-[1]	X-[2]	X-[3]	X+[4]	1. Covers terrorism and nation-state. Domestic Only. 2. Domestic terrorism only; not international 3. Recognizes need, but does not place responsibility/identify essential elements 4. Comprehensive; domestic and international; full range of threats
Program Oversight	X[5]	X	X-[6]	X+	5. Single person "responsible;" no definition of duties 6. Only internal. "Planning guidance" to other agencies. Unnecessarily moves some (USCS, USCG, USBP) but not all related agencies (e.g., FBI) to new structure.
Budget Authority		X-		X+[7]	7. Full budget certification/decertification authority
Political Accountability	X-	X	X(-)[8]	X	8. Cabinet-level but only for limited agency assets
Intelligence Functions	X+	X+	X	X+	
Plans Review				X	Entity must have authority and process for reviewing State and local plans for integrated response
RDT&E/Standards				X	Direct oversight of RDT&E and standards are required
Clearinghouse		X+		X+	"One-stop shop" is need for all Federal, State, and local agencies
Multidisciplinary Staffing		X		X	All Federal agencies, plus State and local disciplines, must be represented
Advisory Boards		X		X+	Advisory boards for State and local input and for intelligence coordination are essential
Senior Official Location	**Unknown**	**Executive Office of the President**	**Homeland Security Agency** (Enhanced FEMA)	**Executive Office of the President**	Senior official needs to be independent of single agency "turf" and parochialism, and have broad, unbiased view of all related programs. Official seen as having too much law enforcement focus may impede cooperation and coordination
Operational Control (Y/N)	**Unknown**	**No**	**Yes-**[9]	**No**	9. Only direct control of those subagencies within its structure. Does not have broad operational control over other agencies.

24 April 2001

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OPENING STATEMENT-REP WM Lacy Clay
Hearing on the Subcommittee on National Security,
Veterans Affairs and International Relations

THANK YOU MR. CHAIRMAN. I WELCOME THE OPPORTUNITY TO MEET WITH THE COMMITTEE TODAY. I ALSO WELCOME THE OPPORTUNITY TO MEET WITH MY FELLOW MEMBERS OF CONGRESS FROM THE TRANSPORTATION SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS, AND EMERGENCY MANAGEMENT. I LOOK FORWARD TO EXAMINING THE ISSUES SURROUNDING THE "COMBATING OF TERRORISM AND OPTIONS TO IMPROVE THE FEDERAL RESPONSE".

AS YOU KNOW, THE SECURITY OF THE UNITED STATES HOMELAND FROM NONTRADITIONAL AND EMERGING THREATS MUST BE A PRIMARY NATIONAL SECURITY MISSION OF THE UNITED STATES GOVERNMENT. DURING THE NEXT QUARTER OF A CENTURY, ATTACKS AGAINST UNITED STATES CITIZENS ON UNITED STATES SOIL, RESULTING IN HEAVY CASUALTIES, ARE LIKELY. THESE ATTACKS MAY INVOLVE BOTH WEAPONS OF MASS DESTRUCTION AND MASS DISRUPTION. DESPITE THE THREAT TO HOMELAND SECURITY, WE, AS A GOVERNMENT, HAVE NOT YET ADOPTED

HOMELAND SECURITY AS A PRIMARY NATIONAL SECURITY MISSION. THIS IS AN IMMEDIATE PRIORITY,

WE DO NOT CURRENTLY HAVE AN ADEQUATE STRATEGIC SENSE OF THE UNCONVENTIONAL THREATS TO THE COUNTRY. FUTURE ADVERSARIES ARE UNLIKELY TO RISK HEAD-TO-HEAD CONFRONTATIONS WITH THE UNITED STATES DUE TO OUR CONVENTIONAL MILITARY SUPERIORITY. THEY WILL SEEK TO EXPLOIT WEAKNESSES IN OUR PREPAREDNESS AND STRATEGIES. THESE UNCONVENTIONAL THREATS MUST BE MET WITH METHODS THAT ARE OTHER THAN CONVENTIONAL. ALTERNATIVE STRATEGIES MUST BE DEVELOPED AND IMPLEMENTED IMMEDIATELY.

EXPERT WITNESSES HAVE EXPRESSED THE VIEW THAT THE CURRENT U.S. GOVERNMENT ORGANIZATION TO COUNTER TERRORISM IS FLAWED. THEY HAVE ALSO STATED THAT THE ANALYSIS OF THE THREAT FROM TERRORISM LACKS COORDINATION AS WE HAVE OVER 40 DIFFERENT ORGANIZATIONS INVOLVED IN ASSESSMENT OF NATIONAL SECURITY THREATS.

IT IS FOR THESE REASONS THAT WE HAVE THIS HEARING TODAY. WE HAVE THREE (3) BILLS – H.R. 525, H.R. 1158, AND H.R. 1292 – THAT ATTEMPT TO

CHANGE THE OVERALL LEADERSHIP AND MANAGEMENT OF PROGRAMS TO COMBAT TERRORISM. NONE OF THE BILLS INDIVIDUALLY WILL BE A STOPGAP MEASURE THAT CURES THE PROBLEMS BUT, COLLECTIVELY, THEY ADDRESS SOME KEY ACTIONS NEEDED TO COMBAT TERRORISM.

IT IS NOW THAT WE MUST ARTICULATE AND DEVELOP A STRATEGY AND POLICIES TO COORDINATE ALL OF OUR COUNTER-TERRORISM EFFORTS SO THAT WE ARE SUCCESSFUL IN THIS REGARD. WE MUST NOT BE FRAGMENTED IN ANY WAY IN OUR APPROACH TO HANDLING THIS ENDEAVOR.

THANK YOU MR. CHAIRMAN.

COMBATING TERRORISM: OPTIONS TO IMPROVE THE FEDERAL RESPONSE

Testimony to the
U.S. House Committee on Transportation and Infrastructure
Subcommittee on Economic Development, Public Buildings, and Emergency Management
and the
U.S. House Committee on Government Reform
Subcommittee on National Security, Veterans Affairs, and International Relations

April 24, 2001

Frank J. Cilluffo
Chairman, Committee on Combating Chemical, Biological, Radiological and Nuclear Terrorism,
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Chairman Shays, Chairman LaTourette, distinguished committee members, the legislative proposals and the recent hearings held on the subject, including today's, clearly demonstrate that issues surrounding terrorism and homeland defense are receiving the attention that such problems demand. Congress has clearly realized that a vacuum exists and is taking steps to fill it.

I would especially like to commend Congressmen Gilchrest, Thornberry, and Skelton on their leadership on the issues of terrorism and homeland defense and for subjecting their legislative proposals to public examination and comment. We have before us a rare opportunity for cooperation, not just within Congress, but also with the Executive Branch, and we should take full advantage of it.

Cooperation with the executive is crucial to turn concepts into capabilities. We should work towards cooperation, not regulation – better to cooperate then to mandate. We should also keep in mind that the National Security Council is currently reviewing all of the Executive Orders and Presidential Decision Directives on related matters. Simultaneously, the Department of Defense is undergoing a thorough strategic review. Change is good, but not simply for change's sake. We must not rush to judgment, but instead identify specific problems, which then allow targeted solutions in our recalibrated policy.

The United States is now at a crossroads. While credit must be given where it is due, the time has come for cold-eyed assessment and evaluation, and the recognition that we do not presently have – but are in genuine need of – a comprehensive strategy for countering the threat of terrorism and the larger challenges of homeland defense. As things presently stand, however, there is neither assurance (via benchmarking) that we have a clear capital investment strategy nor a clearly defined end-state, let alone a clear sense of the requisite objectives to reach this goal.

The dimensions of the challenge are enormous. We all know that the United States has long served as a lightning rod for terrorism abroad. Now we must emphasize that we must worry about the homeland as well. Moreover, while the likelihood of a major terrorist attack using chemical, biological, radiological, and nuclear (CBRN) weapons is low, the consequences are too high to ignore.

The threat of CBRN terrorism by states and non-state actors presents unprecedented planning challenges to American government and society. Notably, no single federal agency owns this strategic mission completely. Currently many agencies are acting independently in what needs to be a coherent response. Unfortunately, to date, the whole has been less than the sum of the parts.

In considering how best to proceed, we should not be afraid to wipe the slate clean and take a fresh look at the issue. We must ask ourselves: what has worked to date? What has

not worked? What are the gaps and shortfalls in our current policies, practices, procedures, and programs?

We need to be willing to press fundamental assumptions of our nation's security. Are our organizations and institutions adequate? We cannot afford to look at the world through the current alphabet soup of agencies and their respective "org" charts. Military superiority alone cannot ensure our safety. We need to broaden our concept of national security planning to include CBRN terrorism and develop and implement an effective, comprehensive national counterterrorism strategy. In their proposed legislation, Congressmen Gilchrest, Thornberry, and Skelton, have done just that.

These three bills, H.R. 1292, *Homeland Security Strategy Act of 2001,* H.R. 1158, *National Homeland Security Agency Act,* and H.R. 525 *Preparedness Against Domestic Terrorism Act of 2001,* propose methods of reorganizing the federal government so as to efficiently and effectively implement antiterrorism and counterterrorism measures. These three approaches provide several solutions and putting them front and center during a hearing clearly indicates a willingness to determine the best solution.

I offer these comments in the spirit of this hearing, namely, to determine the best course of action. For the past year, I have chaired the Committee on Combating CBRN Terrorism as part of the Homeland Defense Project at the Center for Strategic and International Studies. Of course, none of this is to say that we (CSIS) have all the answers, quite the opposite in fact. Indeed our recommendations represent just one possible course of action among many and it remains up to you – Congress – and the executive branch to decide jointly precisely which of these avenues, or combination thereof, should be pursued.

Strategy must be a precursor to budget. In short, our antiterrorism and counterterrorism capabilities and organizations must be strengthened, streamlined, and then synergized so that effective prevention will enhance domestic response preparedness and vice versa.

A comprehensive antiterrorism and counterterrorism strategy would incorporate a full spectrum of activities, from prevention and deterrence to retribution and prosecution to domestic response preparedness. All too often, these elements of strategy are treated in isolation. Such a strategy must incorporate both the marshaling of domestic resources and the engagement of international allies and assets. It requires monitoring and measuring the effectiveness ("benchmarking") of the many programs that implement this strategy so as to lead to common standards, practices, and procedures.

A complete CBRN counterterrorism strategy involves both (1) preventing an attack from occurring which includes deterrence, non-proliferation, counter-proliferation and preemption, and (2) preparing federal, state, local, private sector, and non-governmental capabilities to respond to an actual attack.

The *Homeland Security Strategy Act of 2001*, introduced by Rep. Skelton, requires the president to develop a comprehensive strategy for homeland security under which

federal, state, and local government organizations coordinate and cooperate to meet homeland security objectives. This course of action is likely to achieve full participation and support by various agencies of the executive branch in a comprehensive counterterrorism plan because the agencies would be involved in the formulation of the plan. This is critical, as executive branch agencies will take the lead in implementing any comprehensive counterterrorism strategy. Furthermore, the legislation provides for a threat assessment by the president to serve as the basis for the comprehensive strategy, and the legislation recognizes that having a projected multi-year budget is a critical component of the strategy.

The legislation might be improved by requiring a series of threat assessments and a sequence of reviews of the comprehensive strategy. The threat environment will likely evolve and change, thus requiring our comprehensive strategy to evolve and change in response. Furthermore, homeland defense is a problem that involves the Executive Branch but also incorporates state and local governments as well as the private sector. Any legislation should ensure that these actors are key players in the formulation of an effective counterterrorism strategy.

To focus the efforts of the various agencies with antiterrorism and counterterrorism responsibilities, we need a high-level official to serve as the focal point for our efforts to marry up three criteria: authority, accountability, and resources. We recommend establishing a Senate-confirmed position of Assistant to the President or Vice-President for Combating Terrorism. This position must be decoupled from the National Security Council.

The Assistant for Combating Terrorism would be responsible for issuing an annual national counterterrorism strategy and plan that would serve as the basis for recommendations regarding the overall level of counterterrorism spending as well as how that money should be allocated among the various departments and agencies of the federal government with counterterrorism responsibilities.

The Assistant would require limited direction over departments' and agencies' budgets in the form of certification and passback authority. In practice, this means that the Assistant would possess the authority to certify future-year plans, program budgets, and annual budgets. And, where budgetary requests fail to adhere to the President's overall policy and budgetary agenda, the requests would be passed back to departments and agencies for revision. Correlatively, we suggest that the Assistant be given authority to decrement up to ten percent of any "counterterrorism-support" program that does not meet the requirements of the nation's counterterrorism plan.

In conjunction with the above, each federal department and agency with a counterterrorism mission should develop five-year plans and long-term research, development, testing, and evaluation (RDT&E) plans. These would then be coordinated by the Assistant to the President or Vice-President, who should support a holistic effort to use technology to improve domestic response preparedness and tie RDT&E efforts to practical deployment plans.

The *National Homeland Security Agency Act*, introduced by Rep. Thornberry, provides for the creation of a National Homeland Security Agency. The director of this agency will be responsible for planning, coordinating, and integrating U.S. government activities related to homeland security and for working with state and local governments. This legislation stems in part from the findings of the Hart-Rudman Commission on U.S. National Security in the 21st Century, which recommended the creation of such an agency. Though this may be a wise course to pursue in the long-term, a determination can only be made after a careful review.

Presently, we require a workable, near-term solution. Establishing a single, unified agency requires both substantial support from the administration and time to initiate, establish, and make operational.

Currently, many agencies have a vested interest in combating terrorism, whether at home or abroad. All of these agencies have worked on solutions to their discrete problems. As a result, there are duplications and redundancies within the system that detract from streamlined efficiency.

But the various agencies have done good work in coming to grips with their particular problems and devising workable solutions. Arguably, the greatest breakdown does not occur at the operational level, but at the juncture where policy and operations meet. What is lacking is a clear method of integrating these various responses - getting everyone to pull in the same direction at the same time, if you will. We need to recognize the cross-cutting nature of the problem in order to move beyond our current, stove-piped conceptualization.

As the first step in this direction, the Federal Emergency Management Agency (FEMA) needs to be properly capitalized. As the lead agency for consequence management, FEMA has not been adequately resourced to accomplish its mission. FEMA still lacks the administrative apparatus, logistical tail, and personnel necessary to take a lead role in domestic terrorism response.

We need to empower FEMA, in part by building on its experience with natural disasters and its existing integration at the state and local levels. Further, FEMA should handle the consequence-management training mission. This mission currently falls within the Justice Department's bailiwick, but, in the event of an attack, FEMA would have to handle the consequence management. It only stands to reason that they be involved from the beginning.

The role of the Department of Defense (DoD) in domestic preparedness for terrorism involving CBRN weapons has been the subject of much debate. Only DoD possesses the resources necessary (including transportation assets, basic supplies, communications facilities, etc) to manage the consequences of a CBRN terrorist attack. But, a real fear remains about the infringement of civil liberties should DoD be designated as the lead agency. DoD should be restricted to supporting the lead federal agency in a domestic

crisis. In the event of a major terrorist attack on US soil, however, the President, and the President alone, will determine what is best for the country.

As with FEMA, the Department needs the resources to fulfill its responsibility. (If the President decides to turn to the cupboard, we most certainly do not want him to find that it is bare). I find it difficult to believe that, in a time of genuine crisis, the American people would take issue with what color uniform the men and women who are saving lives happen to be wearing. Even more starkly, the president should never be in the position of having to step up to the podium and say to the American people what he could have, should have, or would have done – but did not do because of this or that. Explaining to the American people the inside-the-beltway debates just will not stand up if such an event occurs.

Furthermore, in the *National Homeland Security Agency Act,* the proposed agency would have a Directorate for Critical Infrastructure Protection, which would combine the functions of such offices as the FBI's National Infrastructure Protection Center and the Commerce Department's Critical Infrastructure Assurance Office. Much of the nation's electronic infrastructure is owned and operated by the private sector; accordingly, effective critical infrastructure protection requires close public-private partnership. We should ensure that the private sector fully supports this organizational response with respect to critical infrastructure protection.

The *Preparedness Against Domestic Terrorism Act of 2001*, introduced by Rep. Gilchrest, is intended to coordinate and improve federal efforts to assist state and local emergency preparedness and response personnel in preparation for domestic terrorist attacks; to designate a lead entity to coordinate such federal efforts, and to update federal statutory authority to reflect the increased risk of terrorist attacks. More specifically, this bill creates a council known as the President's Council on Domestic Terrorism Preparedness.

This legislation might be improved by ensuring that it does not artificially divide international terrorism from domestic terrorism (i.e., steps taken to prevent and not just prepare for a terrorist attack). A complete CBRN counterterrorism strategy involves both preventing an attack from occurring, which includes deterrence, non-proliferation, counter-proliferation and preemption, and preparing federal, state, local, private sector, and non-governmental capabilities to respond to an actual attack.

On the international front, diplomacy is an essential first step in preventing terrorist attacks. For example, just last year, the Jordanian authorities saved American lives during the millennium celebrations by preventing planned terrorist attacks. This is a clear reminder that our antiterrorism and counterterrorism efforts must start abroad. Transnational problems must include transnational solutions.

The role of intelligence cannot be underestimated. Multi-disciplinary intelligence collection is crucial to provide indications and warning of a possible attack (including insights into the cultures and mindsets of terrorist organizations) and to illuminate key

vulnerabilities that can be exploited and leveraged to disrupt terrorist activities before they occur. Our first priority should always be to get there before the bomb goes off.

To date, signals intelligence has provided decision makers with the lion's share of operational counterterrorism intelligence. National technical means cannot be allowed to atrophy further. While a robust technical intelligence capability is crucial, our human intelligence capability must also be enhanced - especially against low-tech terrorists who are less susceptible to non-human forms of intelligence collection. In addition, we must enhance intelligence sharing between the public and private sectors.

No matter how robust our intelligence capabilities and efforts, intelligence will never be sufficient alone. We cannot prevent 100 percent of the damage 100 percent of the time. Emergency responders – those who will be first on the scene of a "no warning" event – are state and local (not federal) personnel, police, firefighters, and medics. Efforts to develop a unified and effective domestic response capability need to address the myriad state and local jurisdictions and their "crazy-quilt" of doctrine, legal authority, equipment, and training for emergency responders.

If a terrorist event occurs, time will be of the essence to turn victims into patients. For this reason, state and local governments must continue to develop and expand their capabilities to respond to a terrorist attack, and more resources must reach the state and local levels for management and execution. At the same time, however, limited resources dictate that there must be optimal transition from "ordinary" (e.g., heart attacks) to "extraordinary" events.

Currently, many regions may not be prepared for a CBRN terrorist attack. The perception remains that the probability of an attack in most areas (except for prominent targets such as New York City and Washington, D.C.) is so low, while the cost of training and equipping emergency responders is so high, that it does not make sense to devote significant resources to the problem. That mindset is wrong and it is dangerous. After all, who would have predicted Oklahoma City six years ago?

Not surprisingly then, federal, state, and local exercises have revealed serious deficiencies in preparedness, including severe lack of coordination. The value of training and exercising must not be underestimated. Hopefully, it will be the closest we get to the real thing. If not, it allows us to make the big mistakes on the practice field and not on Main Street, USA. We should expand training and exercising of state and local emergency responders, develop matrices for judging the effectiveness of training (no metric currently exists), and strive to make exercises more realistic, robust, and useful (e.g., increase the number of "no-notice" exercises).

More broadly, federal, state, and local governments must allocate between and among one another, responsibilities and resources for domestic preparedness. Equally, federal, state, and local governments must also make a concerted effort to ensure the harmonization and interoperability of equipment and incident command structures. We must, therefore, build bridges – not only between federal authorities and state and local

officials (what we have termed "the federal interface"), but also between federal entities, as well as from one state to another.

We must expand the national security policy planning table to include everyone whose voice must be heard. We currently have a series of "disconnects." Within the federal government alone, for instance, we have yet to develop (for counterterrorist purposes) smooth channels of inter-agency and intra-agency coordination and cooperation across and within federal agencies that have worked little together in the past (such as the intelligence community and the Departments of Defense, Justice, Health and Human Services, Agriculture, and Energy).

Further, our comprehensive national strategy must integrate the medical, public health, and human services communities into this counterterrorist effort, particularly considering the prominent role they would play in detection and containment of bioterrorism.

Since bioterrorism is primarily a medical/public health issue, effective organization and integration into any counterterrorism strategy of these communities is critical. The biomedical, public health, and human services communities are underequipped vis-à-vis a biological attack. The expertise of the commercial pharmaceutical and biotechnology sectors must also be integrated and leveraged into the effort.

First, we must capitalize the public health structure. Core public health functions (disease surveillance and laboratory capability) will form the foundation of detection, investigation, and response for bioterrorist threats.

Second, we must develop a national bioterrorism surveillance capacity. Surveillance is the touchstone of public health and organizes the other capacities within the public health sector. A national bioterrorism surveillance system should allow public health and emergency managers to monitor the general health status of their populations (human, livestock, and crops); track outbreaks; monitor health service utilization; and serve as an alerting vehicle for a bioterroist attack.

Third, we need to expand the provisions on biological terrorism in the Terrorism Annex of the Federal Response Plan. The current U.S. plan for an organized response must be updated to include preparedness for a biological attack, which presents a host of unique and complicated challenges and requires re-examining the lead agency roles and missions.

Everyone is here because they believe that something needs to be done, and done quickly. We have already taken the first few steps on our journey, but we need to have a clear roadmap to keep us from getting lost.

The sixth anniversary of the Oklahoma City bombing and the recent bombing of the USS *Cole* remind us that antiterrorism and counterterrorism must be a continued and sustained focus of our nation's security efforts. We have learned lessons about terrorism the hard way. The time has come to apply what we have learned.

If the president and Congress set their sights on the careful crafting and comprehensive implementation of a national counterterrorism strategy, it will happen. I am confident that President Bush and Vice President Cheney, in conjunction with the Congress, can and will rise to the challenge.

Thank you for giving me the opportunity to express my views and I look forward to your questions.

JERRY F. COSTELLO
12TH DISTRICT, ILLINOIS

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Congress of the United States
House of Representatives
Washington, DC 20515–1312

Democratic Ranking Member, Jerry F. Costello Subcommittee on Economic Development, Public Buildings and Emergency Management

Joint Hearing with Committee on Government Reform, Subcommittee on National Security, Veterans Affairs and International Relations

Hearing on Combating Terrorism: Options to Improve Federal Response

April 24, 2001

Chairman La Tourette, thank you for calling this important joint hearing to examine three legislative proposals to change the existing federal counter-terrorism effort. Before I go any further, I would like to welcome our colleagues, Subcommittee Chairman Shays, Ranking Democratic Committee Member Kucinich and all the

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Members of the Government Reform, Subcommittee on National Security, Veterans Affairs and International Relations and thank them for their participation in this joint hearing.

A number of government- sanctioned studies have concluded that the organization of the federal government to combat terrorism is fragmented, uncoordinated and unaccountable. During the 106th Congress, under the direction of then Chairman Fowler and Ranking Democratic Members Oberstar and Traficant, the Subcommittee that had jurisdiction over this issue held several hearings and came to the same conclusions. If we want to be prepared for a possible terrorist attack, we must have a meaningful national strategy with measurable objectives and priorities based on threat, risk and capability assessment. The strategy must designate specific roles

and responsibilities for Federal, State and local entities, and provide minimum standards for preparedness.

Over and over again, experts, state and local governments and other stakeholders told our Subcommittee that we need a national plan and strategy that will provide coordination and accountability. These are not difficult concepts. They make good old-fashioned common sense.

We owe it to our constituents and to our nation. We must work together to provide the citizens of this country with a national plan and comprehensive strategy to achieve preparedness against terrorism before it is too late.

I believe that H.R. 525, The Preparedness Against Terrorism Act of 2001 which will amend the Robert T

Stafford Act to update Title VI of the Act and to provide coordination for federal efforts with regard to preparedness against terrorist attacks in the United States will help us achieve this goal. I am a proud co-sponsor of this seriously needed legislation.

Today, we are here today to receive testimony from some of the authors of these proposals and some experts in the field. We all know that we need to make some major improvements to the federal response to terrorism and we need to address the situation now. I welcome the witnesses and look forward to hearing from them.

United States General Accounting Office

GAO

Testimony

Before the Subcommittee on Economic Development, Public Buildings, and Emergency Management, Committee on Transportation and Infrastructure, and the Subcommittee on National Security, Veterans Affairs, and International Relations, Committee on Government Reform, House of Representatives

For Release on Delivery
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COMBATING TERRORISM

Observations on Options to Improve the Federal Response

Statement of Raymond J. Decker, Director, Defense Capabilities and Management

GAO-01-660T

Messrs. Chairmen and Members of the Subcommittees:

We are pleased to be here to discuss three bills—H.R. 525, H.R. 1158, and H.R. 1292—to change the overall leadership and management of programs to combat terrorism. Federal efforts to combat terrorism are inherently difficult to lead and manage because the policy, strategy, programs, and activities cut across many agencies. Given that $11 billion will be spent during fiscal year 2001 and that more than 40 federal agencies are involved in this matter, we view this hearing as a positive step in the ongoing debate about the overall leadership and management of programs to combat terrorism.

We will also discuss additional related proposals from other congressional sources, such as Committee reports and commissions. One of these, the Hart-Rudman Commission, had a scope beyond terrorism, including the broader issue of homeland security.

Our testimony is based upon our extensive evaluations—many of them for your Subcommittees—of federal programs to combat terrorism.[1] Most of our experience is in evaluating programs to combat terrorism, and not the broader topic of homeland security. First, we will discuss the three bills and related proposals and how they are similar and different. Second, we will discuss key problems we have noted in federal programs to combat terrorism and how each of the bills might provide a solution to these problems. In the course of this discussion, we will highlight specific provisions of each bill that could enhance the others.

Summary

The three bills and related proposals vary in scope. H.R. 525 focuses on federal programs to prepare state and local governments for dealing with domestic terrorist attacks. Both H.R. 1158 and H.R. 1292 focus on the larger issue of homeland security, which includes terrorism and additional threats such as military attacks. Other proposals include both domestic and international terrorism and/or both crisis and consequence management.[2] The bills and related proposals are similar in that they all

[1] Our related reports and testimonies are listed in appendix I.

[2] Crisis management includes efforts to stop a terrorist attack, arrest terrorists, and gather evidence for criminal prosecution. Consequence management includes efforts to provide medical treatment and emergency services, evacuate people from dangerous areas, and restore government services.

advocate a single focal point for programs to combat terrorism. However, the bills and proposals vary in where they place the focal point. Some of them place the focal point in the Executive Office of the President and others place it with a Lead Executive Agency. Both locations have potential advantages and disadvantages.

Based upon the problems we have identified during 5 years of evaluations, we believe the following actions need to be taken: (1) create a single high-level federal focal point for policy and coordination, (2) develop a comprehensive threat and risk assessment, (3) develop a national strategy with a defined end state to measure progress against, (4) analyze and prioritize governmentwide programs and budgets to identify gaps and reduce duplication of effort, and (5) coordinate implementation among the different federal agencies. To the extent that these three bills—or some hybrid of them all—address these five actions, we believe that federal programs to combat terrorism will be improved.

Background

Three recent bills have been introduced to change the overall leadership and management of programs to combat terrorism and homeland security. On February 8, 2001, Representative Gilchrest introduced H.R. 525, the Preparedness Against Domestic Terrorism Act of 2001, which proposes establishing a President's Council on Domestic Terrorism Preparedness within the Executive Office of the President to address preparedness and consequence management issues. On March 21, 2001, Representative Thornberry introduced H.R. 1158, the National Homeland Security Act, which advocates the creation of a cabinet-level head within the proposed National Homeland Security Agency to lead homeland security activities. On March 29, 2001, Representative Skelton introduced H.R. 1292, the Homeland Security Strategy Act of 2001, which calls for the development of a homeland security strategy developed by a single official designated by the President.

Related proposals from congressional committee reports and congressionally chartered commissions provide additional, often complementary, options for structuring and managing federal efforts to combat terrorism. These include Senate Report 106-404 to Accompany H.R. 4690 on the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriation Bill 2001, submitted by Senator Gregg on September 8, 2000; the report by the Gilmore Panel (the Advisory Panel to Assess Domestic Response Capabilities for Terrorism Involving Weapons of Mass Destruction, chaired by Governor James S. Gilmore, III) dated December 15, 2000; and the report of the Hart-Rudman

Commission (the U.S. Commission on National Security/21st Century, chaired by Senators Gary Hart and Warren B. Rudman) dated January 31, 2001.[3] H.R. 1158 is based upon the report of the Hart-Rudman Commission.

Bills and Related Proposals Vary in Scope and the Location of Overall Leadership

The bills and related proposals vary in the scope of their coverage. H.R. 525 focuses on federal programs to prepare state and local governments for dealing with domestic terrorist attacks. Both H.R. 1158 and H.R. 1292 focus on the larger issue of homeland security that includes threats other than terrorism, such as military attacks. However, only H.R. 1292 includes a specific definition of homeland security. The Senate Report 106-404 proposal is limited to domestic terrorism preparedness, including programs for both crisis and consequence management. The Gilmore Panel report includes both international and domestic terrorism programs. The Hart-Rudman Commission report (like H.R. 1158) focuses on the larger issue of homeland security.

The bills and related proposals also vary in where they locate the focal point for overall leadership. Federal efforts to combat terrorism are inherently difficult to lead and manage because the policy, strategies, programs, and activities to combat terrorism cut across more than 40 agencies. The bills and related proposals would create a single focal point for programs to combat terrorism, and some would have the focal point perform many of the same functions. For example, some of the proposals would have the focal point lead efforts to develop a national strategy. The proposals (with one exception) would have the focal point appointed with the advice and consent of the Senate. The various bills and proposals differ in where they would locate the focal point for overall leadership and management. The two proposed locations for the focal point are in the Executive Office of the President or in a Lead Executive Agency.

Table 1 summarizes the various bills and proposals regarding the focal point for overall leadership, the scope of its activities, and its location.

[3] Another congressionally mandated commission, the National Commission on Terrorism chaired by Ambassador Paul Bremer, is not included in our analysis because it was primarily focused on international terrorism and did not address domestic terrorism or homeland security.

Table 1: Proposals to Create a Focal Point for Overall Leadership and Management of Programs to Combat Terrorism

Source of proposal	Focal point for overall leadership	Scope of responsibilities	Location of focal point
H.R. 525	President's Council on Domestic Terrorism Preparedness	Domestic terrorism preparedness	Executive Office of the President
H.R. 1158	Cabinet-level head of proposed National Homeland Security Agency	Homeland security (including domestic terrorism, maritime and border security, disaster relief and critical infrastructure activities)	Lead Executive Agency (National Homeland Security Agency)
H.R. 1292	Single official to be designated by the President	Homeland security (including antiterrorism and protection of territory and critical infrastructures from unconventional and conventional threats by military or other means)	To be determined based upon the President's designation
Senate Report 106-404	Deputy Attorney General for Combating Counterterrorism	Domestic terrorism preparedness (crisis and consequence management)	Lead Executive Agency (Department of Justice)
Gilmore Panel	National Office for Combating Terrorism	Domestic and international terrorism (crisis and consequence management)	Executive Office of the President
Hart-Rudman Commission	Cabinet-level head of proposed National Homeland Security Agency	Homeland security (including domestic terrorism, maritime and border security, disaster relief, and critical infrastructure activities)	Lead Executive Agency (National Homeland Security Agency)

Source: GAO analysis of various proposals.

Based upon our analysis of legislative proposals, various commission reports, and our ongoing discussions with agency officials, each of the two locations for the focal point—the Executive Office of the President or a Lead Executive Agency—has its potential advantages and disadvantages. An important advantage of placing the position with the Executive Office of the President is that the focal point would be positioned to rise above the particular interests of any one federal agency. Another advantage is that the focal point would be located close to the President to resolve cross agency disagreements. A disadvantage of such a focal point would be the potential to interfere with operations conducted by the respective executive agencies. Another potential disadvantage is that the focal point might hinder direct communications between the President and the cabinet officers in charge of the respective executive agencies.

Alternately, a focal point with a Lead Executive Agency could have the advantage of providing a clear and streamlined chain of command within an agency in matters of policy and operations. Under this arrangement, we believe that the Lead Executive Agency would have to be one with a dominant role in both policy and operations related to combating terrorism. Specific proposals have suggested that this agency could be

either the Department of Justice (per Senate Report 106-404) or an enhanced Federal Emergency Management Agency (per H.R. 1158 and its proposed National Homeland Security Agency). Another potential advantage is that the cabinet officer of the Lead Executive Agency might have better access to the President than a mid-level focal point with the Executive Office of the President. A disadvantage of the Lead Executive Agency approach is that the focal point—which would report to the cabinet head of the Lead Executive Agency—would lack autonomy. Further, a Lead Executive Agency would have other major missions and duties that might distract the focal point from combating terrorism. Also, other agencies may view the focal point's decisions and actions as parochial rather than in the collective best interest.

The Three Bills Would Address Some Key Actions Needed to Combat Terrorism

Based upon the problems we have identified during 5 years of GAO evaluations, we believe the following actions need to be taken: (1) create a single high-level federal focal point for policy and coordination, (2) develop a comprehensive threat and risk assessment, (3) develop a national strategy with a defined end state to measure progress against, (4) analyze and prioritize governmentwide programs and budgets to identify gaps and reduce duplication of effort, and (5) coordinate implementation among the different federal agencies. The three bills would collectively address many of these actions. We will now discuss each of these needed actions, executive branch attempts to complete them, and how the three bills would address them.

Need for a Single Focal Point

In our testimony last May, we reported that overall federal efforts to combat terrorism were fragmented.[4] To provide a focal point, the President appointed a National Coordinator for Security, Infrastructure Protection, and Counterterrorism at the National Security Council.[5] This position, however, has significant duties indirectly related to terrorism, including infrastructure protection and continuity of government operations. Notwithstanding the creation of this National Coordinator, it was the Attorney General who led interagency efforts to develop a

[4] *Combating Terrorism: Comments on Bill H.R. 4210 to Manage Selected Counterterrorist Programs* (GAO/T-NSIAD-00-172, May 4, 2000).

[5] In May 1998, the President established the Office of the National Coordinator for Security, Infrastructure Protection, and Counterterrorism within the National Security Council, which is tasked to oversee a broad variety of relevant policies and programs.

national strategy. Thus, at least two top officials are responsible for combating terrorism, and both of them have other significant duties.

- H.R. 525 would set up a single, high-level focal point in the President's Council on Domestic Terrorism Preparedness. In addition, H.R. 525 would require that the new Council's executive chairman—who would represent the President as chairman—be appointed with the advice and consent of the Senate. This last requirement would provide Congress with greater influence and raise the visibility of the office.

- H.R. 1158 would designate the Director of the proposed National Homeland Security Agency as the focal point for policy and coordination. As with H.R. 525, the appointment of the Director by the President and with the advice and consent of the Senate, provides Congress with greater influence and raises the visibility of the office.

- H.R. 1292 would require the President to designate a single official within the U.S. government to be responsible and accountable to the President concerning homeland security.

Need for a Threat and Risk Assessment

We testified in July 2000 that one step in developing sound programs to combat terrorism is to conduct a threat and risk assessment that can be used to develop a strategy and guide resource investments.[6] Based upon our recommendation, the executive branch has made progress in implementing our recommendations that threat and risk assessments be done to improve federal efforts to combat terrorism. However, we remain concerned that such assessments are not being coordinated across the federal government.

- H.R. 525 would require a threat, risk, and capability assessment that examines critical infrastructure vulnerabilities, evaluates federal and applicable state laws used to combat terrorist attacks, and evaluates available technology and practices for protecting critical infrastructure against terrorist attacks. This assessment would form the basis for the domestic terrorism preparedness plan and annual implementation strategy.

[6] *Combating Terrorism: Linking Threats to Strategies and Resources* (GAO/T-NSIAD-00-218, July 26, 2000).

- Although H.R. 1158 would not require the National Homeland Security Agency Director to conduct a threat and risk assessment, it directs this individual to establish and maintain strong mechanisms for sharing information and intelligence with U.S. and international intelligence entities. Information and intelligence sharing may help identify potential threats and risks against which the United States could direct resources and efforts.

- H.R. 1292 would require the President to conduct a comprehensive homeland security threat and risk assessment. This assessment would be the basis for a comprehensive national strategy.

Need for a National Strategy

In our testimony last July, we noted that the United States has no comprehensive national strategy that could be used to measure progress.[7] The Attorney General's Five-Year Plan[8] represents a substantial interagency effort to develop a federal strategy, but it lacks defined outcomes. The Department of Justice believes that their current plan has measurable outcomes about specific agency actions. However, in our view, the plan needs to go beyond this to define an end state. As we have previously testified, the national strategy should incorporate the chief tenets of the Government Performance and Results Act of 1993 (P.L. 130-62). The Results Act holds federal agencies accountable for achieving program results and requires federal agencies to clarify their missions, set program goals, and measure performance toward achieving these goals.[9]

- H.R. 525 would require the new council to publish a domestic terrorism preparedness plan with objectives and priorities; an implementation plan; a description of roles of federal, state, and local activities; and a defined end state with measurable standards for preparedness.

- H.R. 1158 would require the annual development of a federal response plan for homeland security and emergency preparedness and would

[7] *Combating Terrorism: Linking Threats to Strategies and Resources* (GAO/T-NSIAD-00-218, July 26, 2000).

[8] In December 1998, the Attorney General published the classified Five-Year Interagency Counterterrorism and Technology Crime Plan. An annual update on accomplishments is to be published.

[9] *Combating Terrorism: Comments on Counterterrorism Leadership and National Strategy* (GAO-01-555T, Mar. 27, 2001).

require the Director to provide overall planning and guidance to federal agencies concerning homeland security. The bill would require the Director to work with state and local governments, but it would not explicitly require that the plan include the roles of state and local governments.

- H.R. 1292 would require the President to develop a strategy and multiyear phased implementation plan and budget for antiterrorism and consequence management. The bill requires the inclusion of specific, measurable objectives based on findings identified in a threat and risk assessment. Furthermore, it requires the strategy to (1) define federal agencies' responsibilities; (2) permit the selective use of military personnel and assets without infringing on civil liberties; (3) provide for the use of intelligence assets and capabilities; and (4) augment existing medical response capabilities and equipment stockpiles at the federal, state, and local levels.

Need to Analyze and Prioritize Governmentwide Programs and Budgets

In our December 1997 report, we reported that there was no mechanism to centrally manage funding requirements and requests to ensure an efficient, focused governmentwide approach to combat terrorism.[10] Our work led to legislation that required the Office of Management and Budget to provide annual reports on governmentwide spending to combat terrorism.[11] These reports represent a significant step toward improved management by providing strategic oversight of the magnitude and direction of spending for these programs. Yet, we have not seen evidence that these reports have established priorities or identified duplication of effort.

- H.R. 525 would require the new council to develop and make budget recommendations for federal agencies and the Office of Management and Budget. The Office of Management and Budget would have to provide an explanation in cases where the new council's recommendations were not followed. The new council would also identify and eliminate duplication, fragmentation, and overlap in federal preparedness programs.

- H.R. 1158 would not explicitly require an analysis and prioritization of governmentwide budgets to identify gaps and reduce duplication of effort. Rather, it would require the Director to establish procedures to ensure

[10] *Combating Terrorism: Spending on Governmentwide Programs Requires Better Management and Coordination* (GAO/NSIAD-98-39, Dec. 1, 1997).

[11] National Defense Authorization Act for Fiscal Year 1998 (P.L. 105-85 section 1051).

that the planning, programming, budgeting, and financial activities of the National Homeland Security Agency use funds that are available for obligation for a limited number of years.

- H.R. 1292 would provide for the development of a comprehensive budget based on the homeland security strategy and would allow for the restructuring of appropriation accounts by the Director of the Office of Management and Budget as necessary to fulfill the organizational and operational changes needed to implement the national strategy.

Need to Coordinate Implementation

In our April 2000 testimony, we observed that federal programs addressing terrorism appear in many cases to be overlapping and uncoordinated.[12] To improve coordination, the executive branch created organizations like the National Domestic Preparedness Office and various interagency working groups. In addition, the annual updates to the Attorney General's Five-Year Plan now tracks individual agencies' accomplishments. Nevertheless, we have noted that the multitude of similar federal programs have led to confusion among the state and local first responders they are meant to serve.

- H.R. 525 would require the new council to coordinate and oversee the implementation of related programs by federal agencies in accordance with the proposed domestic terrorism preparedness plan. The new council would also make recommendations to the heads of federal agencies regarding their programs. Furthermore, the new council would provide notification to any department that it believes has not complied with its responsibilities under the plan.

- H.R. 1158 would require extensive coordination among federal agencies—especially those under the National Homeland Defense Agency—concerning their activities relating to homeland security. For instance, the bill would require the agency's Directorate of Critical Infrastructure Protection to coordinate efforts to address vulnerabilities in the U.S. critical infrastructure by working with other federal agencies to establish security policies, standards, and mechanisms and to share intelligence. Additionally, H.R. 1158 would instruct the Directorate for Emergency Preparedness and Response to coordinate activities among private sector

[12] *Combating Terrorism: Issues in Managing Counterterrorist Programs* (GAO/T-NSIAD-00-145, Apr. 6, 2000).

entities and federal agencies and the bill would delegate the coordination of all U.S. border security activities to the Directorate of Prevention.

- H.R. 1292 would require a national strategy to provide for the coordination of federal programs. For example the strategy would identify federal agencies and their respective roles and responsibilities for homeland security.

Conclusion

In our ongoing work, we have found that there is no consensus—in Congress, the Executive Branch, the various panels and commissions, and among organizations representing first responders—on the matters discussed in our testimony. Specifically, there is no consensus on the required scope of duties or the location for a single focal point. In addition, the three bills provide the focal point with different, but often similar, duties to improve the management of federal programs. To the extent that these three bills—or some hybrid of them all—address the problem areas we have identified above, we believe that federal programs to combat terrorism will be improved. Developing a consensus on these matters and providing the focal point with legitimacy and authority through legislation, is an important task that lies ahead. We believe that this hearing and the debate that it engenders, will help to reach that consensus.

This concludes our testimony. We would be happy to answer any questions you may have.

GAO Contacts and Staff Acknowledgment

For future questions about this testimony, please contact Raymond J. Decker, Director, Defense Capabilities and Management at (202) 512-6020. Individuals making key contributions to this statement include Stephen L. Caldwell and Krislin Nalwalk.

Appendix I: Related GAO Products

Combating Terrorism: Comments on Counterterrorism Leadership and National Strategy (GAO-01-556T, Mar. 27, 2001)

Combating Terrorism: FEMA Continues to Make Progress in Coordinating Preparedness and Response (GAO-01-15, Mar. 20, 2001).

Combating Terrorism: Federal Response Teams Provide Varied Capabilities; Opportunities Remain to Improve Coordination (GAO-01-14, Nov. 30, 2000).

Combating Terrorism: Linking Threats to Strategies and Resources (GAO/T-NSIAD-00-218, July 26, 2000).

Combating Terrorism: Comments on Bill H.R. 4210 to Manage Selected Counterterrorist Programs (GAO/T-NSIAD-00-172, May 4, 2000).

Combating Terrorism: How Five Foreign Countries Are Organized to Combat Terrorism (GAO/NSIAD-00-85, Apr. 7, 2000).

Combating Terrorism: Issues in Managing Counterterrorist Programs (GAO/T-NSIAD-00-145, Apr. 6, 2000).

Combating Terrorism: Need to Eliminate Duplicate Federal Weapons of Mass Destruction Training (GAO/NSIAD-00-64, Mar. 21, 2000).

Critical Infrastructure Protection: Comprehensive Strategy Can Draw on Year 2000 Experiences (GAO/AIMD-00-1, Oct. 1, 1999).

Combating Terrorism: Need for Comprehensive Threat and Risk Assessments of Chemical and Biological Attack (GAO/NSIAD-99-163, Sept. 7, 1999).

Combating Terrorism: Observations on Growth in Federal Programs (GAO/T-NSIAD-99-181, June 9, 1999).

Combating Terrorism: Issues to Be Resolved to Improve Counterterrorist Operations (GAO/NSIAD-99-135, May 13, 1999).

Combating Terrorism: Observations on Federal Spending to Combat Terrorism (GAO/T-NSIAD/GGD-99-107, Mar. 11, 1999).

Combating Terrorism: Opportunities to Improve Domestic Preparedness Program Focus and Efficiency (GAO/NSIAD-99-3, Nov. 12, 1998).

Combating Terrorism: Observations on Crosscutting Issues (GAO/T-NSIAD-98-164, Apr. 23, 1998).

Combating Terrorism: Threat and Risk Assessments Can Help Prioritize and Target Program Investments (GAO/NSIAD-98-74, Apr. 9, 1998).

Combating Terrorism: Spending on Governmentwide Programs Requires Better Management and Coordination (GAO/NSIAD-98-39, Dec. 1, 1997).

Combating Terrorism: Federal Agencies' Efforts to Implement National Policy and Strategy (GAO/NSIAD-97-254, Sept. 26, 1997).

Testimony on

Combating Terrorism: Options to Improve the Federal Response

[H.R. 525, H.R. 1158, and H.R. 1292]

for the

House Committee on Government Reform
Subcommittee on National Security, Veterans Affairs
and International Relations

and the

House Committee on Transportation and Infrastructure
Subcommittee on Economic Development, Public Buildings,
Hazardous Materials and Pipeline Transportation

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April 24, 2001

Congressional Research Service Washington, D.C. 20540-7000

Testimony on Combating Terrorism: Options to Improve the Federal Response [H.R. 525, H.R. 1158, and H.R. 1292]

General Comments

The governmental structures and procedures for combating terrorism have been a concern of the Congress for a number of years, and each of these three bills represents an attempt to improve national efforts in this area. (**Table 1** presents the basic facts.)[1] However, the proposals accomplish this in different ways. I have been asked to take two perspectives on these differences.

- First, by commenting on how each bill might produce a more effective and efficient organization of the federal government to counter terrorism.
- Second, by commenting on which specific provisions of each bill could be used to enhance the others.

At the outset, let me note that Congressional guidelines on objectivity and non-partisanship for the Congressional Research Service require me to confine my testimony to technical, professional, and non-advocative aspects of matters under consideration, and to limit my comments to questions within my fields of expertise.

How Might Each of the Bills Make Government More Effective and Efficient in Combating Terrorism?

H.R. 525, The Preparedness Against Domestic Terrorism Act of 2001. This bill provides for the creation of a President-headed group to coordinate existing federal agencies in the development and implementation of federal policy to combat terrorism, the President's Council on Domestic Terrorism Preparedness. In providing specific mechanisms, this bill could increase the coherence of national policy and reduce non-productive inter-agency overlaps in programs. It would do this without changing the existing agency framework.

H.R. 1158, National Homeland Security Agency Act. This bill could also increase national policy coherence and reduce program overlaps. However, its approach is to combine many units from existing agencies, rather than to work within the existing agency framework. The new National Homeland Security Agency would include the Federal Emergency Management Agency — now a free standing agency; the Border Patrol, National Infrastructure Protection Center, and the National Domestic Preparedness Office from the Justice Department; the U.S. Customs Service from the Treasury Department; the U.S. Coast Guard from the Department of Transportation; and the Critical

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[1] The basic facts on the three measures are presented in **Table 1**, page 6.

Infrastructure Assurance Office and the Institute of Information Infrastructure Protection from the Department of Commerce. **Table 2** shows the particulars.[2]

Any significant reconfiguration in a large-scale organization — whether business, non-profit, or government — generates considerable costs. Such costs may include the cost of reduced effectiveness of some of the units involved for as long a year or more, the cost of additional staff time required to form and integrate new organizational sub-units, the cost of staff time to rewrite materials documenting organization structure and procedures, the cost of reorienting service units — such as those performing personnel, accounting, and congressional liaison functions — to accommodate the changes, and the cost of organizational name changes. In the case of organizational changes in government agencies with missions related to national security, such as these, until the new organization settles down, there may be a temporary increase in the vulnerability to attack before the longer-term enhancements in preparedness are fully effective. It should be noted that such costs would be minimized by the bill's requirement that certain relatively large units — namely the Border Patrol, the U.S. Customs Service, and the U.S. Coast Guard — would be maintained as distinct entities within the new National Homeland Security Agency. Without making any judgement about the likely dimensions of these costs, I would suggest that Congress may find it prudent to weigh the long-term and short-term costs of such a reorganization against its long-term and short-term benefits.

H.R. 1292, the Homeland Security Strategy Act of 2001. This bill would require the President to systematically coordinate the development and implementation of national policy to combat terrorism, using the existing organizational framework, and generally leaving him to work out the specifics. The cost of this measure would be minimal, and if vigorously implemented, it might well be effective.

This raises a basic point. The extent to which each of these options would provide for better coordination depends a great deal on its implementation. As I have noted, it is quite conceivable that H.R. 1292, the approach with the least change, could be implemented to enhance coordination by vigorously applying the budgetary and personnel powers inherent in the Presidency. And conversely, it is conceivable that the approach requiring the most change, H.R. 1158, could do little to increase coordination if the significant structural changes were not accompanied by changes in the relevant activities of the agencies not central to the restructuring, such as elements of the Department of Health and Human Services, the Department of Veterans Affairs, and the Environmental Protection Agency, all of which have significant roles in combating terrorism. This underscores the notion that Congress may find it beneficial to consider the costs and benefits of each of these proposals in its deliberations.

Which Specific Provisions of Each Bill Could Be Used to Enhance the Others?

Among the many provisions in each bill that could be productively added to the others, I bring the Committees' attention to seven:

(1) Some have suggested that the threat assessment required for systematic policy development is lacking. Both H.R. 525 and H.R. 1292 specifically call for this, while H.R. 1158 does not. H.R. 1158 might benefit from the addition of this component.

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[2] See **Table 2**, page 7 below.

(2) All three bills require the development of a national policy to combat terrorism and an implementation plan for it. H.R. 1292 requires the President to develop a multiyear implementation plan, and the other bills may benefit from the addition of this longer time dimension.

(3) H.R. 525 has specific requirements to guide the making of federal grants to the states. The other bills might benefit by the inclusion of more specific language in this area.

(4) In the area of federal to state liaison, H.R. 525 specifies the creation of a state and local advisory board. Something on this order might be added to the other bills.

(5) In the area of standards for equipment, training, and other aspects of domestic preparedness, H.R. 525 provides for the establishment of voluntary guidelines for terrorist attack preparedness programs of state and local governments, and for the development of national equipment and facilities standards for emergency preparedness. H.R. 1158 includes a requirement for national training and equipment standards for federal, state, and local governments. H.R. 1292 has no mention of this, and the addition of language on guidelines and standards might be appropriate.

(6) All three bills have requirements for the centralized development of the budget for combating terrorism. The requirements of H.R. 525 and H.R. 1292 are more explicit than those of H.R. 1158. H.R. 1158 might benefit from more specific language.

(7) All of the bills require reports to Congress, but there are some differences. There might be some benefit in comparing these requirements to determine the best configuration for Congress.

Comparison of the Bills

These bills are titled and referred as noted in **Table 1**.[3]

The Preparedness Against Terrorism Act of 2000 was passed by the House in the 106th Congress, but Senate deliberations were incomplete. These three bills resume this legislative effort. The bills are also related to a series of recent commission reports covering, among other things, national policy to combat domestic terrorism.[4] Here are the essentials of the three measures:

- The Gilchrest bill, H.R. 525, creates a President's Council on Domestic Terrorism Preparedness headed, at least nominally, by the President. Its purpose is to coordinate policy development and implementation using existing federal agencies

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[3] See **Table 1**, page 6.

[4] The three most relevant ones are: (1) The United States Commission on National Security/21st Century, *Seeking a National Strategy*, April 15, 2000, and *Building for Peace*, March 15, 2001; (2) Advisory Panel to Assess Domestic Response Capabilities for Terrorism Involving Weapons of Mass Destruction, *Toward a National Strategy for Combating Terrorism*, December 15, 2000; and (3) Center for Strategic and International Studies, *Defending America in the 21st Century — New Challenges, New Organizations, and New Policies — Executive Summary of Four CSIS Working Group Reports on Homeland Defense*, December 14, 2000.

and coordinating with state and local governments as needed. It resembles the Preparedness Against Terrorism Act of 2000, H.R. 4210 (the Fowler bill), passed by the House in the 106th Congress.

- The Thornberry bill, H.R. 1158, provides for significant changes in Executive Branch agencies in an effort to enhance the government's ability to deal with the domestic terrorist threat. It creates a new National Homeland Security Agency by combining a number of existing Executive Branch organizations, as noted in **Table 2**.[5] This new agency would coordinate activities to combat terrorism across the entire government.

- The Skelton bill, H.R. 1292, requires the President to work with federal, state, and local governments to meet homeland security objectives by developing and implementing coherent policy in this area. It requires far less change than the other two measures.

A detailed comparison of the three bills is provided in **Table 3** below.[6]

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[5] See **Table 2**, page 7.

[6] See **Table 3**, page 8.

Table 1. Basic Facts of the Three Measures

Bill number	Sponsor	Title	Referral(s)	Date introduced
H.R. 525	Gilchrest	Preparedness Against Domestic Terrorism Act of 2001	House Committee on Transportation and Infrastructure	February 8, 2001
H.R. 1158	Thornberry	National Homeland Security Agency Act	House Committee on Government Reform	March 21, 2001
H.R. 1292	Skelton	Homeland Security Strategy Act of 2001	(1) House Committee on Armed Services (2) House Committee on the Judiciary (3) House Committee on Transportation and Infrastructure (4) House Permanent Select Committee on Intelligence	March 29, 2001

Table 2. Organizations Combined by H.R. 1158 (the Thornberry bill) in Creating the National Homeland Security Agency

Agency	Current location	Comment
Federal Emergency Management Agency	Independent free standing agency	
Border Patrol	Immigration and Naturalization Service (Department of Justice)	To be maintained as a distinct entity within the National Homeland Security Agency
U.S. Customs Service	Department of the Treasury	To be maintained as a distinct entity within the National Homeland Security Agency
U.S. Coast Guard	Department of Transportation	To be maintained as a distinct entity within the National Homeland Security Agency
Critical Infrastructure Assurance Office	Department of Commerce	
Institute of Information Infrastructure Protection	Department of Commerce	
National Infrastructure Protection Center	Federal Bureau of Investigation (Department of Justice)	
National Domestic Preparedness Office	Federal Bureau of Investigation (Department of Justice)	

Table 3. Comparison of Principal Features of H.R. 525, H.R. 1158, and H.R. 1292

H.R. 525 (Gilchrest)	H.R. 1158 (Thornberry)	H.R. 1292 (Skelton)
Issue 1: Organization: Federal Point Agency (or Official) and Powers		
• The President is the point of coordination (Section 4). • He or a Senate-confirmed Executive Chairman presides over the newly created President's Council on Domestic Terrorism Preparedness (Section 9). • The Council has an Executive Director (Section 9). • The Executive Office of the President provides administrative support services, including office space, to the Council (Section 9).	• The National Homeland Security Agency is created as the point of coordination (Section 3). (This entails a significant reorganization of federal agencies as noted below.) • A Director, appointed by the President with Senate confirmation, heads the Agency (Section 3). • The Director reports to the President (Section 9).	• The President is the focal point for the required policy development and implementation activities (Section 3). • The President designates a single U.S. government official to be responsible for, and to report to the President on, homeland security (Section 4). • The President carries out all activities, including any organizational changes within the executive branch, required to implement the strategy through the heads of the appropriate agencies (Section 4).

H.R. 525 (Gilchrest)	H.R. 1158 (Thornberry)	H.R. 1292 (Skelton)
The President's Council on Domestic Terrorism Preparedness has broad powers to (Section 9): • Establish federal domestic preparedness policy, principally published in a Domestic Terrorism Preparedness Plan (Plan) — based on a risk assessment — and an annual implementation plan. • Review terrorist attack preparedness of state and local government every other year. • Coordinate implementation of national policy, using broad powers to recommend changes in organization, management, resource allocations, and personnel allocations. • Assess all federal terrorism preparedness programs to insure compliance with the national Plan.	The National Homeland Security Agency has broad powers to (Section 3): • Plan, coordinate, and integrate homeland security functions. • Work with state and local governments and federal executive agencies. • Provide overall planning guidance to federal agencies. • Conduct exercise and training programs. • Develop an annual response plan.	The President (Section 3): • Conducts a comprehensive threat and risk assessment concerning homeland security, identifying specific threats (Section 3). • Develops specific strategies to combat acts of terrorism and to manage their consequences. • Identifies federal executive agencies' roles in providing for homeland security. • Provides for the selective use of the Armed Forces without infringing on traditional civil liberties. • Optimizes use of intelligence assets and capabilities, including improving the provision of intelligence to states and localities. • Augments existing medical response capability and equipment stockpiles at all government levels. • Develops a multiyear plan for phased implementation of the strategy, including a comprehensive budget.

H.R. 525 (Gilchrest)	H.R. 1158 (Thornberry)	H.R. 1292 (Skelton)
Issue 2: Organization: Within the Federal Government		
The President's Council on Domestic Terrorism Preparedness is the coordinating mechanism for the development and implementation of policy to combat domestic terrorism. It coordinates and directs existing federal agencies in the development and implementation of policy to combat domestic terrorism, working with states and localities (Section 9).	The National Homeland Security Agency is the coordinating mechanism for the development and implementation of policy to combat domestic terrorism. It is created by merging the following agencies into this new entity (Section 3): • The Federal Emergency Management Agency. • The U.S. Customs Service. • The Border Patrol of the Immigration and Naturalization Service. • The U.S. Coast Guard. • The Critical Infrastructure Assurance Office and the Institute of Information Infrastructure Protection of the Department of Commerce. • The National Infrastructure Protection Center and the National Domestic Preparedness Office of the Federal Bureau of Investigation.	The President, working with a single designated United States government official, works with federal, state, and local government organizations to meet homeland security objectives (Section 3).
In developing the Plan, the Council designates an entity to assess the risk of terrorist attacks against transportation, energy, and other infrastructure facilities, including passengers, personnel, and other individuals occupying such facilities (Section 9).		The President conducts a comprehensive threat and risk assessment with respect to homeland security to be used as the basis for the identification of specific homeland security threats (Section 3).

H.R. 525 (Gilchrest)	H.R. 1158 (Thornberry)	H.R. 1292 (Skelton)
	Several Directorates are established within the National Homeland Security Agency (Section 5): • Directorate of Prevention. • Directorate of Critical Infrastructure Protection. • Directorate for Emergency Preparedness and Response. In addition, an Office of Science and Technology is established.	
The Council establishes general policies regarding financial assistance to states based on potential risk and threat, response capabilities, and ability to achieve the end state of preparedness for emergency responders (Section 9). (Note: This is purposely repeated in Issue 3 below.)		
The Council notifies a federal agency if its policies are not in compliance with its responsibilities under the Plan (Section 9).		
The Council may, at the direction of the President, participate in National Security Council deliberations and in its working group structure (Section 9).		

H.R. 525 (Gilchrest)	H.R. 1158 (Thornberry)	H.R. 1292 (Skelton)
Issue 3: Organization: Between Federal, State, and Local Governments		
The President's Council on Domestic Terrorism Preparedness serves as primary liaison between the federal government and state and local governments. It designates a federal entity to serve as the principal contact for state and local governments with the federal government on these issues (Section 9).	The National Homeland Security Agency works with state and local governments in protecting U.S. homeland security and supports state officials through its regional offices (Section 3).	Under the President's comprehensive strategy for homeland security, federal, state, and local government organizations coordinate and cooperate to meet homeland security objectives (Section 3).
The Council establishes general policies regarding financial assistance to states based on potential risk and threat, response capabilities, and ability to achieve the prescribed end state of preparedness for emergency responders (Section 9). (Note: This is purposely repeated in Issue 2 above.)	The National Homeland Security Agency coordinates state and local activities through its newly created Directorate for Emergency Preparedness and Response. It (Section 5): • Carries out all emergency preparedness and response activities formerly carried out by the Federal Emergency Management Agency and the National Domestic Preparedness Office (FBI). • Organizes and trains local entities. • Creates a National Crisis Action Center to monitor emergencies and respond to them. • Maintains federal asset databases and supports up-to-date state and local databases.	
A state and local advisory board is created by the Council (Section 9).		

H.R. 525 (Gilchrest)	H.R. 1158 (Thornberry)	H.R. 1292 (Skelton)
The Council's state and local advisory group establishes voluntary guidelines for the terrorist attack preparedness programs of state and local governmental entities (Section 9). The President develops standards for equipment and facilities for national emergency preparedness (Section 6).	The National Homeland Security Agency establishes relevant training and equipment standards for federal, state, and local government (Section 5).	
Issue 4: Preparation of the Domestic Preparedness Budget		
Federal program managers and agency heads with responsibilities under the Domestic Preparedness Plan recommend to the President's Council on Domestic Terrorism Preparedness resource allocations to meet these responsibilities (Section 9).	The Director of the National Homeland Security Agency establishes planning, programming, budgeting, and financial activities that comport with sound financial and fiscal management principles (Section 8).	The President develops a multiyear comprehensive budget to provide for homeland security (Section 3).
The Council makes its own recommendations in passing agency recommendations on to the Office of Management and Budget (OMB) (Section 9).		
To carry out this act, an authorization of $9,000,000 is made for FY2002 and such sums as may be necessary for each of fiscal years 2003 through 2006. Such sums shall remain available until expended (Section 9).		

H.R. 525 (Gilchrest)	H.R. 1158 (Thornberry)	H.R. 1292 (Skelton)
Issue 5: Requirements for Reporting to Congress		
• The President's Council on Domestic Terrorism Preparedness develops a Domestic Terrorism Preparedness Plan in consultation with Congress (Section 9). • The Council transmits this Plan to Congress no later than 180 days after the first Council meeting (Section 9).	The Director of the National Homeland Security Agency submits biennial reports to Congress, including (Section 6): • A report assessing the resources and requirements of executive agencies relating to border security and emergency preparedness issues. • A report certifying the preparedness of the United States to prevent, protect against, and respond to natural disasters, cyber attacks, and incidents involving weapons of mass destruction.	The President submits a report to Congress not later than 90 days after enactment describing (Section 5): • The process by which the homeland security strategy will be developed. • The time line for developing the strategy. • The anticipated funding and any legislative changes necessary to implement the strategy.
The Council develops an annual implementation strategy for carrying out the Domestic Terrorism Preparedness Plan and sends it to Congress on the date of transmittal of the Domestic Terrorism Preparedness Plan. In each of the succeeding four fiscal years, it will send the implementation strategy to Congress on the date that the President submits an annual budget to Congress (Section 9).	No later than 1 year after the date of enactment, the Director of the National Homeland Security Agency submits a report to Congress that (Section 6): • Assesses the progress of the Agency (a) in implementing the provisions of the Act, and (b) in insuring that core functions of each entity transferred to the Agency are maintained and strengthened. • Recommends any conforming changes in law necessary as a result of the enactment and implementation of the Act.	

The Honorable Wayne T. Gilchrest
Joint Hearing Testimony
Committee on Government Reform, Transportation and Infrastructure
April 24th, 2001

Thank you Chairman LaTourette and Chairman Shays for the invitation to speak to you today on a topic of critical importance. I commend the efforts of members of your committees and my colleagues as you discuss ways to remedy problems as they have been identified. This forum provides the ability to discuss the issue of domestic terrorism, build on the research that has been done in this area, and explore legislative proposals that are designed to address the situation.

Each of the members on the panel comes at the issue with a unique perspective. Each bill has taken a lot of time and thought and represents a true commitment to the issue and dedication to the American public. I appreciate the opportunity to share my views with you this afternoon on why I introduced H.R. 525 and feel that is bill is the most appropriate approach to dealing with the threat posed by domestic terrorists using weapons of mass destruction.

Six years after the domestic terrorist bombing of the Alfred Murrah Federal Office building in Oklahoma City, Oklahoma, America still does not have a coordinated strategy to deal with the consequences of a large scale terrorist incident on American soil, especially if that explosion involves biological, chemical or radiological agents.

If anyone in this institution believes that no such event is possible, or even probable, they are deluding themselves and those they represent. They are ignoring the predictions of many experts. Unfortunately, like those experts, I believe it is only a matter to time.

The Oklahoma City bombing was perhaps the most devastating event on American soil in the 1990s. We had a situation where a young man, for reasons still not quite understood, detonated a bomb constructed with fertilizer and subsequently killed 168 men, women and children. It was not the first example of domestic terrorism, but it was certainly the largest. Although this was a terrible episode, it could have been more catastrophic. If the explosion had included germs or poisonous gas, or produced massive doses of radiation, we might still be trying to contain its effects six years later.

Those families who just commemorated the anniversary of the deaths of their loved ones deserve to know that the nation takes this threat seriously. The Federal Government and many state and local agencies quickly moved to set up programs and teams designed to handle the domestic terrorism crisis and manage the consequences of such a disaster. Unfortunately, in our zeal to address the threat, we have created many duplicative and overlapping federal assets. Often, these programs are designed in the absence of an end-state of preparedness. No one knows or can tell if their response team is ready, nor have they adequately defined what they need to be ready for.

Our duplicative, uncoordinated efforts are also costly. Funding for counter-terrorism has doubled from $6.5 billion in fiscal year 1998 to about $11.1 billion in fiscal year 2001. Funding levels have increased so quickly that we do not know exactly how many or what programs have been created to respond to domestic terrorism.

America has always had to face the possibility of domestic terrorists using some tactic or device to cause mass casualties to somehow further their goal, or to get publicity. Fortunately, however, we have seen these criminals as lone individuals attacking small targets in a relatively small area. Oklahoma City and the bombing of the World Trade Center in Manhattan changed all of that. Both attacks represented a coordinated effort to make a public political statement. It is inevitable that these types of dangers will continue and increase in frequency and severity.

In this age of mass media saturation, a criminal (or network of criminals) know that there is a an immediate worldwide audience, especially if he/she is inside the United States and can destroy some symbol of American government, culture or influence.

International terrorism is indeed an important issue. As the United States exercises its considerable economic, military, cultural, social, and legal power around the globe, it is inevitable that terrorists will seek to make "an example" of the United States, its citizens, and its interests. It is an emerging and growing problem that must be dealt with in a forthright way, where we as a nation dedicate the appropriate attention and resources to the problem.

Domestically, however, it is important to keep in mind that in the event of a massive natural or man-made disaster, the first call that will be made is to 911. At the other end of that call is not the White House, not the Federal Emergency Management Agency, not the Federal Bureau of Investigation – it is the local firefighter, the police, and the emergency medical technician who will be first on the scene. They, in turn, will contact a hazardous material unit and inform the area hospitals to expect casualties and injuries. In a likely domestic terrorism scenario, we would face the real threat of not only weapons of mass destruction, but the mass confusion that would result as the first responders, and follow-on federal assets, try to figure out "who is in charge" during the inevitable onslaught of the mass media sending inaccurate or misinformed material that will scare the population and make matters worse. Currently, we have an "alphabet soup" of more than 40 federal agencies, teams and organizations – each responsible for some aspect of responding to the consequences of a disaster involving a weapon of mass destruction.

A lot of groups, a lot of money, but no strategy.

There have been many comprehensive and exhaustive reports commissioned over the last few years to explore this emerging threat. Each has come to a similar conclusion:

The United States is likely to face the specter of a domestic terrorist attack sometime in the near future. The fact that we, as a nation, have not been able to develop and implement a clear, comprehensive, and truly integrated national domestic preparedness strategy means that we remain incapable of responding effectively to a major attack on American soil.

Several research groups have issued reports regarding the organization of the federal counter-terrorism effort. Many of these groups propose drastic changes to the existing Executive Branch structure. I fully support the efforts of these groups.

Unfortunately, some groups do not focus on the urgency of making sure the federal dollars we spend to prepare our nation's first responders are spent in the most effective and efficient manner. This is just as important, if not more so, than creating a super anti-terrorism entity.

While my bill addresses this important aspect of our total terrorism budget, it does not propose ways to organize the entire federal counter-terrorism structure. It is not designed to do that – I defer that mission to the expertise of those more familiar with the US intelligence community.

Whether Congress can pass sweeping reforms to the overall federal, we need to make sure that the fire service, the police and the emergency medical personnel in your community and in communities across the country can respond adequately to the first few hours after a catastrophic domestic terrorist attack. As of today, they cannot. And in the current, unorganized system, we will be no better prepared a year from now.

I believe this issue demands leadership.

The Preparedness Against Domestic Terrorism Act of 2001 (H.R. 525) establishes a President's Council within the Executive Office of the President to coordinate government-wide efforts for improving preparedness against domestic terrorist attacks. The Council will participate in agency budget processes making recommendations to accomplish the goals of a defined national strategy. The Council will be responsible for creating a national strategy for preparedness, which will eliminate duplication of efforts through the budget process, and define an end-state for preparedness.

H.R. 525 amends the Robert T. Stafford Disaster Relief and Emergency Assistance Act to include acts of terrorism or other catastrophic events within its definition of "major disaster" for purposes of authorized disaster relief. In doing so, it requires the President to ensure that federal response plans and programs are adequate to respond to the consequences of terrorism directed against a target in the United States.

My bill establishes the President's Council on Domestic Preparedness and requires the Council to (1) publish a Domestic Terrorism Preparedness Plan and an annual implementation strategy based on an evaluation of the risks and threats; (2) designate an entity to assess the risk of terrorist attacks against transportation, energy, and other infrastructure facilities; and (3) establish voluntary minimum guidelines for state and local preparedness programs. In addition to responding to a domestic terrorist attack using a weapon of mass destruction, H.R. 525 will help to better coordinate the federal response to other major disasters, not just terrorist actions, where the same consequence management skills and expertise may be necessary.

There obviously have been other measures introduced to address the issue of what to do if a terrorist detonates a bomb that contains chemical, biological of radiological agents. I think my bill is the right approach because it raises the profile of domestic preparedness by placing the formulation of a national strategy into the Executive Office of the President, it creates a council that includes representation by each federal department that has an important role to play in development of that strategy, and improves accountability by directing the Council to provide clear budget recommendations to the Office of Management and Budget where those recommendations would be required to follow the national strategy. It is important to do each of these simultaneously because, with such an important responsibility as creating a national domestic preparedness plan, no single agency should be put in the tenuous position of having to formulate and manage key parts of other agencies' domestic preparedness budget.

We do not want a situation where any new agency (or an enhanced existing agency) is responsible for another agency's budget recommendations to the President. That type of situation has not worked in the past and is not likely to work in future. It merely creates the

same type of jurisdictional battles, dissent, confusion, and bureaucratic bickering that has plagued the federal response effort so far. The proper place for the formulation of a national domestic preparedness strategy is in the White House. It belongs with the President and his appointed council.

H.R. 525 puts all of those agencies in the same room working on the strategy, with the various domestic preparedness programs on the table to be discussed.

My legislation does not seek to increase the federal bureaucracy by creating a new agency. It does not realign existing agencies, nor does it dictate to the President what type of strategy needs to be developed. It expands the current authority of the Federal Emergency Management Agency to specifically include a domestic terrorist incident using weapons of mass destruction in the definition of "disaster" for which FEMA already has jurisdiction. It also allows the President the flexibility to design the national strategy to include, exclude, realign, or enhance any agency as he (or she) sees fit. It specifically *avoids* mandating agency realignment until a national strategy is actually crafted. There should be no shifting of roles, responsibilities, or funding until a clear, coordinated national policy of how we plan to prepare ourselves for domestic terrorism is created.

There is no doubt that the federal agencies have created world-class training and exercise programs. We are improving the capabilities of responders more and more each day; however, I am certain that we can put taxpayers dollars to better use by *coordinating* our federal efforts, not merely creating new ones.

I applaud the Presidential Decision Directives of the Clinton Administration that were designed to address this issue. They were in response to the Oklahoma City bombing and sought to help coordinate federal efforts. While helping to define the role of various federal agencies in dealing with domestic responses to catastrophic natural or man-made disasters, these directives and subsequent laws have helped create new offices and programs but have failed to address the overarching issues of coordinating federal efforts into a single integrated plan, streamlining the budgeting process, or responding effectively to state and local needs and concerns.

Furthermore, the patchwork of directives, budget summaries, independent agency plans, and related public laws have provided no mechanism for accountability, no enforceable requirement for agency coordination, and no entity with responsibility to review agency funding, all of which are necessary for an effective organizational structure. Even if given more time to try to force the existing measures to work more efficiently, a single statutory mechanism to address the coordination and budget issues does not exist.

In addition, existing measures, including the recent National Security Presidential Directive issued by President Bush, and other proposed legislation, do not adequately address the need (nor provide a mechanism) to eliminate duplicative programs that lead to fragmentation between federal disaster response programs and confusion amongst state and local first responders.

To date, more than 40 federal departments and agencies have established programs to assist emergency responders in dealing with the consequences of terrorism. These programs primarily help train state and local officials to recognize and respond to a terrorist attack or create federal response teams that can assist state and local officials should an attack occur. Currently, the Federal Government offers almost 100 separate federal terrorism preparedness training courses and has created over 100 federal terrorism response teams.

These federal programs are viewed by most as being fragmented, uncoordinated, inefficient, and confusing. For instance, the U.S. General Accounting Office (GAO) has concluded, "Federal training programs on weapons of mass destruction are not well coordinated, resulting in inefficiencies in the federal effort and concerns the first responder communities."

Agencies have created programs to address domestic preparedness against terrorism, but in most cases their efforts are uncoordinated and do not address the needs of state and local responders. Unfortunately, many of the programs designed to enhance the capabilities of state and local responders duplicate existing federal programs and are created independently of each other. The bottom line is that we have spent a good deal of money recreating the wheel when we should be trying to make it turn faster and more efficiently.

The problem is that there is no single entity in charge of federal terrorism efforts. In the absence of clear leadership, agencies have created training programs without knowing what is already out there and what the requirements should be for these various programs. Furthermore, the government has not clearly defined an end-state to identify when we, as a nation, will consider ourselves adequately prepared to handle a terrorist attack involving a weapon of mass destruction.

Without a national strategy and end-state we do not have a standard to measure the effectiveness of existing federal programs or any new ones. H.R. 525 provides voluntary guidelines for the state and local groups to follow. From non-federally mandated guidelines, state and local groups can determine whether their programs meet requirements so they can allocate resources where they are currently lacking. According to the International Association of Fire Chiefs, "It will be exceedingly difficult to reach an acceptable state of preparedness throughout the country if there is no defined level to which we should work."

Preparing state and local responders for domestic terrorist attacks requires an orderly, focused national effort. The federal focus should be on *enhancing* existing response efforts from an "all hazards" approach, not replacing them. Our federal efforts must focus on the immediacy of assistance to state and local responders. The fire community says that if we are going to save the community hit by an attack, it will be in the first hour after the incident.

Many local fire chiefs and state emergency responders tell us that federal assistance does not arrive on the scene of an event until it is too late – at the earliest three to four hours. Chicago's Fire Chief John Eversole stated during a Transportation and Infrastructure Subcommittee hearing in June 1999 that "if I have to wait three to four hours, then send me a lot of body bags, because that's what is going to be left."

Our responders need to be prepared as they are the first on the scene after an incident – but their resources may become quickly overwhelmed. They need to get the training, equipment, and information to better deal with the threat posed by weapons of mass destruction. Our first responders need to know how to hand off the emergency once federal assets arrive. The public needs to know there is a strategy to do these things.

H.R. 525 does not prescribe a "one size fits all" approach. I welcome input from all interested members to craft legislation that will offer the best opportunity for passage in the House that will lead to reforms at the federal level.

This bill is designed to be afford the President the latitude and flexibility to be able to work with his staff to create a domestic preparedness plan that can incorporate the recommendations of the entire Federal Government (not just a few select agencies), streamline the budget process, incorporate needs of state and local first responders, and define a level of preparedness to guide our national efforts in order to deal with the existing, emerging, and evolving nature of domestic terrorism. As aspects of domestic terrorism such as cyber-terrorism and agricultural terrorism increase in likelihood, it is vital that a structure be in place that can quickly and appropriately respond by adapting the President's Council to address the new threats.

This is a critical situation that requires our immediate attention. America cannot afford to wait for another "Oklahoma City" before we start to seriously address the problem. Hopefully, by this time next year, we will be discussing how the strategy is working.

Thank you Chairman LaTourette and Chairman Shays for the opportunity is discuss this important issue with the Committee.

STATEMENT OF CONGRESSMAN BENJAMIN A. GILMAN
JOINT HEARING -- COMBATING TERRORISM: OPTIONS TO IMPROVE FEDERAL RESPONSE
SUBCOMMITTEE ON NATIONAL SECURITY, VETERANS AFFAIRS AND INTERNATIONAL RELATIONS
APRIL 24, 2001

MESSRS. CHAIRMEN: SHAYS LA TOURETTE

I AM PLEASED TO JOIN ~~MY~~ OUR COLLEAGUES TODAY TO CONTINUE OUR EXAMINATION OF THE FEDERAL EFFORT TO CONFRONT AND COMBAT TERRORISM HERE AT HOME. WE HAVE OFTEN FOCUSED ON THIS GRAVE THREAT TO INNOCENT PERSONS AND PROPERTY ONLY WHEN IT IS IN THE HEADLINES AS THE RESULT OF AN ACT OF TERRORISM. Too much of a band-aid approach

THE FEDERAL GOVERNMENT, ~~ACTING ON~~ PURSUANT TO VARIOUS PRESIDENTIAL DIRECTIVES, BEGAN OVER THE LAST DECADE TO CONCENTRATE ON THIS PROBLEM.

REGRETABLY, ~~UNFORTUNATELY~~, WELL-INTENTIONED EFFORTS TOO OFTEN HAVE WOUND UP BEING PAROCHIAL, DESIGNED TO SHORE UP SECURITY OF A GIVEN AGENCY'S ASSETS, PERSONNEL AND TRADITIONAL FUNCTIONS. THE EFFORT TO COORDINATE ANTI-TERRORISM PLANNING AMONG GOVERNMENT ENTITIES AT THE FEDERAL, STATE AND LOCAL LEVEL HAS FALTERED AND THE END RESULT IS A FRAGMENTATION OF RESPONSIBILITY THAT FEATURES TURF PROTECTION AND A PROLIFERATION ~~DUPLICATION~~ OF RESOURCES AMONG SOME FORTY FEDERAL AGENCIES.

THE THREE LEGISLATIVE PROPOSALS ~~BILLS~~ BEFORE US TODAY SEEK ~~ATTEMPT~~ TO CORRECT THIS SITUATION BY ASSIGNING A CENTRAL AUTHORITY TO DIRECT OUR GOVERNMENT'S ANTI-TERRORISM EFFORTS.

A SIMILAR EFFORT HAS BEEN UNDERWAY SINCE THE CREATION OF THE OFFICE OF THE NATIONAL COORDINATOR FOR SECURITY, INFRASTRUCTURE PROTECTION AND COUNTERTERRORISM IN MID-1998 PERIOD WITHIN THE NATIONAL SECURITY COUNCIL. THE NATIONAL COORDINATOR OF ~~THIS~~ THAT PROGRAM PROVIDES ADVICE, BUT ~~HAS~~ has ~~NO~~ ANY AUTHORITY TO DIRECT OR ASSIGN AGENCY BUDGETS FOR COUNTERTERRORISM EFFORTS, AND THEREIN MAY BE THE PROBLEM.

I BELIEVE BUDGETARY AUTHORITY – AND NOT JUST THE AMOUNT OF THE MONEY AUTHORIZED AND APPROPRIATED – IS CENTRAL TO FIXING THE MOST IMPORTANT PROBLEM IN OUR PLANS TO THWART DOMESTIC TERRORISM. ANY SOLUTION THAT WE PROPOSE

MUST GIVE THE CENTRAL COORDINATING ENTITY A RESPONSIBILITY TO SET TERRORISM-RELATED BUDGETS IN ORDER TO ESTABLISH CLEAR LINES OF DIRECTION AND RESPONSIBILITY. WITHOUT ~~THIS~~ SUCH CONTROL, THE anti-terrorism COORDINATOR IS AT THE MERCY OF AGENCIES FOCUSED ON THEIR OWN – ALBEIT VIRTUOUS – INTERESTS, BUT PULLING IN TOO MANY DIRECTIONS.

MORE GENERALLY, PREVENTION SHOULD BE AT THE CENTER ANY ANTI-TERRORISM COORDINATOR'S FOCUS. BETTER HUMAN INTELLIGENCE ON POSSIBLE PLANNED ATTACKS IS KEY TO FOILING THE THREAT.

IN OUR RECRUITING TO DEVELOP BETTER HUMAN INTELLIGENCE, OUR GOVERNMENT HAS EXERCISED DUE

CAUTION OVER CONTACT WITH PERSONS INVOLVED IN HUMAN RIGHTS VIOLATIONS. THERE IS A TIME, HOWEVER, WHEN HIGHER INTERESTS PREVAIL AND SUCH CONTACTS BECOME VITAL TO PREVENTING FUTURE VIOLATIONS OF HUMAN RIGHTS RESULTING FROM A TERRORIST ATTACK.

IN CONJUNCTION WITH EFFORTS TO ACQUIRE BETTER HUMAN INTELLIGENCE, THE ~~UNITED STATES~~ SHOULD ALSO PUT GREATER EMPHASIS ON INTERNATIONAL COOPERATION WITH POLICE IN THE FIGHT AGAINST TERRORISM. AT THIS POINT, TERRORISTS OFTEN TURN TO CRIMINAL ELEMENTS FOR STOLEN CARS, EXPLOSIVES AND OTHER INGREDIENTS IN PLANNING A TERRORIST ATTACK. IT SEEMS TO ME THAT FBI AND

OTHER U.S. LAW ENFORCEMENT TRAINING FOR POLICE FORCES OVERSEAS WOULD SERVE TO IMPROVE OUR INTERNATIONAL "COP"-TO-"COP" CONTACTS, EXPANDING OUR TERRORIST INFORMATION NETWORK.

MR. CHAIRMAN, IT IS LONG OVERDUE THAT WE PROVIDE A CENTRAL AUTHORITY WITH A COMPREHENSIVE NATIONAL STRATEGY TO DIRECT AND COORDINATE OUR NATION'S FRAGMENTED ANTI-TERRORISM EFFORTS.

THANK YOU, MR. CHAIRMAN, FOR CONTINUING THESE HEARINGS AND I LOOK FORWARD TO THE TESTIMONY OF OUR WITNESSES AS WE SEEK TO CRAFT APPROPRIATE SOLUTIONS.

STATEMENT OF
THE HONORABLE JAMES L. OBERSTAR
JOINT HEARING WITH COMMITTEE ON GOVERNMENT REFORM, SUBCOMMITTEE ON NATIONAL SECURITY, VETERANS AFFAIRS AND INTERNATIONAL RELATIONS
" COMBATING TERRORISM: OPTIONS TO IMPROVE THE FEDERAL RESPONSE"
APRIL 24, 2001

Chairman La Tourette and Democratic Ranking Member Costello, Subcommittee Chairman Shays and Democratic Ranking Member Kucinich, from the Committee on Government Reform, Subcommittee on National Security, Veterans Affairs and International Relations, thank you for calling this important joint hearing on *Combating Terrorism: Options to Improve the Federal Response.*

Several government-sanctioned studies and countless witnesses at past hearings on the subject have concluded that the organization of the federal government to combat terrorism is fragmented, uncoordinated, and unaccountable. The purpose of this hearing is to receive testimony on several legislative proposals that seek to provide us with a more effective and efficient approach to coordinating for federal efforts with regard to preparedness against terrorist attacks in the United States.

Many experts predict that a terrorist attack involving a weapon of mass destruction may occur on American soil within the next five years. In response to these threats, Congress and the Executive Branch have attempted to address this

issue through Presidential Decision Directives and legislative initiatives. Shortly after the attacks, on the Alfred P. Murrah Building in Oklahoma City and the World Trade center in New York City, the government began to spend billions of dollars on terrorism preparedness initiatives and more than 40 federal departments and agencies established programs to assist emergency responders in dealing with the consequences of terrorism. From FY1998 to FY 2001 there was a 45 percent increase in terrorism preparedness funding and that is expected to rise in the coming years. As of late 2000, the federal government offered almost 100 separate federal terrorism preparedness training courses and had created over 100 federal terrorism response teams. These programs were established with little coordination or cooperation, and no overarching national strategy, plan, or measurable goals. In many cases this caused chaos and confusion for state and local governments who had to navigate their way through the myriad of programs.

Many of these courses have similar content that had lead to frustration in the responder community. Moreover, while some areas of the country received multiple training programs, some areas have not received any training programs at all.

Without an organized federal plan, several federal agencies have created a complex structure of uncoordinated and duplicative programs – some of which do not even meet the needs of the state and local responders. Furthermore, the National Domestic Preparedness Office (NDPO) that was created within the Federal Bureau of Investigation (FBI) to coordinate these programs has fallen short in meeting the expectations of the emergency response community.

Congressman Gilchrest has introduced H. R. 525, the Preparedness Against Terrorism Act of 2001 to amend the Stafford Act to address emerging threats from terrorism. It establishes a President's Council on Domestic Terrorism within the Executive Office of the President to coordinate government-wide efforts for improving domestic preparedness against terrorist attacks.

The Council will be responsible for creating a national strategy for preparedness, in an effort to eliminate duplication of efforts and define an end state for preparedness. The Council will exercise limited budget authority over agency's programs, basing funding decisions on accomplishing the goals of a defined national strategy. It will also assist state and local emergency responders in navigating the federal preparedness programs. The bill seeks to enable the Council to eradicate duplicative government functions through oversight of the agencies it coordinates.

I commend Congressman Gilchrest for continuing the efforts of Subcommittee Chairman Fowler to craft a bill that addresses so many of the challenges of the federal preparedness programs. I know you have met with many of the stakeholders on this issue in this effort and that you are committed to making this bill the best that it can be.

I look forward to hearing more about the other legislative proposals. It is critical that we find the most effective and efficient approach to these concerns. I look forward to working with Chairman Young, Subcommittee Chairman La Tourette and Democratic Ranking Member Costello, Congressman Gilchrest, our colleagues on the Government Reform Committee, the stakeholders, and the federal agencies involved to search for ways to improve the coordination of federal preparedness on this issue of such national importance.

DAN BURTON, INDIANA
CHAIRMAN

HENRY A. WAXMAN, CALIFORNIA
RANKING MINORITY MEMBER

ONE HUNDRED SEVENTH CONGRESS

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Statement of Rep. Christopher Shays
April 24, 2001

Thank you, Chairman LaTourette.

A joint hearing on these legislative proposals is particularly fitting because terrorism crosses so many jurisdictional and substantive domains. Only a crosscutting, unified approach will enhance federal counterterrorism efforts and help us avoid the false choices often posed by narrow legal and bureaucratic boundaries.

For example, the bills we consider today would appear to present mutually exclusive options regarding the focal point of federal counterterrorism policy. One approach would place that responsibility in the Executive Office of the President, leaving the current agency structure in place. The other would consolidate key homeland defense functions in a single cabinet-level department.

But for this hearing, these options would have been considered by separate committees. Instead, we asked our witnesses this afternoon to describe the relative merits and challenges of both concepts; in the hope that overall executive branch coordination and the role of a lead homeland defense agency can be clarified and strengthened.

In January, the Subcommittee wrote to Dr. Condoleezza Rice, the president's National Security Advisor, concerning the need for stronger leadership and a more coordinated federal effort against terrorism. She informed us a review of counterterrorism organization and policy is underway. But we needn't wait for the results of that review to begin consideration of proposals to correct longstanding, and widely noted, deficiencies in federal structure and coordination.

Statement of Rep. Christopher Shays
April 24, 2001
Page 2

Previous subcommittee hearings led us to the conclusion the fight against terrorism remains fragmented and unfocused because there is no one in charge to develop a coordinated threat and risk assessment, articulate a national strategy, measure progress toward defined goals or discipline spending.

Legislation to restructure the federal effort to combat terrorism should address those weaknesses.

Almost a decade after the dawn of a harsh new strategic reality – international terrorism aimed at our military and civilian personnel, abroad and here at home – these bills address today's equally stark realities: As a nation, we are not ready. As a government, we are not prepared.

Our witnesses this afternoon bring us the benefit of their substantial experience and expertise in this area. On behalf of the Government Reform Subcommittee on National Security, Veterans Affairs and International Relations, I thank them for their time and their testimony.

EMBASSY OF ISRAEL
WASHINGTON, D.C.

שגרירות ישראל
וושינגטון

PREPARED TESTIMONY FOR THE JOINT HEARING ENTITLED:
COMBATTING TERRORISM:
OPTIONS TO IMPROVE THE FEDERAL RESPONSE
APRIL 24, 2001

Israel faces a number of main terrorist threats:

1. Palestinian terrorist activity of a radical religious-Islamic nature, with an emphasis on suicide attacks (from Hamas and the Islamic-Jihad).

2. Terrorism from Islamic-Shiite organizations (Hizbullah) operating out of Lebanon and receiving support from Iran and Syria.

3. Terrorism coming from Palestinian Authority territory, often inspired by elements belonging to the Establishment and Palestinian Security (since September 2000).

These terrorist activities jeopardize the peace process as well as regional stability. Terrorism also has serious consequences in other areas, because of its potential to lower national morale, disturb normal life on the Israeli home front and cause direct and indirect damage to the Israeli economy.

The danger that terrorism poses to Israel is more acute as a result of the increased technological capabilities of terrorist elements – their access to advanced weapons systems, dangerous materials and computers. The various organizations enjoy logistic and financial support from Middle Eastern countries and elsewhere (including those in the West), which gives them the ability to threaten Israeli and Jewish targets in Israel and abroad.

It should be emphasized that, in the last decade, terrorism in the Middle East and elsewhere has undergone significant structural and ideological changes. From leftist roots, nourished by the Cold War, new-Marxist and anti-imperialist rhetoric, terrorism has turned to extremist Islamic lines, taking its ideological inspiration, rhetoric and logistic system from radical Islamic states.

Fundamentalist Islamic terrorism today rests on a number of axes:

1. Islamic terrorist movements or groups, acting against Israel as well as against secular rule in Arab states, such as Hizbullah, Hamas, the Islamic Jihad, Algema`at Alislamia (Egypt), the Algerian Groups (GIA) and others, all of which possess a wide-spread social and organizational base.

2. Groups of Islamic and mercenaries, most of whom are veterans of the war in Afghanistan and willing to hire out their "service" to different countries. In this category may be included the organization "Aldaida" (the military base) of Asama Bin Laden, who has cells in countries bordering Israel (Lebanon, Jordan) as well as in PA territory.

3. Branches of terrorist movements in Arab countries, operating secretly in Europe and the US; an example is the gang led by Sheikh Abed Alrakhman and Said Nuseib, that operated in New Jersey and had connections with the terrorist Ramsey Yussef.

4. Islamic charitable and educational organizations in the West that are not necessarily purely terrorist groups. These organizations and associations are legitimate and raise funds for their educational institutions and mosques; however part of these funds often find their way into the pockets of terrorists and their families.

5. Although state support for terrorism is clever and seems, on the surface, to be less than it really is, Islamic states such as Iran, Afghanistan and Sudan supply ideological inspiration for Islamic terrorist groups as well as direct instruction, financing, training camps, intelligence information and the use of Embassy services for terrorist needs. To these states may be added radical Islamic states such as Syria, Iraq and Libya, which appear on the US State Department's list of states that support terrorism.

These axes are well connected and, as demonstrated in the attacks in Kenya and Tanzania inspired by Asama Bin Laden, they have the ability to penetrate states in distant corners of the world, such as Latin America (Argentina), Eastern Europe (Bosnia), the Far East (Philippines, China, India) and, as mentioned, Africa. The destructive psychological effect of terrorism makes it possible for fundamentalist terrorism to achieve, through isolated showcase attacks, considerable influence in the international arena.

ISRAEL'S STRUGGLE AGAINST THE TERRORIST THREAT

The focus of Israel's efforts to combat the threats described above is to prevent terrorist acts directed at Israeli targets in Israel and abroad; to strike at terrorists and at those who send and support them; to deter and bring to justice the perpetrators, and to damage the infrastructures and the capabilities of terrorist organizations in ever place at all times

Israel believes in the supreme importance of continuing to strive towards peace agreements in the Middle East, which will increase stability and lessen the motivation for terrorism. However, until such agreements come about, and also afterwards, it is important to:

1. Deter terrorism-supporting states from encouraging attacks, by preventing them from achieving international legitimacy.

2. Continue to demand, from elements negotiating with Israel, that they avoid encouraging terrorism or using it as a bargaining chip in the negotiations. On the contrary, these elements should be fighting terrorism, consistently and continually.

3. Avoid injuring the civilian population from whose midst the terrorists operate (in the territories and in Lebanon), concentrating instead on striking at the perpetrators of terrorism, its instigators and supporters.

4. Establish legal and intelligence cooperation, on an international and regional level, with key countries in the international arena, the purpose of which would be to make terrorist activity more difficult by identifying and cutting off its sources of financing. In this context, Israel also lent its support and joined a series of international conventions on the subject of counter-terrorism.

Israel views close cooperation with the US as an essential element in the struggle against terrorism, and gives counter-terrorism high priority in the strategic cooperation between the two states. In April 1996, following the Sharm Conference, a memorandum of understanding was signed between the President of the Unites States and the Prime Minister of Israel, to increase counter-terrorism cooperation. The Joint Counter Terrorism Group operates as a political-strategic framework for broad professional cooperation on various tracks. This group holds discussions and ongoing activities in many areas: cutting off terrorist funding sources, legal cooperation, joint R & D, and realization of American aid to Israel ($100 million) for counter-terrorism.

Domestically, Israel engages in many activities aimed at enhancing its struggle against terrorism. For example:

1. The pursuit of legal avenues, legislation and regulations intended to limit the freedom of action of terrorists and their supporters and front line institutions connected to terrorist organizations. An example of this is an inter-ministerial team appointed to coordinate the efforts to stop the flow of funds to terrorist organizations.

2. More effective use of the resources invested in research and development related to counter-terrorism (also with the US), including development and purchase of advanced technologies for border crossings and technologies for identifying and locating terrorists.

3. Examining scenarios and making recommendations for the domestic preparations necessary in the event of non-conventional terrorist attacks or damage to computer infrastructures.

4. Informational and educational activities to reinforce the stamina of the Israeli public, including increasing public awareness and alertness, which in turn would help prevent terrorist incidents.

Areas of counter-terrorism responsibility in Israel:

1. The Council for National Security deals with the strategic aspects of national security and, inter alia, the subject of terrorism.

2. The Counter Terrorism Headquarters in the Prime Minister's Bureau sets counter-terrorism policy and coordinates between all the bodies in Israel involved in counter-terrorism.

3. The Ministry of Public Security (Israel Police) is responsible for the security of Israeli residents within the territory of the States, and for the security set-up within Israel and wherever Jews are living in the "territories".

4. The Mossad is responsible for gathering intelligence and preventing (terrorist attacks) outside the territory of Israel.

5. The GSS (General Security Services) is responsible for preventing attacks within the State of Israel and the "territories".

6. The Defense Ministry is responsible for the Israeli Defense Forces, which is charged with maintaining order and security in the "territories" and on the borders between Israel and its neighbors.

7. The Ministry of Foreign Affairs works to promote political and legal international cooperation on the subject of counter-terrorism, as part of its broader responsibility for Israel's foreign relations.

Priorities in Counter-Terrorism Efforts:

1. Israel sets it priorities in counter-terrorism according to ongoing assessments of the threats directed against it. Critical vulnerable systems enjoy special security treatment.

2. In principle, the perception of counter-terrorism is based on the need to integrate quality intelligence (on both preventive activities and initiatives) and a suitable security mechanism. The higher the level of intelligence, the less it will be necessary to depend on the security mechanism, and vice versa.

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20 April 2001

The Honorable
Christopher Shays
Chairman
Subcommittee on National Security,
Veteran Affairs, and International Relations

and

The Honorable Steven C LaTourette
Chairman
Subcommittee on Economic Development,
Public Buildings, and Emergency Management

(by email)

Dear Representatives

COMBATING TERRORISM: OPTIONS TO IMPROVE THE FEDERAL RESPONSE

Thank you for your letter of 10 April. I attach the British Government's written testimony for including in the hearing on 24 April.

If you have any questions, please do get in touch.

Yours sincerely

Signed Peter Gooderham

Peter Gooderham

US HOUSE OF REPRESENTATIVES HEARING, 24 APRIL 2001: COMBATING TERRORISM: OPTIONS TO IMPROVE THE FEDERAL RESPONSE

Organisation of Counter Terrorist Activity in the UK

The Terrorist Threat to the UK

The greatest terrorist threat to UK interests emanates from organisations concerned in terrorism in Northern Ireland. Despite the Good Friday agreement which has led to the setting up of devolved government in Northern Ireland and cease fires by a number of major paramilitary groups, there have been continuing terrorist attacks both in Northern Ireland and on the British mainland. These have been carried out by dissident Republican groups and, to a lesser extent, dissident Loyalists, committed to undermining the political process by violent means. Recent bomb attacks in London by the "Real IRA" in particular show the considerable and increasing threat they pose.

A number of international terrorist groups also threaten UK interests either directly or through risk of collateral damage. For example, the Greek terrorist group NI7 shot dead the UK Military Attache in Athens, Brigadier Stephen Saunders in June 2000. In the past year UK citizens have been kidnapped in Colombia, Sierra Leone, Bangladesh, Georgia, Yemen, Somalia and Nigeria. A bomb exploded at the British Embassy in Yemen. A number of international terrorist groups have sought to use the UK as a base from which to organise or finance terrorist activity.

Violent actions have also been carried out in the UK by domestic groups, notably extreme animal rights activists, who have sought to intimidate people employed in the pharmaceutical industry or involved in field sports.

Organisation and Coordination of UK Counter Terrorist Work

The UK approach to counter terrorist work is characterised by close coordination and cooperation between Government departments, agencies, police and the armed forces. The Home Office leads on terrorist incidents on the British mainland: the Northern Ireland Office takes the lead in Northern Ireland. The Foreign and Commonwealth Office leads on terrorist incidents overseas involving UK interests. In the event of a major incident the lead department calls and chairs regular meetings to coordinate the UK response. Depending on the circumstances these meetings may be chaired by the lead Minister or senior officials.

Counter Terrorist Legislation

On 19 February 2001, new legislation, the Terrorism Act 2000 came into force, replacing previous temporary legislation. The Act, which applies to international, Northern Ireland related, and other domestic terrorism, enhances the powers of the UK police and prosecuting authorities to take effective action against all forms of terrorism.

Under the Terrorism Act 2000 the Government now has the power to proscribe foreign terrorist organisations. On 28 March the Home Secretary signed an Order proscribing 21 foreign terrorist organisations, this came into the force the following day. He made his decisions on proscription, which were subject to Parliamentary approval, on the basis of criteria in the Act and took into account factors including the nature and scale of a group's activities, the threat to UK interests, the extent of a group's presence in the UK, and the need to support the international community in the fight against international terrorism. Organisations concerned in terrorism in Northern Ireland that were proscribed under previous legislation remain so. Both lists are attached.

Law enforcement and the implementation of UK counter terrorist legislation is the responsibility of the police and the prosecuting authorities.

Priorities and Budgets

Priorities for counter terrorist work are agreed interdepartmentally. There is no single counter terrorist budget. Departments and agencies are responsible for bidding for and managing their own resources in accordance with Government resource allocation procedures.

April 2001

List of International Terrorist Organisations

Schedule 2 (Proscribed Organisations) to the Terrorism Act 2000

Al-Qa'ida

Egyptian Islamic Jihad

Al-Gatna'at al-Islamiya

Armed Islamic Group (Groupe Islamique Armee) (GIA)

Salafist Group for Call and Combat (Groupe Salafiste pour la Predication et le Combat (GSPC)

Babbar Khalsa

International Sikh Youth Federation

Harakat Mujahideen

Jaish e Mohammed

Lashkare e Tayyaba

Liberation Tigers of Tamil Eelam (LTTE)

Hizballah External Security Organisation

Hamas-Izz al-Din al-Qassem Brigades

Palestinian Islamic Jihad – Shaqaqi

Abu Nidal Organisation

Islamic Army of Aden

Mujaheddin e Khalq

Kurdistan Workers' Party (Partiya Karkeren Kurdistan) (PKK)

Revolutionary Peoples' Liberation Party – Front (Devrimci Halk Kurtulus Partisi – Cephesi) (DHKP-C)

Basque Homeland and Liberty (Enskadi ta Askatasuna) (ETA)

17 November Revolutionary Organisation (N17)

SCHEDULE 2

PROSCRIBED ORGANISATIONS

The Irish Republican Army

Cumann na mBan

Fianna na hEireann

The Red Hand Commando

Saor Eire

The Ulster Freedom Fighters

The Ulster Volunteer Force

The Irish National Liberation Army

The Irish People's Liberation Organisation

The Ulster Defence Association

The Loyalist Volunteer Force

The Continuity Army Council

The Orange Volunteers

The Red Hand Defenders

Note

The entry for The Orange Volunteers refers to the organisation which uses that name and in the name of which a statement described as a press release was published on 14th October 1998.

Section 1. International Terrorism
1. Japanese Ambassador's Residence Seized in Peru

(1) Outbreak of the Incident

At around 8:30 p.m. on December 17, 1996 (around 10:30 a.m. on December 18, Japan Time), members of a left-wing terrorist organization called Tupac Amaru Revolutionary Movement (to be hereinafter called MRTA) used explosives and seized the official residence of the Japanese Ambassador to Peru. At the residence, the Japanese Ambassador was hosting a reception to celebrate Japanese Emperor Akihito's birthday inviting hundreds of people. The guests included Peruvian government officials, ambassadors and other diplomatic mission members as well as Japanese nationals residing in Peru. The group of 14 left-wing terrorists, led by Nestor Cerpa Cartolini, armed themselves with hand grenades and automatic rifles and took a record number of people as hostages □\ about 700 persons. For more than four months, the group occupied the residence.
Upon seizing the building, the criminal group made a four-point demand to the Peruvian government in a statement issued via local mass media. It demanded that the government "release all MRTA members now in prison," "provide escort and guarantee the safe exit route to the Central Amazon region for them," "change the government's economic policy" and "pay the ransom which they called 'war tax".

(2) Brief Outline of MRTA Organization

MRTA was formed in or about 1982 in Peru to champion Marx-Leninist revolution. The organization embraced 1,000-2,000 members at the peak time, and has been funded by contributions from narcotics dealers, and money raised through abduction, robberies and intimidation of business corporations. MRTA had attacked European and the U.S. diplomatic establishments and Peruvian government agencies and abducted diplomatic mission members and Peruvian government officials. The number of MRTA activists decreased sharply as a result of thoroughgoing crackdown on terrorists by the government which had reinforced terrorists control laws and arrested leaders of terrorist organizations one after another. The members of MRTA were considered to number less than 100 when this incident happened.
(3) Developments of the Incident

A. MRTA's Seizure Prolonged
The group of MRTA members set free a large number of women and the aged among the hostages about two hours after the outbreak of this incident. The group set free nine persons including The Canadian Ambassador to Peru; On the following day, or December 18, four Peruvians of Japanese ancestry on December 19; 39 people including ambassadors and other members of the diplomatic corps of various countries on December 20; 225 people including ambassadors from various countries on December 22. In the meantime, the group demanded the "release of imprisoned MRTA members" and others.
President Alberto Fujimori of Peru rejected all of their demands and demonstrated a resolute stance indicating that he might resort to force if the MRTA members harmed the hostages. Because the Peruvian Government refused to negotiate with the MRTA group at first, Michel Minning, the Peruvian delegate of the International Committee of the Red Cross (ICRC) and Canadian Ambassador Anthony Vincent who was set free on the second day of the incident went to the Japanese Ambassador's official residence for talks with the MRTA group.
On December 28, Peruvian Education Minister Domingo Palermo became the first Peruvian government official to enter the Japanese residence after the hostage incident broke out. He conducted negotiations with the MRTA members for about

three hours and a half, and on the same day 20 people including the Dominican Republic ambassador were freed.
The talks with the MRTA members had been virtually stalled when helicopters of the Peruvian Government menacingly circled low over the embassy building, while armored vehicles were deployed around the building. In addition, loud speakers positioned nearby blared military marches and other music numbers. The MRTA members replied with repeated warning shots from rifles. For a time, a very noisy and highly tensive atmosphere prevailed in the neighborhood of the ambassador's residence.
Under such circumstances, the safety of the hostages was a matter of serious concern. The terrorists refused to release any more hostages after freeing one Peruvian police officer on December 27. A total of 72 hostages were held in the ambassador's official residence until the incident was brought to an end.

B. Japan-Peru Summit Talk and Start of "Preliminary Dialogue"
In search of a breakthrough for settling the incident, Japan and Peru held a summit meeting in Toronto, Canada, on February 1. The top leaders of Japan and Peru strongly criticized the whole incident as unacceptable to the international community and confirmed each other's will to make stepped-up efforts to settle the incident in a peaceful manner and release all hostages at the earliest date possible. They agreed that the Peruvian government would start "preliminary dialogue" with MRTA prior to the full start of direct talks between them.
The negotiations between the Peruvian Government and MRTA representatives were conducted, in the form of "preliminary talks" since February 11. They were joined by a third party "Guarantors Committee" consisting of Roman Catholic Archbishop Juan Luis Cipriani who is the leader of religious circles in Peru, ICRC representative Minning and Canadian Ambassador Vincent. Japanese Ambassador to Mexico Terada joined the committee as an observer. The negotiations which were focused on terms under which the incident could be ended made a rough sledding with the MRTA representatives refusing to compromise their demands, which included "the release of imprisoned MRTA members."

(4) Rescue Operation

Under such circumstances, the Peruvian Government had a special squad of about 140 soldiers raid the residence at 3:23 p.m. on April 22, 1997 (at 5:23 a.m. on April 23, Japan Time). As a result, all but one □\ a Peruvian supreme court justice □\ of the 72 hostages, including 24 Japanese, were brought to safety on the 127th day of their captivity. As a result of the exchange of gun fire, besides the justice, two members of the Peruvian special unit died, and all the 14 MRTA terrorists were shot to death.

(5) International Community's Reaction

From the beginning to the end, the international community vehemently denounced the conducts of MRTA terrorists and supported the Peruvian Government which firmly adhered to its stance of never yielding to terrorism, threatening to use force if the MRTA terrorists should inflict damage to the hostages.
On December 27, 1996, Chairman's Statement of the G7/P8 Countries was issued. The statement pledged the countries' determination to never to yield to terrorists, to seek immediate release of the hostages, to make the rescue of people's life the top priority objective and support the Peruvian Government's endeavor to settle this incident by peaceful means.

(6) Japan's Response

On December 18, 1996 (Japan Time), when the incident broke out, the Japanese Government set up an office of countermeasures in the Prime Minister's official residence to collect relevant information. On the next day, or December 19, the government established the "Headquarters to Cope with the Seizure of Japanese Ambassador's Residence in Lima" headed by the Prime Minister.
The National Police Agency, on the day of the outbreak of the incident, established a liaison office headed by the director general of the Security Bureau to be responsible round the clock for interdepartmental liaison within the government and gathering information. On the following day, the agency sent police officers to Peru and had them stay there till the end for reporting back the situation around the Japanese Embassy and gathering information as staffers of the local liaison office in Peru. The police also had them engage in consultations with the Peruvian authorities on steps to be taken to solve the incident as well as had them exchange information with foreign concerned.
After the hostages were released, the National Police Agency sent more police officers to Peru in order to support the local liaison office and cooperate with the Peruvian authorities in conducting investigation. They aided the Peruvian authorities in the examination of the ambassador's residence and criminal identification activities by making available supplies and equipment and sorting out and analyzing materials collected at the scene. In Japan, the Metropolitan Police Department interviewed released Japanese hostages about the circumstances at the time of the incident in detail and analyzed materials supplied by the Peruvian authorities. Thus, it conducted investigations to determine violations of the "Law to Punish Compulsory Acts by Hostage Taking."

(7) "Lima Syndrome" Observed
A psychoanalyst sent to Peru as a member of the police team reported having observed the same psychological condition as have been identified as the "Stockholm Syndrome" (note), a syndrome seen in many cases of hijacking and hostage taking. The specialist said the conditions which might be named "Lima Syndrome" developed during the incident.
The Lima Syndrome was explained as follows: "influenced by hostages, criminals eventually wished to identify themselves with their hostages. Thus, they assimilated and studied the cultures of hostages, with the result that their hostility toward hostages was softened." The psychoanalyst theorized that this phenomenon, as it does not take place evenly among all the criminals, can delicately change the internal structure of the group of criminals and cause a crisis of their unity.

(Note) The Stockholm Syndrome is the development of affinity between the hostages and criminals in a hold-out incident.

(8) Lessons Learned from the Incident

This incident was brought to an end by a raid of the ambassador's residence by the Peruvian special unit. It offered many lessons in terms of how to cope with terrorists in the future. The National Police Agency will promote various steps to cope with terrorism in the future by learning lessons from the incident in Peru. See 3 of Section 2 in this chapter "Japan's Future Measures against Terrorism."

2. Japanese Red Army and "Yodogo" Hijacker Group

(1) Japanese Red Army

The Japanese Red Army was organized by Fusako Okudaira (Shigenobu), Tsuyoshi Okudaira and other former members of its predecessor, the Sekigunha faction of

Kyosando (Communist League), who fled to Lebanon. Since its organization, the Japanese Red Army has been engaged in terrorist activities in various parts of the world either in cooperation with Palestine guerrillas or single-handedly. The Japanese Red Army is among the most active of the international terrorist organizations.
Some of the members of the Japanese Red Army remain in Lebanon, a long-time base of their activities, while others have dispersed to various parts of the world and gone underground in order to build new bases of their activities. It was dealt a heavy blow as members of the Japanese Red Army were arrested one after another after 1995. It, no doubt, was hit even harder by the arrest of five members in Lebanon in February 1997.

A. History of Japanese Red Army
(a) Inauguration
The Sekigunha faction of Kyosando (Communist League) which was the predecessor of the Japanese Red Army, was dealt a devastating blow by the so-called "Daibosatsu-toge Incident" in which many members were rounded up while they were engaged in military training. However, in 1971, members of the Sekigunha faction, namely, Fusako Okudaira (Shigenobu) and Tsuyoshi Okudaira, left Japan for Beirut, established contact with the Popular Front for the Liberation of Palestine (PFLP) and started activities to organize the Japanese Red Army. They reinforced the organization by inviting to Lebanon Japanese Red Army sympathizers, such as Yasuyuki Yasuda, Kozo Okamoto, Kazue Yoshimura and Osamu Maruoka, who later became nucleus members of the group.

(b) Activities in the 1970s
In 1972, the year following the organization of the Japanese Red Army, three members, namely, Tsuyoshi Okudaira, Yasuyuki Yasuda, and Kozo Okamoto fired automatic rifles at random under the command of the PFLP at the Tel Aviv Lod Airport in Israel, injuring about 100 people, mostly tourists. Twenty-four of them were killed. Beginning with this Tel Aviv Airport incident, the Japanese Red Army perpetrated terrorist incidents one after another, occupying diplomatic establishments or hijacking in the "Dubai Incident" (1973), "the Hague Incident" (1974), "Kuala Lumpur Incident" (1975), and the "Dacca Incident" (1977). In the "Kuala Lumpur Incident" and "Dacca Incident," the Japanese Red Army demanded that their comrades who were detained in Japan be set free. It increased its strength by adding 11 members released by the Japanese Government.

(c) Activities in the 1980s
After Dacca Incident, the Japanese Red Army stopped visible armed struggle and conducted publicity activities from its base in Beirut. In 1985, Kozo Okamoto who had been serving a prison term in Israel for perpetrating the "Tel Aviv Lod Airport Incident" was released in exchange for captives of the PFLP-GC (the General Command faction of the Popular Front for the Liberation of Palestine). He then joined the Japanese Red Army again.
In the meantime, terrorists incidents using bombs, such as "Jakarta Incident" (1986), "Rome Incident" (1987) and "Naples Incident (1988)," broke out at many places around the world, and the involvement of the Japanese Red Army in these incidents became clear from fingerprints of its members lifted from the scenes of these incidents.
In November 1987, Osamu Maruoka, who involved himself in the "Dacca Incident" and "Dubai Incident" and smuggled himself into Japan was arrested. In April 1988, Yu Kikumura was arrested in the United States on suspicion of carrying pipe bombs with him, while in June 1988, Hiroshi Izumi, a suspect of the "Dacca Incident" was arrested by coordinated efforts of the Japanese and Philippine authorities. In this manner, members of the Japanese Red Army were arrested one after another.

B. Recent Activities
(a) Activities Outside the Middle-East
It is believed that the Japanese Red Army is composed of about two dozen members led by Fusako Okudaira (Shigenobu).
The Japanese Red Army was engaged in militant activities with its base established in Lebanon for more than 25 years, except for a period when Israel invaded Beirut. However, it had to close its camp on the Bekaa Valley by the autumn of 1993 as a peaceful mood prevailed in the Middle East following the termination of the Gulf War.
In recent years, some of the members of the Japanese Red Army remained in Lebanon trying to maintain the organization. However, other members launched activities in places other than the Middle East in order to build new footholds. This became known from the "statements" issued by the Japanese Red Army and a series of arrests of Japanese Red Army members.
In March, 1995, the police located Yukiko Ekita in Romania and arrested her. In May 1996, the police found Kazue Yoshimura, who was then hiding in Peru, and arrested her on June 8, 1996. In September the same year, Tsutomu Shirosaki was discovered in Nepal and was arrested.
(b) Wholesale Roundup in Lebanon
Five members of the Japanese Red Army (Haruo Wako, Masao Adachi, Mariko Yamamoto, Kazuo Tohira and Kozo Okamoto) who had been hiding in Lebanon by concealing their true identity were discovered in the middle of February, 1997, and they were apprehended by Lebanese authorities. Subsequently, they were indicted on charges of forgery of passports and illegal entry into Lebanon. The Japanese government has asked the Lebanese authorities to extradite the five captives to the Japanese Government as soon as legal proceedings are completed in Lebanon.
The Japanese Red Army which has lost its principal base and lost several members by arrests, is expected to concentrate on rehabilitation of its organizational setup and build new bases for their activities as the top priority matter. However, the countries which used to support international terrorist organizations have changed their pro-terrorist policies. Moreover, at this time when anti-terrorist measures are being taken extensively on a global scale, it is difficult for the Japanese Red Army to build new bases for their activities. It seems that the subsistence of the organization itself is being threatened.
Under such circumstances, it is considered difficult for the Japanese Red Army to engage in aggressive terrorist activities. However, there is no denying the danger of the organization perpetrating a violent terrorist incident in retaliation for the arrest of its members as well as instigating their sympathizers by showing both at home and abroad that their organization is still sound and strong.
Accordingly, it is necessary for the police to fortify tie-up with the organizations and countries concerned in order to contain the activities of the Japanese Red Army and disband the organization. Police must locate at the earliest date the internationally wanted eight members of the group and promote various measures vigorously in order to apprehend them.

(2) "Yodogo" Hijacker Group

A. "Yodogo" Hijacking Case
On March 31, 1970, JAL plane Flight No. 351 "Yodogo" was flying over Mt. Fuji en route to Fukuoka, Kyushu, from Tokyo, when nine members of the Sekigunha faction of Kyosando (Communist League) including Takamaro Tamiya, armed with Japanese swords, daggers and steel pipe bombs, hijacked the plane. The hijackers, by holding 129 passengers and crew of "Yodogo" as hostages, demanded that the plane

fly to North Korea. After releasing some of the passengers and the crew members at Fukuoka Airport in Kyushu and Kimpo Airport in the Republic of Korea, they entered North Korea aboard the plane.
The Japanese police sought cooperation through ICPO-Interpol and threw a dragnet for the arrest of these Yodogo hijackers. The police are still hunting for them. In connection with this Yodogo hijacking case, the top leader and other leaders of the Sekigunha faction of Kyosando (Communist League) were apprehended as conspirators in Japan and brought to justice.

B. Activities in North Korea
In 1988, the Japanese police arrested one of the Yodogo hijackers who had secretly entered Japan on a passport which he had obtained illegally. It became known in the course of his investigation that the group of Yodogo hijackers often left North Korea to engage in activities in various countries.
At present, the group of Yodogo hijackers, using North Korea as their base and under the leadership of Takehiro Konishi, write articles and contribute them to publications or engage in commercial activities by running a trading company known by the name of "Project 21." They are known to be working, as their priorities, to acquire citizenships for their children and for their own return to Japan.
The group of Yodogo hijackers had long insisted that they be allowed to return to Japan by obtaining pardon of the Japanese government. However, they gave up this attempt recently. Now they insist that they be allowed to return to Japan from the standpoint of humanity.

C. Pinched Yodogo Hijackers
On November 30, 1995, Yodogo hijackers' leader Takamaro Tamiya died. Takahiro Konishi took over as the leader. However, because Tamiya demonstrated his leadership in everything within the group since the 1970 hijack of Yodogo plane, his death inflicted a devastating damage to the group.
Under such circumstances, Yoshizo Tanaka, one of the members of the group of Yodogo hijackers who had been hiding in Cambodia under the cloak of economic activities was caught in the country and was transferred to Thailand. He was arrested by Thai authorities on charges of possessing forged U.S. dollar notes for the purpose of using them.
The members of the group of Yodogo hijackers announced the death of a group member Takeshi Okamoto and his "wife," though their deaths were not confirmed yet. As a result of a series of deaths and arrests, it is estimated that only five Yodogo hijackers remain in North Korea.

3. State-Sponsored Terrorism by North Korea

(1) Major Terrorist Incidents Sponsored by North Korea in the Past

As part of its subversive activities against the Republic of Korea, North Korea has so far perpetrated such international terrorist incidents as the "Attempted Attack on the Presidential Blue House" in 1968, "Rangoon Incident in Burma" in 1983, and the "Korean Air Plane Bombing Case" in 1987.
In view of this, the State Department of the United States still regards North Korea as one of State Sponsors of Terrorism together with Libya, Iran, etc.

A. Attempted Attack on Presidential Blue House
On January 21, 1968, 31 armed North Korean guerrillas who had attempted to assassinate the then South Korean President Park Chung Hee and other South Korean leaders shot to death five civilians and one police officer in the neighborhood of the Presidential Blue House. Thirty of the 31 armed guerrillas

were shot to death and one was arrested by the South Korean authorities. This unsuccessful attack on the Presidential Blue House is believed to have been perpetrated by North Korea's People's Army Reconnaissance Bureau.

B. Rangoon Incident in Burma
On October 9, 1983, three armed North Korean guerrillas who had smuggled themselves into Burma (present Myanmar) under the guise of North Korean cargo ship crew plotted to assassinate the then South Korean President Chun Doo Hwan and South Korean government leaders who were then on a goodwill visit to Burma and bombed Aung San Mausoleum on their itinerary, killing 21 persons including South Korean Director General of Foreign Affairs Department and injuring 47 others. One of the armed guerrillas was shot to death and two others were rounded up by the Burmese authorities. This bomb blast incident is believed to have been perpetrated by the Reconnaissance Bureau of North Korea.

C. Korean Air Plane Bombing Incident
On November 29, 1987, North Korean agents Kim Sungil and Kim Hyon Hui carrying bogus passports in the name of Japanese nationals blasted a bomb on a Seoul-bound Korean Air flight No. 858 which departed from Bagdahd, killing all the 115 passengers and crewmembers. The two took poison in suicide attempt when taken into custody by Bahrain authorities. The man died but Kim Hyon Hui survived and was later handed over to South Korean authorities. She was sentenced to death in South Korea in April 1989 but was granted a special presidential pardon in April 1990 and released.
From her testimony, it became known that she and Kim Sungil were members of the External Intelligence Department of the Korean Labor Party and that they were given by the North Korean authorities an order to blast a Korean Air plane in order to obstruct the Seoul Olympics of September 1988.

(2) Recent Trend

After the Korean Air plane bombing incident of 1987, there has been no terrorist incident in which North Korea was apparently involved. However, North Korea still retains the group of "Yodogo" hijackers. As described earlier, Yoshizo Tanaka, a member of the group of Yodogo hijackers, was seen in Cambodia together with three North Koreans carrying the North Korean diplomats' passports.
The Japanese police are continuing to pay attention to North Korean moves on the national security of Japan.

(3) Suspected Abduction of Japanese Nationals

Kim Hyon Hui, one of the perpetrators of the "Korean Air plane bombing incident" testified that she had received lessons on how to pass as a Japanese from a Japanese woman who was alleged to have been abducted from Japan and who called herself as "Lee Un Hae." Subsequent investigation conducted in Japan revealed that it is highly possible that she is a Japanese woman from Saitama Prefecture.
There are at least seven cases involving 10 Japanese suspected of having been abducted by North Koreans and taken to North Korea. One of them is a school girl apparently abducted in Niigata Prefecture in November 1977, and others are several couples who became missing from the beaches of Fukui, Niigata and Kagoshima prefectures from July through August of 1978.
The Japanese police are continuing their investigation into these cases through exchanging information with South Korean authorities and other agencies concerned both in and out of Japan.

4. Terrorism in the World

(1) Terrorism in 1996

A. Outbreak of Terrorist Incidents
In 1996, a number of terrorist incidents broke out indicating a turn to intensified terrorism throughout the world. In the Middle East, suicidal bombers from the Islamic Resistance Movement (HAMAS), which constitutes a radical faction of Islamic Fundamentalists, launched attacks in close succession in Israel. In Britain, the Provisional Irish Republican Army (PIRA) resumed terrorist activities by using bombs. In Saudi Arabia, terrorists' bombings of the U.S. military's facility continued for two successive years. While the Atlanta Olympics were held in the United States, the Centennial Olympic Park was bombed.
According to the U.S. State Department statistics on outbreak of international terrorist incidents in 1996, the number of outbreaks decreased to 296 from 440 in 1995. Yet, the number of fatalities from these incidents increased to 311 from 163 in 1995. There is a tendency that the means of perpetrating terrorism become increasingly violent and the scale of damage become larger in scale (see Chart 1-1, Chart 1-2 and Table 1-1).
Under such situation of global terrorism, the Japanese Ambassador's Residence in Peru was seized by terrorists in December, sending shock waves throughout the world.

B. Unique Tendency Observed in Recent Years
Recent years have witnessed a frequent outbreak of large-scale terrorist incidents in which many people were killed or injured. "Oklahoma Federal Building bombing" killed 168 people and injured about 500 people. Equally conspicuous are suicidal terrorism which affects innocent citizens, and indiscriminate attacks aimed at killing and injuring large numbers of bystanders.
The "sarin poisoning of subway passengers" in Japan has awakened many countries to the need of guarding against the use of biological and chemical substances not as a remote possibility but as a real threat.
The emerging forms of terrorism can inflict extremely serious damage not only on individual lives but also on society and nation. All countries around the world are pressed to work out effective countermeasures immediately.

(2) Background of Terrorist Incidents
Domestic problems, such as poverty, religious and racial problems may be cited as motives of terrorism.
Among terrorist organizations upholding religious faith as guiding principles today, most radical are HAMAS, Hezbollah and GIA, all of which are called "Islam Fundamentalist radicals".
In Japan, the religious cult Aum Shinrikyo resorted to indiscriminate terrorism. For years, the danger of fanatic anti-social religious organizations resorting to terrorism has been pointed out in European countries and in the United States. Groups which are resorting to terrorism against the State for the purpose of winning separation and independence from their country mainly for reasons of ethnic issues are known as "separatist, independent radicals." Falling under this category are the Provisional Irish Republican Army (PIRA), Basque Fatherland and Liberty (ETA) and Kurdistan Workers' Party (PKK). Moreover, it has been pointed out that terrorism motivated by minority issues may erupt in China's Xinjiang Uygur Autonomous Region and Tibet Autonomous Region.

Moreover, the developing countries in Latin America are rocked by terrorist incidents apparently given rise by the social situation pregnant with such domestic problems as social inequality, poverty and unemployment as well as by advanced countries' increasing presence overseas. The seizure of the Japanese Ambassador's Residence in Peru, which was targeted at Japan, was perpetrated by MRTA which had caused many terrorist incidents aimed primarily at U.S. government organizations.

5. International Terrorism's Threat to Japan

(1) Threat of Terrorism Spreading to Japan

As Japan's presence in the international society becomes pronounced, threat of terrorism to Japan's interests as well as to Japanese nationals abroad has become increasingly intense in recent years. The "seizure of the Japanese Ambassador's Residence in Peru" has made the presence of such threat all the more clear. It also shows a stern reality that Japanese people residing at many places around the world as well as Japanese facilities may become targets of global terrorism any time in future.
Many foreign nationals whose home country situation is unstable are staying in Japan. Accordingly, it is feared that disputes in foreign countries might have ripple effects on Japan in the form of terrorist incidents. Moreover, because there are in Japan many U.S. facilities which have repeatedly become targets of attack by Islam Fundamentalist radicals, many serious terrorist incidents by those radicals are posing real threat also to Japan.
Though dealt a lethal blow as a result of the apprehension of its members one after another in recent years, the Japanese Red Army which had perpetrated many terrorist incidents in the past and which is engaged in terrorist activities at many places in the world today, still remains as a major source of threat to Japan.
As for North Korea, which is not linked to any terrorist incidents occurring after 1988, its movement arising from unpredictable situation on the Korean Peninsula needs close watching, particularly in the case of Japan, its neighbor, in light of the fact that North Korea had caused many terrorist incidents in the past.

(2) Terrorist Incidents Which Have Victimized Japanese Residents Overseas

Apart from the "seizure of the Japanese Ambassador's Residence in Peru," Japanese business corporations and Japanese residents overseas were targets of terrorism. Some of the recent incidents are: Japan International Cooperation Agency (JICA) experts of agricultural technology in Peru were shot to death in July 1991; an attempt was made to kidnap a Japanese company employee in Algeria in September 1993; a Japanese ranch owner was kidnapped in Colombia in September 1994.
In addition, terrorist incidents in which Japanese nationals were not targeted but happened to be involved include the Sri Lanka Central Bank bombing case perpetrated in Sri Lanka in January 1996, the Egypt Air plane hijacking case which occurred in Egypt in March 1996, and the bombing incident at Port Royal Station in France in December 1996. Many Japanese were injured in these incidents. In December 1994, one Japanese passenger was killed on board the Philippine Air plane which was bomb-blasted.

1. International Cooperation in Combating Terrorism

(1) Promotion of Cooperation Among Countries

Against the background of international terrorism which is assuming increasing severity, one country's efforts to combat terrorism have limits. In view of this, terrorism is often debated actively at the summit meetings of industrialized countries or at the United Nations conferences in recent years. At the same time, cooperation among countries is being pushed vigorously.
The 1978 Bonn Summit adopted a Statement on Air-Hijacking upon a proposal from Japan. This was the first statement concerning terrorism ever issued in the history of the summit meetings of industrialized countries. Japan made this proposal in view of the mounting threat of terrorism in the world posed by the Japanese Red Army's "Dacca Incident" in 1977 and other incidents. Since then, almost every summit meeting has taken up terrorism as one of the important issues on the agenda, and issued a statement concerning terrorism.
As for the United Nations, in view of frequent occurrence of terrorist incidents, the 27th General Assembly in 1972 took up and debated the measures to prevent international terrorism and its root causes. Since then, the problem of terrorism has been discussed mainly by the Sixth Committee of the U.N. General Assembly. At the 49th General Assembly held in 1994, the "Declaration on Measures to Eliminate International Terrorism" was adopted.
As is evident from the above, in the field of measures to combat global terrorism, an international consensus was formed "to condemn terrorism in all its forms and manifestations, regardless of its perpetrators or motives," and extensive and concrete measures are being taken to prevent terrorism with cooperation of all countries, including developing countries.

(2) Summit Ministerial Conference on Terrorism (Ottawa)

Following the Halifax Summit in 1995, the Summit Ministerial Conference on Terrorism was held in Ottawa, the capital city of Canada, in December 1995, with interior, justice and foreign ministers of the Summit member countries attending. On the basis of recognition that measures to prevent terrorism constitute an urgent problem to be grappled with on a global scale, the "Ottawa Ministerial Declaration on Terrorism" was adopted.
(3) Sharm-el-Sheikh (Peace Makers') Summit
In view of the mounting tension in the Middle East, the Middle East countries, the Summit member countries, and other countries together with international organizations, totaling 29, held a "Sharm-el-Sheikh Summit" (Peace Makers' Summit) at the initiative of Egyptian President Mubarak and U.S. President Clinton. At this summit, each country's determination to make efforts to combat terrorist activities and exterminate support to terrorists as well as all countries' determination to make stepped-up efforts to promote peace in the Middle East were manifested in the Co-Chairmen's Statement.

(4) G7/P8 Ministerial Conference on Terrorism (Paris)

In view of the fact that "Dhahran U.S. military facility bombing" occurred in Saudi Arabia just before the Lyon Summit was opened in June 1996, the Lyon Summit adopted the "Declaration on Terrorism." The declaration reaffirmed "absolute condemnation of terrorism in all its forms and manifestations."
Based on this declaration, the G7/P8 Ministerial Conference on Terrorism was convened in Paris in July 1996, and it adopted a 25 practical measures centering on "adopting internal measures to prevent terrorism" and "strengthening international cooperation to fight terrorism" in order to speed up conclusion of conventions to combat terrorism and to control the fund raising of terrorists.

(5) Denver Summit

The Denver Summit was held June 20-22, 1997, in Colorado, the U.S. Japanese Prime Minister Ryutaro Hashimoto manifested anew a strong determination to fight terrorism jointly with the international society, saying that "we will never give way to terrorists." Hashimoto strongly called attention to the need to strengthen cooperation among P8 member countries of the summit meeting as well as to the importance of regional cooperation in taking measures on terrorism. With the seizure of the Japanese Ambassador's Residence in Peru in mind, Prime Minister Hashimoto proposed to hold an expert meeting on terrorism mainly against hostage taking incidents.

On June 22, the Denver Summit issued a communique which reconfirmed the resolve to combat terrorism of all forms and requested all countries to join the international counterterrorism conventions by the year 2000. Incorporated in the communique were measures to deter terrorists' use of mass destruction materials and their attack on electronic and computer infrastructure as measures to be taken by all countries to prevent terrorism.
On the basis of proposals from Japan, the communique also refers to the efforts to strengthen the capability of hotage negotiation experts and counterterrorism response units.

2. Measures To Prevent Terrorism Currently Taken in Japan

(1) Round-up of Terrorists and Grappling with Measures To Forestall Terrorism

In order to enforce measures to combat various forms of terrorism, the Japanese police have sent, since early on, officers overseas to exchange information with relevant authorities of various countries and vigorously engage in information gathering activities in an attempt to gain a true picture of movements of international terrorist groups, such as the Japanese Red Army.
In addition to measures to prevent entry of international terrorists into Japan, the Japanese police are vigorously promoting measures to prevent the smuggling of arms and chemicals, that could be used as means of terrorism at seaports and airports, through cooperation with authorities concerned.

(2) Establishment of Special Assault Team (SAT)

On the occasion of the "Dacca Incident" perpetrated by the Japanese Red Army on September 28, 1977, the Japanese police established special units at the Metropolitan Police Department (MPD) and the Osaka Prefectural Police. However, in order to properly cope with the situation which is increasingly serious in recent years, the Special Assault Team (SAT) was established at MPD, Osaka and five more prefectural police headquarters in April 1996.
The principal duty of SAT, established to properly deal with serious emergencies such as hijacking cases and holdout cases involving hostages, is to arrest the terrorists while ensuring safety of the victims of such grave incidents. SAT is a team of highly trained specialists, and the SAT throughout the country have about 200 highly trained members in total.

(3) International Support to Measures to Combat Terrorism

The National Police Agency, since 1993, has invited officers in charge of terrorism mainly from developing countries as part of Japan's ODA program to acquaint them with antiterrorism measures as well as use of equipment and materials. Moreover, the agency is active in transferring the knowhow of filing and analyzing information and reference materials, and the technique of discovering bogus passports.

(4) Measures to Ensure Safety of Japanese Residents Overseas

Because overseas operational bases of Japanese business corporations and their staffers stationed abroad very often fall victims to terrorist incidents in recent years, various organizations' interest in measures to ensure safety of Japanese overseas is mounting. In such circumstances, the Council for Public Policy, with the cooperation of various organizations concerned, has sponsored since 1993 the Seminar on Security Measures for Overseas Japanese Companies in Bangkok (1993), Manila (1994), and Hong Kong (1995). In July 1996, Seminars in Jakarta and Kuala Lumpur were held, and the National Police Agency cooperated with the sponsoring organizations of these seminars by sending lecturers to them.
(5) Active Participation in International Conferences

As for measures to combat global terrorism, concrete and broad in-depth measures, which have gone beyond the contents of international cooperation thus far discussed, have come to be studied in the United Nations fora and the summit meetings. Japanese police, as a member of the Japanese Government, are grappling with the promotion of international cooperation enthusiastically and powerfully.

(6) Legislative Measures

A. Law Concerning the Prevention of Bodily Injuries by Sarin, etc.
A series of incidents perpetrated by Aum Shinrikyo cult prompted the enactment and promulgation in April 1995 of a law which prohibits the manufacture and possession of sarin, etc. and stipulates punishments to be meted out on conducts to disseminate sarin and measures to be taken when damage is caused by the dissemination of sarin.

B. Partial Amendment of Police Law
In June 1996, the Police Law was partially revised to enable prefectural police to exercise their authority in areas outside their borders on its own judgment and responsibility. The partially amended police law has made it possible for the Comissioner-General of the National Police Agency to issue instructions as regards the work-sharing among the prefectural police forces, so that the Japanese police as a whole can deal with wide-area organized crimes speedily and properly.

3. Japan's Future Measures Against Terrorism

(1) Strengthening of Information Gathering and Analysis

Japanese police will make stepped-up efforts to quickly uncover groups which are likely to resort to terrorism in the future, and to promote gathering and analysis of more specialized and comprehensive information.
Diplomatic missions overseas are urged to enhance their information gathering and security systems, while the police are required to contribute to the enhancement through security officers from the police at diplomatic legations overseas by intensifying coordination with local authorities and reinforcing security arrangements.'

(2) Reinforcement of Special Assault Team (SAT)

In view of the lessons from the "seizure of the Japanese Ambassador's Residence in Peru," it is urgently necessary for the police to reinforce the Special

Assault Teams (SAT) so that cases similar to the Peru incident may be properly dealt with. Particularly, the police are urgently required to give thoroughgoing training to SAT members to upgrade their ability to cope with terrorism. Moreover, the police are urgently required to bolster the contingency preparedness of SATs stationed in seven prefectures around the country.

(3) Bolstering of Setup to Prevent Terrorism and Investigate Terrorists

To provide against outbreaks of terrorist incidents outside Japan, an arrangement has to be worked out to dispatch a team consisting of experts on measures to combat terrorism more speedily than now in case of emergency so that the dispatched team will operate effectively as the core of Japan's local liaison office in the country of incident. The team is required to establish cooperation with local authorities, gather information speedily and accurately, and engage in activities to provide support to investigation agencies of various countries. It is necessary for the expert team to exchange information with relevant authorities even during peace times, and study methods of investigation, hostage negotiation and prevention in order to provide against the outbreak of terrorist incidents.
Because the danger of new forms of terrorism, using biological and chemical substances, or hacking (cracking) computer systems, is mounting in recent years, it is urgently necessary to study measures to prevent terrorism of this kind and the method of investigating such cases.

(4) Making Efforts to Promote International Cooperation

International cooperation through international conferences and coordinative actions with authorities concerned is extremely important in combating terrorism. The Japanese police, as a member of the Japanese Government, are stepping up their efforts to promote international cooperation. At the Denver Summit of industrialized countries, Japan proposed to convene an expert meeting on counterterrorism measures mainly against hostage taking incidents. This conference was held in December 1997. Japan has resolved to take part in such international conferences positively also in the future.
In order to step up coordination with relevant authorities of various countries, in Asian-Pacific region in particular, Japan has resolved to promote exchange of information with officials of the United States, the Republic of Korea etc. to strengthen cooperation with ASEAN countries, and to build up closer relations with countries of Latin America, Europe and the Middle East through exchange of information and sharing of experiences.

(5) Study of Legal System to Promote Counterterrorism Measures

As measures to combat organized crimes perpetrated by terrorist organizations, it is effective to control the fund raising by these organizations. The 25 practical measures adopted at the G7/P8 Ministerial Conference on Terrorism convened in Paris in July 1996, urges every country to take measures to deter flows of funds to terrorists and terrorist organizations and step up exchange of information on international transfer of funds to finance terrorist activities. They also urge to consider adoption of regulatory measures against flows of funds to terrorists. With these points in mind, the police, as part of measures to combat organized crimes, will further promote research and study on legal system to deprive terrorists of illegal proceeds and to restrict their conducts to evade the authorities' deprival of their illegal proceeds by taking into consideration systems put in force in other countries.

STATEMENT FOR THE RECORD
MITCHELL E. DANIELS, JR.
DIRECTOR
OFFICE OF MANAGEMENT AND BUDGET
TO THE
HOUSE COMMITTEE ON GOVERNMENT REFORM
SUBCOMMITTEE ON NATIONAL SECURITY, VETERANS AFFAIRS, AND INTERNATIONAL RELATIONS
AND THE
HOUSE COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS AND EMERGENCY MANAGEMENT

Thank you for your invitation to attend the joint hearing on Combating Terrorism: Options to Improve the Federal Response. The Administration gives high priority to homeland defense issues, including efforts such as combating terrorism, weapons of mass destruction preparedness, and critical infrastructure protection. We must ensure that the federal government has a comprehensive strategy to counter these threats and that resources are directed against the highest priorities. The National Security Advisor has therefore launched a review of the way in which our government is organized to combat terrorism and of our preparedness against weapons of mass destruction. This review is in the final stages of completion.

The Administration will be pleased to brief the Committee on the findings of the review but until then, I must respectfully decline your invitation to provide comments on the three legislative proposals to reorganize the federal combating terrorism structure that the Committee is examining. I believe that the Administration should be given a reasonable amount of time to decide what changes it will make to existing terrorism preparedness coordinating mechanisms, if any. The Administration is maintaining -- for the moment -- the existing framework of PDDs 62 and 63, which define the organization of the Federal combating terrorism effort and provide for its coordination by the National Security Council (NSC). Additional strategy guidance is currently provided by the Administration's Five-Year Counterterrorism and Technology Crime Plan, and the National Plan for Information Infrastructure Protection.

I expect that after we have examined the findings of the NSC review, the Administration may have several proposals for modifying the current organizational structure, programs, or budgets. At that time, we will also be able to provide our thoughts on any pieces of terrorism legislation under consideration by the Congress, including H.R. 525, H.R.1158, and H.R. 1292.

I agree with the Committee that the importance of these emerging threats and the extensive interdependence of agency programs to counter them require new approaches from the Administration and the Congress. Without a holistic approach to program management and funding, we risk underfunding these critical missions or poorly coordinating their various facets. We pledge to work closely with Congress to ensure the most effective allocation of resources possible against these threats.

As part of that cooperation, OMB submits an annual spring report to the Congress on combating terrorism, including preparedness against weapons of mass destruction. This report is intended to respond both to statutory reporting requirements and to meet expressed Congressional interest in these emerging threats, in particular, interest from your Committee. In the past, the report has described both how we built the combating terrorism budget and what it includes, addressing attempts to develop coherent strategies, manage interagency coordination, and create a comprehensive investment plan for the U.S. Government's fight against emerging threats. It has also provided programmatic analysis of government-wide programs and funding. Each year, we have attempted to improve the report's ability to answer the key questions facing the Congress and to provide actionable information for the Congress to use in its development of legislation affecting these issues. This year's report is currently in production and we will be glad to forward a copy to your Committee as soon as it is available.

Thank you for allowing me to submit a statement for the record. I look forward to working with the Committees as we move forward on these issues in the 107th Congress.

TESTIMONY OF THE HONORABLE IKE SKELTON BEFORE THE TRANSPORTATION AND GOVERNMENT REFORM COMMITTEES ON HOMELAND SECURITY ISSUES APRIL 24, 2001

Thank you, Chairman Shays and Chairman LaTourette, and members of the Government Reform and Transportation Committees. I appreciate the opportunity to appear before you today.

I think all of us here today would agree that the United States needs to improve its ability to provide security for our citizens, our territory and our infrastructure against terrorist attacks. Unfortunately, domestic terrorism is an increasing national problem, and the sad truth is that the federal, state and local governmental structures now in place do not operate in an efficient, coordinated and coherent way to provide adequate homeland security for our citizens.

Part of the reason for the lack of coherence in our domestic terrorism prevention and response capability is that terrorist attacks can come in many forms. They may involve sophisticated intercontinental ballistic missiles equipped with nuclear warheads, crude home made bombs in suitcases, or computer intrusions that could disable our power grid or our air traffic control system. Conventional, chemical, radiological or biological weapons may

be involved. An attack could come at our borders, at our places of government, on our military installations, or at a place where people congregate for a brief event. The process of identifying, acquiring and planning the use of resources needed to prevent or respond to a potential or actual terrorist incident is complex and necessarily involves several executive departments and agencies at federal, state and local levels.

I do not believe we presently have an adequate comprehensive, government-wide national strategy concerning the role of the United States Government in the many facets of homeland security. The bill I've introduced, H.R. 1292, recognizes this deficiency and directs the president to develop and implement a national homeland security strategy.

In my view, it doesn't make sense to prescribe which governmental organizations are going to do what in terms of preparing for and responding to domestic terrorism until we have studied the threats, inventoried our capabilities and resources, and devised an overarching strategy for how to best address this problem. It is premature to specify the organizational structure and shape of the federal homeland security operations until that strategy is in place.

At the same time, we know that any national security strategy must include certain components. For instance, a strategy only

makes sense if you identify the threats against which you must be prepared to respond. We know that any strategy will involve roles for existing governmental agencies, and we must make those roles explicit. My bill tries to outline the broad parameters and components of a national homeland security strategy without being overly prescriptive about what the specific strategy should say.

That's because, in my view, we in Congress are not in the best position to know what should go into a national homeland security strategy that will have to be carried out by the executive branch—the president, as chief executive, is in a better position to make those determinations.

As ranking member of the Armed Services Committee, I know that any homeland security strategy will have to make use of our military assets and capabilities. But I can't tell you specifically how to make the best use of our military because those bureaucratic decisions are best left to the military and the executive branch. The president and his departmental secretaries are in the best position to know the answers to issues concerning use of the military in homeland security. As a result, H.R. 1292 directs the president to devise and implement this strategy.

However, I also recognize that Congress has obligations to the country for homeland security, and we do, after all, authorize and appropriate the funds that will make execution of this strategy

possible. Therefore, my bill requires the president to report to Congress on the process and time table for development of the homeland security strategy so that Congress will have an adequate opportunity to intervene legislatively should that become necessary.

Mr. Chairmen, we all recognize that domestic terrorism is a growing problem, and we all want our government's resources to be used in the most effective way in addressing homeland security issues. My bill simply reflects my effort to keep the horse in front of the cart and to require the development of a comprehensive national homeland security strategy before we start implementing operational solutions to the problem.

Thank you, and I will be happy to try to answer your questions.

Prepared Statement
Before the House Committee on Government Reform,
Subcommittee on National Security, Veterans Affairs, and International Relations
and the House Committee on Transportation and Infrastructure,
Subcommittee on Economic Development, Public Buildings, and Emergency Management

24 April 2001

Amy E. Smithson, Ph.D.
Director, Chemical and Biological Weapons Nonproliferation Project
Henry L. Stimson Center

Few would dispute that Washington's halls are filled with very bright people, many with impressive degrees and policy making experience to their credit. The soundest policies are based not on book learning and hypothetical thinking, but rather on real life experience. As is well-known, real life is what is found outside of Washington's beltway. Comparatively few of those who have been setting the US policies on how best to prepare this nation to confront the specter of unconventional terrorism have ever fought a raging wildfire; unearthed victims from the rubble left behind by hurricanes, tornadoes, or bombs; encountered the ravages of a microscopic killer like Ebola and steered the implementation of measures to contain an infectious disease outbreak; or rescued and administered medical care to those involved in a major industrial or transportation accident.

Another major factor influencing the difference in perspectives that one hears inside versus outside of the beltway involves the relative disparity of resources. In Washington, policy makers debate whether to spend mega-millions on this or that, while in US cities, fire chiefs scrimp to replace worn out respirators and public hospital administrators cannot even buy new gurneys. No wonder, the "first responders" among your constituents would say, so much has been spent on unconventional terrorism preparedness, yet so much more could have been accomplished.

Since an unconventional terrorist attack would create a disaster that has much in common with the calamities that this nation's hazmat captains, emergency department nurses and physicians, public health officials, police, and city emergency planners and managers already deal with on a routine basis, arguably their experience and pragmatism

should be driving the federal government's approach to terrorism preparedness programs. If Washington's policy makers would listen to what these front-line rescuers and healthcare givers have to say, federal programs would be streamlined and would cost less, but the nation's preparedness would increase manifold.

My remarks today amplify the voices of front-line public safety and health officials from 33 cities in 25 states that I interviewed from February 1999 to September 2000. Since the publication of the report that resulted from these interviews, titled *Ataxia: The Chemical and Biological Terrorism Threat and the US Response*, my co-author Leslie-Anne Levy and I continue to interact with front-line officials from these and other cities on an almost daily basis. Mr. Chairman, I ask that the executive summary of this report, which contains all manner of practical recommendations about how federal preparedness programs can be improved, be entered into the record. In all candor—and these rescuers rarely mince words—front-line responders are dismayed at the disarray of the federal government's preparedness programs. Any time the subject of federal leadership of terrorism preparedness programs was broached, the local officials gave eerily similar replies, which can be paraphrased as: "They've been at this for five years and they still can't figure out who is in charge," I was told time and time again. "All the federal agencies constantly preach at us about everybody working together at the local level, but it doesn't take a rocket scientist to see they are fighting with each other tooth and nail over the money and missions."

The good news is that local and state officials would be immensely relieved if somebody was definitively put in charge. They find the current situation confusing—over ninety different training courses and multiple equipment and planning grant programs, each with different guidelines, hoops, deadlines, and areas of emphasis. Local officials long ago lost track of the legion of federal rescue teams that have been beefed up or simply built from scratch. Ask local responders and they will matter-of-factly say that every one of these rescue teams, unless pre-deployed, are of no life-saving utility in a chemical disaster. Contemplate for a moment the odds that such teams would be pre-deployed where terrorists choose to strike and one can tap into local frustrations about how Washington has been spending taxpayers' preparedness dollars. Hordes of federal rescuers that arrive hours after a chemical disaster would just be another burden to

exhausted local officials who have just gone all-out to contain damage and get survivors to the hospitals. Anyone who studies case histories of emergency response to chemical disasters, including what happened in Tokyo in the immediate aftermath of Aum Shinrikyo's 20 March 1995 sarin gas attack on subway commuters, understands this. One has to wonder why Washington does not. Quite frankly, so many federal rescue squads have been revved up that local officials are genuinely worried that if their city had the misfortune to suffer a chemical terrorist attack, they would be overwhelmed after the fact by wannabe rescuers. Of this situation, one city emergency manager half-jokingly quipped that after getting the victims to the hospitals, his first order of business would be to station police at the city's borders, guns pointed outward, to keep these would-be federal helpers at bay.

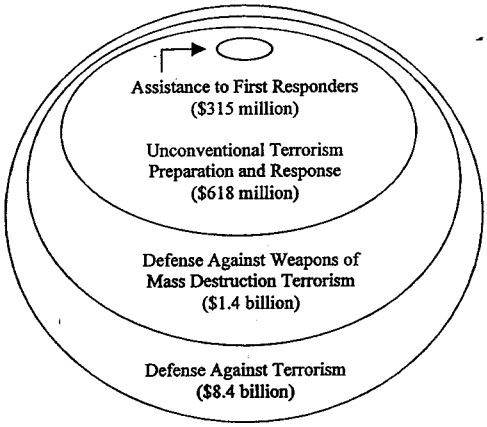
Conversely, ask local responders and they will readily convey their serious doubts that the federal government could deliver sufficient medical manpower quickly enough during a biological disaster to stave off the collapse of the local healthcare system. Similar doubts surfaced in the aftermath of the federal government's TOPOFF exercise in mid-May 2000, where public health officials decided in the aftermath of a simulated release of plague in Denver that unless the federal government delivered 2,000 healthcare personnel within a 24-hour period, the local healthcare system would go under and citizens would begin to flee, taking the plague with them wherever they went. This exercise also graphically demonstrated the shortcomings of the federal government's organizational structure. During TOPOFF, telephone conference calls linked roughly 100 different government officials for the purpose of making decisions. The current structure puts the Federal Bureau of Investigation (FBI) in charge of crisis management, while the Federal Emergency Management Agency (FEMA) has the lead on consequence management, which meant that public health officials had to funnel their recommendations through two different command centers back to a high-level interagency command center in Washington. Federal officials and their contractors may characterize TOPOFF as a success, but talk to the locals and they will describe how the exercise underscored the foibles of the federal structure. If the committee will pardon the reference, the road to Hades is paved with decisions by committee. A major public health disaster is no time to have FBI and FEMA personnel second-guessing or tweaking

the decisions of the real experts who should be calling the shots in such circumstances, public health officials. In other words, in a real pandemic the existing crisis-consequence management structure would be a disaster in and of itself.

While some gains have undoubtedly been made over the last few years—indeed *Ataxia* documents those gains—it is fair to say that the current federal structure has steered the nation's preparedness programs seriously off track. The magnitude of the detour can be seen by checking where the dollars have gone. The intent of this program's original architects, Senators Sam Nunn (D-Georgia, ret.), Richard Lugar (R-Indiana), and Pete Domenici (R-New Mexico), was to help the nation's first responders get better prepared to grapple with the aftereffects of an unconventional terrorist attack. In 2000, the counter terrorism budget was $8.4 billion, of which, according to the Office of Management and Budget, some $1.4 billion was spent on defense against weapons of mass destruction terrorism. Of that $1.4 billion, as Figure 1 shows, only $315 million went to assist the first responders. Clearly, an absurdly small slice of the funding pie has made it beyond the beltway.

Given this topsy-turvy state of affairs, local officials and I applaud your efforts to wrest order from the spaghetti-like maze that now constitutes the federal organizational chart. The sooner a definitive federal structure is put in place, the sooner the agencies

Figure 1: US Fiscal Year 2000 Counterterrorism Spending



involved would hopefully concentrate on the real task at hand, namely preparedness. On the other hand, locals did not have any clear-cut favorites as to which federal agency should lead the pack. Their preferences were influenced by their relationships and experiences with the local branches of various federal agencies. Some favored leaving the FBI in charge, and others thought this should be FEMA's bailiwick. Still others made compelling arguments for why the Office of Emergency Preparedness in the Health and Human Services Department should run the show or described how they had carved out very cooperative relationships with the commander of a nearby military base. In one city, officials said hands-down their first call would be to the local Environmental Protection Agency office, which always got to a hazardous materials accident scene quickly and pitched in positively. In a way, the disparity of local opinions about federal leadership reflects the dilemma for those in Congress who must cast a vote on how to structure the federal government—almost all of the agencies involved seem to be able to state a case for being crowned terrorism preparedness czar.

Of the three bills being considered, by far H.R. 525, the Preparedness Against Domestic Terrorism Act of 2001, sponsored by Congressman Wayne Gilchrest (R-Maryland) and others holds the most promise. H.R. 1291, Representative Ike Skelton's (D-Missouri) bill rightly asks for strategy and emphasizes the importance of good intelligence and improving medical response capabilities, but it has little in the way of specifics about government structure. Congressman Mac Thornberry's (R-Texas) legislation, H.R. 1158, leaves the federal government in charge of training programs, which is not cost-effective, and would create a new composite government agency, an unattractive option when streamlining is what is really in order. What sets the Gilchrest bill apart are its proposals to consolidate coordination and oversight, to avoid recreating the wheel, and to shut down superfluous programs.

The language in the Gilchrest bill stops short of giving the proposed Council on Domestic Terrorism Preparedness czar-like budgetary authority, such as that conveyed to the Office of National Drug Control and Policy in the Anti-Drug Abuse Act of 1988 (P.L. 100-690). By doing so, H.R. 525 endeavors to establish a stronger coordinating mechanism while skirting Congress' limitations in dictating how a president organizes the Executive Office of the President. The alternative is to create a czar-like structure

outside of the White House, but as the General Accounting Office concluded in its 4 May 2000 assessment of previous proposals to manage counterterrorist programs, federal agencies are reluctant to cede influence even to a czar, so almost a decade can pass before a czar really begins to function as such. The less-than-czar approach clearly has its downsides, lack of budgetary authority being the principal disadvantage. The other drawback is that the fortunes of a council or coordinator located in the White House can wax or wane with the interest shown by the president, Congress, or the general public in the domain at issue, in this case terrorism preparedness.

Therefore, although far and away the best of the three proposed laws, H.R. 525 would not be a perfect solution, if such a thing existed, even if the following improvements were made. Anyone around when the Joint Chiefs of Staff was created can attest to the difficulty of creating a "purple-suite" office, where officials with different institutional loyalties are supposed to forge a policy making and operational team. The Gilchrest bill verges on an interagency equivalent of the Joint Chiefs, something that the FBI's National Domestic Preparedness Office attempted in the last couple of years with mixed success. While federal coordination is very important, it is also pivotal that the proposed Council, which would orchestrate government policy, be grounded in reality. Arguably, that reality check should come from outside the beltway, which is why the language in section 658 (a) of the bill should be amended to specify that the Executive Chairman of this Council have extensive local disaster and emergency management experience. This stipulation would help ensure that the state and local advisory group proposed in section 652(6) does not get drowned out by the federal players. Moreover, given this Council's important duties, such a stipulation would avert the possibility that political appointees with no background whatsoever in disaster management would be parked in this job.

In addition, various subparagraphs of sections 652 and 653 of the bill require a determination of the sufficiency of existing federal response teams, programs, and activities and their compliance with an overall preparedness plan, including the identification of "duplication, fragmentation, and overlap" of these efforts. The Council is also given the authority to weed out redundant programs and consolidate fragmented ones. The elimination authority in section 653 (13) specifically applies to "preparedness

programs," but it should also apply to federal response teams and federally-funded state teams for the sole purpose of terrorism response. This recommendation is made in view not only of the plethora of federal response assets that pre-dated Aum Shinrikyo's 1995 attack but of the marginal, if not negative utility many of the more recently created response teams would have in an actual chemical or biological disaster. A prime case in point is the National Guard's RAID or WMD Civil Support Teams. Local officials, including many in the Guard, were scathing in their criticism of these teams, which they described as inept and essentially a waste of tax dollars.

The Council should also be empowered in section 652 (13) to eliminate spurious programs because all manner of programs have been launched under the rubric of terrorism preparedness, some with dubious, if any, utility. Moreover, until the initial assessment is made, the language in section 653 should be strengthened to institute a government-wide moratorium on any new rescue teams, programs, or bureaucracies. Such a provision would complement the authority that the Council is given in section 659(b)(1), where federal agencies are required to notify the Council in writing prior to creating any new programs. This provision is particularly commendable and should help to stem the spending frenzy of the last few years.

Additionally, those in the public safety and health fields across the country would recommend adding a few items to the list of the Council's duties in section 652. First, the Council should be required to direct the federal government's efforts in concert with the relevant nongovernmental organizations and state governors to see that preparedness training is institutionalized in local police and fire academies, as well as in medical and nursing schools nationwide. As the General Accounting Office rightly pointed out in November 1998, the current 120 cities approach reaches responders that serve just over 20 percent of the nation's population. The time-tested and cost-effective alternative that would spread training to every part of the country, not just to the largest metropolitan areas, is to set standards and to train and regularly test personnel against them. Such a strategy would help sustain preparedness and it would also get the federal government and its stable of expensive contractors out of the training business.

Second, the Gilchrest legislation could reinforce the findings in section 2 (a) about the importance of early detection and warning and also address concerns expressed

in every city surveyed for *Ataxia* that public health and medical preparedness is lagging far behind the readiness of other segments of the response community. Even brief consultation with public health experts will reveal worries that disease surveillance capabilities are probably not up to the task of detecting an outbreak in sufficient time for life-saving medical intervention. Hospital staffers rightly point out that heroic rescues at the scene would have little value if hospital personnel are ill prepared to treat chemical casualties and to decontaminate the swarms of possibly injured people likely to arrive at their doorsteps by other means. Therefore, as a priority duty, the Council should be required to articulate a plan for jump-starting federal efforts devoted to public health and medical community preparedness with such programming as regional hospital planning grants and additional tests of disease syndrome surveillance systems followed by plans to establish such capabilities nationwide.

A final duty that should be added to section 652 is the development of a plan to sustain local preparedness over the long term. The current concept for preparedness programs has US cities receiving federal training and equipment grant aid for a limited time period, which begs the issue of how preparedness is to be sustained indefinitely. Cities surveyed for *Ataxia* were already beginning to backslide on some preparedness gains, so a formula that shares the fiscal burden among local, state, and federal levels must be found. Otherwise, preparedness will gradually erode in the recipient cities as equipment is not replaced and repaired, refresher training does not materialize, and much-needed field exercises fall by the wayside.

On behalf of the local public health and safety officials who have shared their experience and common sense views with me, I urge you and your colleagues to waste no time in passing legislation that brings the burgeoning federal terrorism preparedness programs to heel and points them in a more constructive, cost-effective direction. Such legislation would be for naught, however, if Congress does not more rigorously coordinate its oversight activities across committees of jurisdiction and exercise more discipline in the programs it authorizes. The countryside is now peppered with various terrorism research and training centers that benefit the constituents back home but all too often duplicate existing capabilities. Ideally, the Council proposed in the H.R. 525 would quickly give redundant training and exercise centers the ax and redirect the bulk of

federal spending to enhancing local response disaster response capabilities that will prove their utility in all manner of emergencies, whether or not terrorists ever wield chemical or biological agents on US soil.

MAC THORNBERRY
13TH DISTRICT
TEXAS

Congress of the United States
House of Representatives

ARMED SERVICES COMMITTEE
BUDGET COMMITTEE
RESOURCES COMMITTEE

Testimony of
Congressman Mac Thornberry
Joint Hearing
Government Reform Subcommittee on
National Security, Veterans Affairs, and International Relations
Transportation and Infrastructure Subcommittee on Economic Development,
Pubic Buildings, and Emergency Management
April 24, 2001

Messrs. Chairmen,

I appreciate the invitation to testify today, but I am even more grateful for your decision to have this hearing in the first place. If you believe, as I do, that defending the country and its citizens is one of the primary reasons we have a federal government, then the issues surrounding homeland security must get more of our attention.

Partly because we have begun a new century and a new millennium, partly because there is a new Administration, and partly because more of us are realizing that the pace of change in the world around us is accelerating at an almost frightening pace, there have been a number of studies and reports in the last couple of years on the world security environment.

One overwhelming, common conclusion in them is that America and Americans are increasingly vulnerable to a broadening array of threats from a variety of actors around the world. The development of technology and the rapid spread of technology makes us more vulnerable here at home. We may also find it more difficult to pin down exactly who is responsible for some kind of attack.

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The world learned in Desert Storm that it is foolhardy to hit us where we are strong. So there is intensive search to find and to exploit our weak spots. We will have a tough time knowing exactly who will try something, as well as when and how. So we must prepare for uncertainty.

This past January, the bipartisan Commission on National Security/21st Century issued a report in which it found that:

> "The combination of unconventional weapons proliferation with the persistence of international terrorism will end the relative invulnerability of the U.S. homeland to catastrophic attack. A direct attack on American citizens on American soil is likely over the next quarter century. The risk is not only death and destruction but also demoralization that could undermine U.S. global leadership."

We have often heard about the dangers associated with nuclear, chemical, or biological weapons being smuggled into this country. But we could also be devastated by computer attacks against our critical infrastructure or by livestock and plant diseases being introduced into our food supply.

Let me give you one fact that caught my attention. Every day $8.8 billion of goods, 1.3 million people, 58,000 shipments, and 340,000 vehicles enter our country. But the Customs Service is only able to inspect 1 to 2% of them. The volume of U.S. trade has doubled since 1995, and some expect it to double again in the next five years.

And yet, by every account, we are not doing enough to protect our citizens. The Commission on National Security/21st Century found, "[i]n the face of this threat, our

nation has no coherent or integrated governmental structures."

A July 1999 report by the Commission to Assess the Organization of the Federal Government to Combat the Proliferation of Weapons of Mass Destruction concluded that "a cardinal truth of government is that policy without proper organization is effectively no policy at all. If the Federal Government's policy is to combat the threat posed by the spread of weapons of mass destruction, then the government must be organized to do so."

A June 2000 study by the National Commission on Terrorism echoed this conclusion when it found that "[t]his country's seeming inability to develop and implement a clear, comprehensive, and truly integrated national domestic preparedness strategy means that we may still remain fundamentally incapable of responding effectively to a serious terrorist attack." The Commission also found that "the complex nature of current Federal organizations and programs makes it very difficult for state and local authorities to obtain Federal information, assistance, funding, and support."

The General Accounting Office recently questioned whether having terrorism response teams associated with the National Guard and with the FBI and with FEMA makes sense. Not only may there be duplication, but there may be confusion about who is responsible for dealing with an incident.

Homeland security is a big, complex problem. No one bill and no one branch of government can address the need. We need a strategy to reduce our vulnerabilities; we need appropriate funding of the efforts we make; and we need effective organizational structures.

President Eisenhower put it pretty well. He said, "the right system does not guarantee success, but the wrong system guarantees failure. A defective system will suck the leadership into its cracks and fissures, wasting their time as they seek to manage dysfunction rather than making critical decisions."

My bill, H.R. 1158, tries to deal with part of the organizational deficiencies created by having literally dozens of agencies with some responsibility for homeland defense. The bill does not try to fix all of the problems. It does not deal with the military's role in homeland security, for example. It does not try to legislate a particular strategy. But it does try to force more integration, coordination, and planning so that we can "prepare for uncertainty."

My bill would implement one of the recommendations of the Commission on National Security/21st Century. I think that it is important to say a word about that Commission. We are all used to commission after commission producing report after report, which simply set on a shelf somewhere. If we allow the reports of this Commission to simply set on a shelf, history will not be kind to us.

This Commission was unique in the exceptional background, experience – and I would say gravitas – of its members. Their political philosophies ranged from the left to the right. But they unanimously agreed on the nature of the threats we face and on our lack of adequate preparation, and most amazingly, they agreed on what we should do.

Following their recommendations, H.R. 1158 would essentially do 3 things:

1. It would transform FEMA into a National Homeland Security Agency, utilizing its existing regional structure. The Agency would provide one central focal point and contact point for other federal agencies and for state and local entities. Its Director would answer directly to the President and would give priority to operational planning and coordination.

2. H.R. 1158 would bring the Coast Guard, the Customs Service, and the Border Patrol under the umbrella of this Homeland Security Agency as distinct entities. Each of these agencies are in Departments where their mission is very different from the mission of the Department. Each of them play an integral part in protecting our borders, yet there is not the coordination we need.

3. As part of this new agency, my bill would also consolidate a variety of programs to protect critical information infrastructure that are now scattered in a variety of places.

I would like to add one final point. As we try to do a better job in preventing and preparing for the homeland attacks which are sure to come, the lines between foreign and domestic terrorism, between law enforcement and military functions, will become fuzzier and fuzzier. The constitutional and civil libertarian concerns about where all this will lead are real. Some of you may remember the outcry when a military serviceman shot an unarmed civilian along the Texas border a few years ago.

My bill tries to be sensitive to those concerns by utilizing civilian agencies while also making sure we are more effective in fulfilling that first function of the federal government -- to provide for the common defense.

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