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HOMELAND SECURITY

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BEFORE THE

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UNITED STATES SENATE

ONE HUNDRED SEVENTH CONGRESS

SECOND SESSION

SPECIAL HEARINGS

APRIL 10, 2002—WASHINGTON, DC
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HOMELAND SECURITY

WEDNESDAY, APRIL 10, 2002

U.S. SENATE,
COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The committee met at 10 a.m., in room SH–216, Hart Senate Office Building, Hon. Robert C. Byrd (chairman) presiding.

Present: Senators Byrd, Inouye, Leahy, Harkin, Mikulski, Kohl, Murray, Dorgan, Durbin, Johnson, Landrieu, Reed, Stevens, Cochran, Domenici, Bond, Burns, Gregg, Bennett, Campbell, and DeWine.

OPENING STATEMENT OF CHAIRMAN ROBERT C. BYRD

Chairman BYRD. The committee will come to order. A scant 212 days ago, on September 11, our country was dealt a vicious blow, the nature of which was inconceivable to most Americans until that fateful day. In a space of a few hours our view of ourselves, and of the world around us, changed. In the most graphic and horrific way, Americans came face to face with the fact that their country is extremely vulnerable to attacks of unspeakable horror by madmen and terrorists.

How we as a Nation deal with that knowledge is the ultimate test of our leadership and of our wisdom. The preamble of the United States Constitution speaks to certain broad goals for the Federal Government: "to establish justice, ensure domestic tranquility, provide for the common defense, promote the general welfare and to secure the blessings of liberty to ourselves and to our posterity." In this new age, those words have a special meaning. They go to the very survival of our Nation and of our way of life, both of which may now depend on our increased ability to respond to threats, understand the complexities of our vulnerabilities, and still preserve the individual freedoms that we cherish.

A comprehensive evaluation of every aspect of homeland defense is essential. We must anticipate the soft spots and act quickly to shore them up. If the United States is going to be able to prevent future terrorist strikes, cooperation must exist on all levels. Cooperation will be essential at all levels in responding to the havoc of a successful attack.

The swift commitment of resources at the Federal, State, and local levels is essential. Cooperation at every level will be key to our success in this regard. Last September this Congress acted very quickly to enact a $40 billion appropriations bill within 3 days to respond to the awful events of September 11—within 3 days of the attacks. I repeat, that was done.

Of that money, $10 billion was made available to the President upon enactment of the bill. The President could allocate, after consultation with Congress, the next $10 billion. The last $20 billion required further Congressional action which occurred as a part of the Defense Appropriations bill last December. I might add that the Senate Appropriations Committee reported the legislation on December 4, 2001, in 6 days—6 days after the House had acted on the bill.

The full Senate passed this legislation 3 days later. All of this was accomplished despite the fact that this institution was seriously crippled in October and November because of heinous anthrax attacks in the country—and on the Congress, which were delivered through the postal system. My office, along with several other offices of Senators, was closed for weeks—3 months. Congress was crippled and yet we acted in the Senate. We were not slow to walk up to the plate, and we appropriated that money within the 3 days.

The Federal Government has already committed substantial emergency resources in the defense of our homeland. But experience and knowledge are our best allies in the service of maximum effectiveness. We've only just begun to digest the scope of the challenges that face us. Senator Stevens and I have called these hearings because this committee, the United States Senate, and the American people are watching. We need to understand these new challenges more fully.

Today and tomorrow the Senate Appropriations Committee will hear from mayors and Governors about the real obstacles that they face in preparing for a variety of security threats which are particular to their circumstances. We also will hear from men and women who will be on the front lines in responding to any future terrorist attacks: National Guardsmen, police officers, fire fighters, public health personnel. The committee will listen to these so as to understand the security needs of the Nation's communities in order to better prioritize our funding decisions to best protect the safety of our citizens.

Everyone understands that the States will confront serious budgetary problems. Hard budgetary choices will have to be made at the Federal level as well. Senator Stevens and I and all the members of this committee want to make sure that funding for the homeland defense of our citizens is our top priority.

We talk about defense. This is defense of the homeland, where you live and where I live, where my great grandchildren live and those who will come after us. We also wish to understand the threats to our domestic security well enough to fund the right priorities in the most effective way.

It is essential that the American people have confidence that their Government is acting swiftly and intelligently to address their concerns. The President has sent us his budget for the fiscal year 2003. In that document he makes requests for substantial additional resources for homeland security. This committee and the Congress will certainly give those requests thorough and thoughtful consideration.

We'll be working at night, while some people in the country are sleeping, confident that we will do our duty. There ought to be bi-

partisanship in this endeavor, and there is bipartisanship here. There is no partisanship on this committee, there is no middle aisle on this committee. When Senator Stevens was chairman I was his good right hand man, so to speak. I worked with him with full cooperation, and I'm receiving that same full cooperation now.

The coming fiscal year does not begin until October 1. Assuming that the appropriations bills are signed into law by that date, it would still take time for States and communities to apply for the funding, and even more time for the agencies and the departments to process the applications. As a result, the homeland defense funds in the fiscal year 2003 appropriations bills may not actually be available for nearly 1 year from now. That delay represents valuable time wasted.

The committee is concerned about the needs here and now. Lives may depend upon rapid response, here at the Federal level as well as at the State and local levels. The President sent Congress a supplemental request for the current fiscal year, totalling $28.6 billion. Of that amount, $5.3 billion is for homeland defense, with $4.39 billion aimed at airport security.

The holes in the Nation's airport security are well documented. But airports are not our only concern. The litany of potential security risks is long and it is daunting. It is our hope that the witnesses we will hear throughout these hearings will help us to sort out and sort through the vulnerabilities and determine not only what we need to do, but also what we need to do immediately.

I thank all of our witnesses for coming to Washington to share with the Senate Appropriations Committee their insights and their judgments about homeland security at the State and local levels. We look forward to learning from all of you who are testifying this afternoon and tomorrow in this room. I now recognize my friend and colleague Senator Ted Stevens, the ranking member of this committee, for any remarks that he may wish to make.

Following Senator Stevens' remarks we will hear from our first witnesses. And because of scheduling problems that have arisen for some of our witnesses this morning, it is the Chair's intention to call the witnesses for the morning session to come to the witness table at this time. Is Governor Engler in the room?

Governor BARNES. Mr. Chairman, I think Governor Engler is—I think he is a little late. I'm told he is delayed.

Chairman BYRD. Alright.

Governor BARNES. Mr. Chairman, I think Governor Engler is here. He is across the hall at the Senate Finance Committee.

Chairman BYRD. Okay. When he comes, someone will help him to his chair at the table, please. After we hear from Senator Stevens we will then hear from each of our five witnesses, and then we will have a round of questions by members of this committee. We will hear from our Nation's Governors this morning, who present the views of the National Governor's Association on homeland security issues.

Governor John Engler of Michigan is currently serving as chairman of the National Governor's Association. Governor Engler was first elected as Governor in 1990 and that makes him now the Nation's most senior Governor. Governor Roy Barnes of Georgia was elected Governor in 1998 and is now serving as Georgia's 80th Gov-

ernor. Georgia is one of the original 13. I recall that William Few and Abraham Baldwin of Georgia signed the Constitution of the United States.

Governor BARNES. Along with Burton Gwinnett.

Chairman BYRD. No, no, just two. Those two signed the—there were others that attended, but only those two signed. Governor Gary Locke of Washington was elected as Washington's 21st Governor in 1996. He was re-elected in 2000 to a second term. These Governors are on the front lines in our Nation's homeland security effort. We want to hear from them. We want to hear about what is happening at the State level. We know the homeland security initiative won't work unless all levels of government are working together.

We also have Dr. Stephen Gale from the University of Pennsylvania. Dr. Gale is an associate professor of political science at the University and also the director of the organizational dynamics program. He is an expert on the subject of terrorism, having done extensive research on it. He also is a consultant on security and terrorism issues.

We are also privileged to have Dr. Ashton Carter from Harvard University's Kennedy School of Government. Dr. Carter is the Ford Foundation Professor of Science and International Affairs at the Kennedy School. He serves as co-director, with former Secretary of Defense William Perry, of the Harvard-Stanford Preventive Defense Project. He served as Assistant Secretary of Defense for International Security Policy from 1993 to 1996.

We welcome all of you. We thank you all for coming. So, I now turn to my colleague, the ranking member of the Appropriations Committee, Mr. Stevens, for any comments he wishes to make.

STATEMENT OF SENATOR TED STEVENS

Senator STEVENS. Thank you very much, Mr. Chairman. I welcome the opportunity to join you in convening these hearings before our committee. And I'm going to ask that my full statement appear in the record as so read, because I'm sure that others have comments to make too, and I want to get along with our hearing.

I want to re-emphasize that the Chairman has conferred with me on all of the witnesses and we have attempted to respond to the wishes of national organizations, such as the Governor's Council and other organizations, to pick representatives of national committees to show that we have the views of those who are deeply concerned with homeland defense. I think the actions that have been taken by our President and Congress reflect a level of cooperation and mutual trust that has not been witnessed since the Second World War. And we really have a deep problem now to pursue the requests that have been made by the President and to get the information we need to really determine how the funds that are requested should be reflected in the actions of this committee, and how they should be treated, really.

We have a $27 billion request from the President to fight terrorists abroad, and we also have a package of $38 billion in homeland defense initiatives presented by the President. It is a combination of $65 billion. It reflects the largest commitment of Federal resources to any security threat since the Vietnam War, and signifi-

cantly exceeds the $15 billion appropriated by the President during the Gulf War.

We have to reassure the public that the Congress and the President are prepared to make available whatever resources are needed to meet the threats. Mr. Chairman I look forward to not only these hearings, but I am sure there will be follow-on hearings where we will hear from various representatives of the administration to attain their views on the testimony taken here now. But again, I want to commend you, Mr. Chairman, for your approach to this.

It is a bipartisan hearing. It has been scheduled and the witnesses represent—maybe not exactly the witnesses I would have had the revolution not taken place last year—but they certainly reflect our judgment on the balance that is necessary to pursue this very complicated subject. So again, I thank you very much and look forward to this hearing.

[The statement follows:]

PREPARED STATEMENT OF SENATOR TED STEVENS

Mr. Chairman, I welcome the opportunity to join you in convening these hearings before our committee.

In response to the horrific attacks against our nation on September 11th, we have all learned how vulnerable our nation was to the actions of determined, suicidal murderers.

We have also witnessed the strength of the character of the American people, who while mourning our dead, sought justice and security for the living.

The actions taken by our President and Congress reflect a level of cooperation and mutual trust not witnessed since the Second World War.

In a matter of days following the attacks against New York and Washington, the Congress and the White House joined in a $40 billion package to set the nation on the right course to respond to the humanitarian crisis in New York, secure our borders and air space, and go after the Al Queda and Taliban terrorists.

By any definition, that effort in the intervening seven months has been an extraordinary success.

Our work in this regard is far from finished.

While we have made great progress in the war against terrorism, we have taken only the initial steps in a comprehensive campaign to ensure our nation is secure at home, as well as militarily powerful abroad.

This committee is uniquely charged with allocating resources among federal agencies to address these threats.

The testimony by non-governmental witnesses over the next two days will shed considerable light on the perceived threats and challenges at every level of government in our nation, and by those who will be called upon first to respond to any potential future attacks.

Before the committee now is a $27 billion request by the President for these next steps in the fight against terrorism, at home and abroad.

Later this year, the committee will consider a package of $38 billion in homeland defense initiatives presented by the President.

This combination of $65 billion reflects the largest commitment of federal resources to any security threat since the Vietnam War, and significantly exceeds the $15 billion appropriated by Congress for the gulf war.

Our job is to consider these requests, and make sure the money goes to meet the most pressing needs, and will deliver real security for the taxpayers of this nation.

It is my hope the chairman will follow these hearings with sessions where senior administration officials will testify, and explain the priorities reflected in this package of $65 billion in counter-terrorism and homeland defense priorities.

There is no question the Congress and the President are prepared to make available whatever resources are need for this fight.

We must equally be vigilant that the federal resources provided focus on the aspects of this war that the federal government should, and must take responsibility for.

I look forward to the testimony by the witnesses scheduled for today and tomorrow, and again thank the chairman for taking this initiative.

ADDITIONAL SUBMITTED STATEMENTS

[CLERK'S NOTE.—Several members have asked that their submitted statements be made part of the record.]

PREPARED STATEMENT OF SENATOR CHRISTOPHER S. BOND

Thank you, Mr. Chairman, for calling these two days of hearings on homeland security with a primary focus on state and local capabilities and needs with regard to acts of terrorism. The VA/HUD Appropriations Subcommittee has held four hearings since September 11th on homeland security issues which included testimony from mayors on local needs and capacity, testimony by the EPA on anthrax and the clean-up of the Senate Hart building, testimony on the needs of America's firefighters, and testimony by FEMA on its role in terrorism response. Nevertheless, there are many issues and concerns that need to be addressed as we move forward on the President's budget request for fiscal year 2003 and the fiscal year 2002 Supplemental and these hearings are critical to a better and more complete understanding of the issues and costs.

While the President has advanced a plan since September 11th which the Congress has begun to fund, there is still significant work to be finished before we have in place the necessary protection and capacities to respond to both the threat of acts of terrorism and the consequences of such acts. In particular, we need a statutory structure that will enable the various agencies of both the states and the federal government to coordinate and build a federal, state and local capacity to fully respond to acts of terrorism, including acts involving weapons of mass destruction.

We must do more to ensure that states and localities have the needed resources, training and equipment to respond to threats and acts of terrorism and the consequences of such acts. In response, the President is proposing to fund FEMA at an unprecedented $3.5 billion for fiscal year 2003 to ensure that the Nation will not be caught unaware again by a cowardly act of terrorism and is fully capable of responding to both the threat and consequence of any act of terrorism. More recently, the President has requested $327 million in the fiscal year 2002 Supplemental appropriation as an additional downpayment this year for FEMA to provide equipment and training grants to states and localities to improve terrorism and chemical-biological response capabilities. These funds include $50 million for the President's new Citizen Corp initiative.

Despite the response to September 11th, the current capacity of our communities and our First Responders vary widely across the United States, with even the best prepared States and localities lacking crucial resources and expertise. Many areas have little or no ability to cope or respond to the consequences and aftermath of a terrorist attack, especially ones that use weapons of mass destruction, including biological or chemical toxins or nuclear radioactive weapons.

The recommended commitment of funding in the President's Budget for fiscal years 2002 and 2003 is only the first step. There also needs to be a comprehensive approach that identifies and meets state and local First Responder needs, both rural and urban, pursuant to federal leadership, benchmarks and guidelines.

As part of this approach, I introduced S. 2061, the National Response to Terrorism and Consequence Management Act of 2002. This legislation is intended to move the federal government forward in developing that comprehensive approach with regard to the consequence management of acts of terrorism. The bill establishes in FEMA an office for coordinating the federal, state and local capacity to respond to the aftermath and consequences of acts of terrorism. This essentially represents a beginning statutory structure for the existing Office of National Preparedness within FEMA as the responsibilities in this legislation are consistent with many of the actions of that office currently. This bill also provides FEMA with the authority to make grants of technical assistance to states to develop the capacity and coordination of resources to respond to acts of terrorism. In addition, the bill authorizes $100 million for states to operate fire and safety programs as a step to further build the capacity of fire departments to respond to local emergencies as well as the often larger problems posed by acts of terrorism. America's firefighters are, with the police and emergency medical technicians, the backbone of our Nation and the first line of defense in responding to the consequences of acts of terrorism.

The legislation also formally recognizes and funds the urban search and rescue task force response system at $160 million in fiscal year 2002. The Nation currently is served by 28 urban search and rescue task forces which proved to be a key resource in our Nation's ability to quickly respond to the tragedy of September 11th. In addition, Missouri is the proud home of one of these urban search and rescue task forces, Missouri Task Force 1. Missouri Task Force 1 made a tremendous dif-

ference in helping the victims of the horrific tragedy at the World Trade Center as well as assisting to minimize the aftermath of this tragedy. These task forces currently are underfunded and underequipped, but, nonetheless, are committed to be the front-line solders for our local governments in responding to the worst consequences of terrorism at the local level. I believe we have an obligation to realize fully the capacity of these 28 search and rescue task forces to meet First Responder events and this legislation authorizes the needed funding.

Finally, the bill removes the risk of litigation that currently discourages the donation of fire equipment to volunteer fire departments. As we have discovered in the last several years, volunteer fire departments are underfunded, leaving the firefighters with the desire and will to assist their communities to fight fires and respond to local emergencies but without the necessary equipment or training that is so critical to the success of their profession. We have started providing needed funding for these departments through the Fire Act Grant program at FEMA. However, more needs to be done and this legislation is intended to facilitate the donation of used, but useful, equipment to these volunteer fire departments.

Thank you, Mr. Chairman.

PREPARED STATEMENT OF SENATOR TIM JOHNSON

I would like to thank Chairman Byrd and Senator Stevens for holding this series of hearings on homeland security. There is no issue of more importance to the long-term safety of the American people than our ability to establish and coordinate an effective homeland security policy. As we begin to consider our budgetary priorities for fiscal year 2003, it is appropriate for the full Appropriations Committee to conduct a detailed examination of the complex issues surrounding our homeland security needs. By relying on the information and expertise of a broad array of on-the-ground experts, I am hopeful these hearings will highlight not only what we are doing right, but areas in which Congress must better focus attention and resources.

Our country's reaction to the tragedies of September 11 was nothing short of remarkable. Despite the devastating attacks and the fear of an uncertain future, there was no panic in the streets. Instead, the American people were somber and resolute in our commitment to honor those who had died, to rebuild from the destruction, and to ensure that we would decrease our vulnerability to future terrorist attacks.

In confronting the challenges presented by homeland security, we face two major obstacles. First, the very idea of defending the entire United States from future attacks is daunting because our nation is so large and the threats are so diverse. From airport security to public health, from food safety to improved border control, homeland security requires a comprehensive strategy. The complexity of the problem and the need to define the scope of the threats is one of the reasons why these hearings are so important.

The second major challenge of homeland security is coordinating the efforts of federal, state, and local agencies. This means ensuring there is compatibility between the various agencies, and that local entities have sufficient funding to fulfill their homeland security missions. Work in this area has already begun, thanks in large part to Senator Byrd's insistence that we make a down payment on homeland security needs in last year's budget.

As a result of that money, the South Dakota Division of Emergency Management is providing equipment acquisition grants to South Dakota cities to identify, isolate, and clean-up hazardous materials. FEMA is providing grants to local firefighters to make certain they have the equipment necessary to respond to new threats. Federal dollars are being used to upgrade ambulance services across the state with new computers and software that will streamline data collection and improve communications. These resources will allow the ambulance services to communicate and share information in the event of a widespread bio-terrorism attack. Over the last few years, I have worked to secure federal funding to upgrade the NOAA weather radio system in South Dakota. In addition to providing timely information about dangerous weather, this system will also be used to distribute official notices and instructions in the event of a bio-hazard or bio-terrorism attack.

Not only should we focus on providing resources to new efforts, we should also utilize existing programs and activities to strengthen our homeland security response initiatives. The Disaster Mental Health Institute (DMHI) at the University of South Dakota provides mental health services to communities following major tragedies. The DMHI is a truly "one-of-a kind" Center of Excellence whose members have literally served around the world in response to emergency situations, including New York City in the wake of the September 11 attacks.

I would also like to note that the University of South Dakota School of Medicine will be holding a 2-day symposium in May on the risk and response to bio-terrorism.

This symposium is designed to help medical personnel, hospital administrators, law enforcement, first responders, and elected officials discuss the importance of multidisciplinary disaster planning and to develop active steps for the next level of disaster planning.

These are just a few examples of how state and local entities in South Dakota are beginning to address the challenges of homeland security. As we look to build upon the funding approved in fiscal year 2002, we must keep in mind the needs of rural America. Often faced with geographic isolation, low population density, and poor economic conditions, many rural areas confront the same risks as urban centers, but lack the funds needed for proper equipment and training. As we prepare to defend America, we cannot let rural America fall further behind.

Let me also take a few moments to talk about one of the most important federal-state partnerships that is already yielding benefits in the effort to secure our nation. The National Guard is the oldest component of our Armed Forces. Since its earliest days, the Guard has served a dual, federal-state role. The National Guard provides states with trained and equipped units available to protect life and property during emergency situations. In addition, the Guard provides the federal government with military units trained and available to be called up to active duty to defend our nation. Since September 11, more than 50,000 members of the National Guard have been called up by the states and federal government to provide homeland security and to fight the war on terrorism. As we speak, the National Guard can be found protecting our nation's airports, assisting at critical U.S. border checkpoints, flying protective missions over U.S. cities, and providing disaster preparedness in the states. I am certainly proud of the men and women serving in the South Dakota National Guard. Their contributions to the security of the people of South Dakota and the nation are greatly appreciated.

One of the most important lessons learned over the last few months is that homeland security is not just an issue for the federal government—the front lines are in our local communities, whether that community is New York or Aberdeen, South Dakota. Almost immediately after September 11, in small towns and big cities across the country, communities began to come together to examine what they needed to do to protect themselves and their families. The challenges are enormous. Yet, I have no doubt about our ultimate ability to prevail against terrorism both abroad and here at home. Once again, I thank Senators Byrd and Stevens for holding these hearings and for their leadership on this committee. I look forward to hearing the ideas of our witnesses and to working with my colleagues to ensure Congress provides the resources necessary to keep the American people safe.

Chairman BYRD. Governor Locke, would you proceed first?

STATEMENT OF SENATOR PATTY MURRAY

Senator MURRAY. Mr. Chairman, before the Governor speaks, if I could just have a moment just to welcome the Governor from my home State of Washington here. He has travelled a long way to be here this morning and I really appreciate his coming and joining us. He has a great deal of expertise to share with this committee this morning. Washington State has an international border. We have major seaports, major airports, critical defense installations. As the members of this committee know, we have had first hand experience with potential terrorists when in December of 1999 an al Qaeda insider named Ahmed Ressam came across our border and was apprehended. So I really appreciate the Governor coming here today and sharing his expertise with all of us, and I am pleased to be able to introduce him to this committee today.

Chairman BYRD. The Chair thanks Senator Murray. Governor Locke, would you——

Senator STEVENS. Mr. Chairman, could I interrupt?

Chairman BYRD. Mr. Stevens.

Senator STEVENS. I note that there's only cameras on this side of the aisle—of our table. I wonder why the gallery on the other side is not open for the press also?

Chairman BYRD. We don't do that.

Senator STEVENS. Well I'd like to be informed later, thank you. I thank you very much Senator.

Chairman BYRD. I had nothing to do with the placement of the cameras, certainly. And I want my Republican friends to have equal billing here. That has always been my position.

Senator STEVENS. Thank you.

Chairman BYRD. Governor Locke.

STATEMENT OF HON. GARY LOCKE, GOVERNOR, STATE OF WASHINGTON

Governor LOCKE. Thank you very much, Chairman Byrd, Senator Stevens, Senator Murray and members of the Senate Appropriations Committee. Thank you very much for the opportunity to testify on homeland security on behalf of the State of Washington and its citizens. I especially want to thank you all for continuing to make homeland security a top priority, a non-partisan priority, and especially as it involves State and local governments.

September 11th dealt a very hard blow to Washington State's economy and our State's budget situation. Because of our heavy reliance on the aerospace industry, the nature of the September 11th attacks and their devastating impact on air transportation across our country, plunged our State into recession. The national recession, which was severely aggravated by the events of September 11th, has cost Washington over 70,000 jobs, and sent our unemployment rate soaring to a high 7.6 percent, the second highest in the Nation.

At the same time, the national unemployment rate was around 6 percent. And while it appears that the national economy is beginning to rebound, Boeing is not yet half way through its announced lay offs of some 30,000 aerospace jobs in the State of Washington. The economic recovery in our State will significantly lag the rest of the Nation.

Washington State has also had to close a $1.6 billion deficit. We accomplished this with over $700 million in painful cuts in human services and education programs, layoffs of State employees and other measures. Despite these challenges, Washington State is strongly committed to partnering with the Federal Government to ensure strong homeland security.

Our agencies and public health jurisdictions have already spent an additional $8 million since September 11th on a wide range of terrorism response measures, including increased overtime pay for public health and law enforcement personnel, new equipment, statewide vulnerability assessments and response plans, protection of our ferrys and other transportation facilities, and other prevention measures. But the national recession and severe budget shortfalls experienced by some 40 States across our country place real limits on what the States can do. We must have sustained Federal financial assistance, since the Federal Government has the primary responsibility for homeland security.

For our State that means an immediate and long term financial commitment to bolster the security of our seaports and other infrastructure, such as railroads, highways and bridges. Washington State, with its extensive coastline, is vulnerable and has already experienced the smuggling of human cargo through its inter-

national ports. I urge the committee's favorable consideration of the administration's request for additional funding for the United States Coast Guard.

There's also an urgent need for sustained Federal support for bioterrorism preparedness, including support to the States and local communities to develop plans and hold terrorism response exercises. Since these new threats are long term the United States must adopt new approaches that ensure multi-year Federal funding, much as the Congress has historically done for the Department of Defense.

One of the issues of critical importance include the need to share critical intelligence and security information with key State and local officials who must partner with the Federal Government to prevent terrorism. Governors need timely and secure access to intelligence information from a number of Federal agencies, and those agencies need to share information with one another as well as with State officials. It is both costly and grossly inefficient to require our officials to obtain a separate security clearance from each separate Federal agency or for one Federal agency to refuse to recognize the security clearances granted by another Federal agency. And that, Mr. Chairman, is the current situation.

For example, State agencies are trying to get security clearances from FEMA. And should those be granted, the clearances will not allow us to receive similar intelligence information from the FBI. Federal security clearances should be standardized and reciprocal between agencies and levels of government.

Border security is absolutely critical for our State, which has one of the busiest border crossings in the Nation. While Washington State has not had a single credible terrorist threat against it, its people or any installations within the State of Washington, a documented terrorist was apprehended entering Washington State from Canada just before the new millennium. Ahmed Ressam was arrested getting off a car ferry at Port Angeles on his way to commit a terrorist attack against LA International Airport. His car was loaded with explosives.

I am therefore grateful for the authorization of increased Federal staffing along the United States-Canadian border. However, I and many other Governors along the United States-Canadian border are still concerned about one, the length of time it is taking to add trained border agents along our United States-Canada border. And two, until additional border agents are in place we are concerned about the decision to Federalize the National Guard troops for border duty. And we also have grave concerns about the decision to have these troops serve unarmed. That decision results in the inefficient deployment of our National Guard men and women, and adds an undue burden on Federal agencies to provide force protection when they should be focused on preventing suspicious materials and people from entering the country.

Here is an example. Some of our border crossings are closed at night, but they are still monitored by armed border agents. But because our National Guardsmen are unarmed, under the terms of their Federal deployment, they cannot be be the sole security force at night. They cannot free up these Federal agents for re-deployment to other, busier parts of our border, thereby helping provide

greater security and ease and speed up the flow of people across our borders.

The National Guard troops should be activated under Title 32, or State control, in the same manner the States activated the Guard for airport security. Under State authority the Nation's Governors provided immediate assistance to the Federal Government at the airports within days of the September 11th attacks. Under the Federalization approach it has taken almost 6 months to get relief at our Nation's border crossings.

Finally, Mr. Chairman, I emphasize the important role of the States in managing and coordinating homeland security funding. Although a large percentage of funds clearly must support community-based emergency preparedness and first responders, those funds should be channeled through the States to ensure a calculated and collaborative statewide strategy. In Washington State for example, we have an Emergency Management Council that includes representatives of our cities, counties, fire chiefs, police chiefs, sheriffs, Federal agencies, National Guard, seismic safety experts, public health, search and rescue personnel, and the private industry.

The Emergency Management Council, in turn, has a committee on terrorism that has been meeting monthly for the past 2½ years. It includes 60 people including Federal agents. These groups advise the adjutant general and me on emergency preparedness strategies and policies. And our State is using these groups to oversee the distribution and allocation of FEMA and Department of Justice grant monies, and other Federal funds, to ensure a coordinated and collaborative strategy for using Federal funds to enhance our preparation and response to any acts of terrorism.

Only in that manner can programs be implemented consistently and comprehensively to raise capacity throughout all regions of our Nation. And because of the severe deficits faced by some 40 States, and most local governments within those States, traditional Federal match requirements, including so-called soft-matches, may be difficult if not impossible for jurisdictions to achieve. We ask that you consider that as you make any appropriations and provide any Federal assistance to the States and local governments.

Mr. Chairman and members of the committee I urge you to develop a consistent, long term funding structure that helps State and local governments prepare for this new era of global terrorism. And, I thank you for your leadership to help our States and our Nation respond to this new but very real threat to our peace and freedoms. Thank you very much.

[The statement follows:]

PREPARED STATEMENT GOVERNOR GARY LOCKE

Chairman Byrd, Senator Stevens, and members of the Committee, I appreciate this opportunity to submit testimony to you regarding homeland security impacts on the State of Washington and its citizens.

I want to thank you for your kind invitation to present this testimony in person to the full committee. And I want to thank you all for continuing to make support for state and local government homeland security a top national priority.

SEPTEMBER 11 AND WASHINGTON'S ECONOMY

It is important to place the impact of the September 11 terrorist attacks within the context of Washington's economy and the pressures placed on it in recent

months. Because our state is so heavily reliant on the aerospace industry, the attacks had a particularly severe impact on Washington. The nature of the attacks and their devastating effects on air transportation dealt a more severe blow to our economy than to the economies of most other states and the nation.

Prior to September 11, the state was already in the midst of an aerospace downturn, which had resulted in the loss of 27,400 jobs between 1998 and 2000. That downturn appeared to be over. But, in the wake of the attacks, Boeing announced 20,000 to 30,000 additional lay-offs. The majority of those were in Washington, home of the commercial airline unit.

The events of September 11 exacerbated the national economic downturn and, due mostly to cutbacks in aerospace, plunged Washington into recession.

These impacts have been felt in our employment rates. Since September 11, Washington has experienced deep declines in employment. Payroll employment fell at a 3.2 percent rate in the fourth quarter of 2001. That followed a 2.4 percent drop in the third quarter and a 2.5 percent reduction in the second quarter. Only twice in the last 40 years has Washington seen such a precipitous decline in its employment rates.

Altogether, the national recession, severely aggravated by the events of September 11, has cost Washington over 70,000 jobs and sent its unemployment rate soaring to a high of 7.6 percent, the second highest in the nation. At the same time, the national unemployment rate was six percent.

Washington, like other northern tier states, has an extensive and largely unprotected border with Canada. For that reason, border security is a critical priority for our state, which has one of the busiest border crossings in the nation. While we have not had any credible terrorist threats, Washington has had instances where known terrorists, like Ahmed Ressam, have been apprehended while trying to enter the United States from Canada.

In addition, our communities bordering Canada were severely impacted by heavy traffic congestion and delays at border crossings in the wake of September 11 events. Early estimates from border communities showed that they experienced a 50 percent reduction in retail sales attributable to Canadian shoppers immediately after September 11. They have not yet recovered.

Washington and other northern tier states sincerely appreciate the additional federal staffing that has been authorized at Canadian border crossings as a result of actions taken by this Committee and the special efforts of Senators Murray and Cantwell.

All of these devastating effects have caused severe budget problems for the state. In December of 2001, our General Fund budget problem stood at more that $1 billion. By mid-February of this year, the projected problem had risen to $1.6 billion. The Legislature closed the gap for this biennium with almost $700 million in painful budget cuts and a mixture of other equally difficult measures. The aftermath of September 11 will continue to present difficult fiscal challenges even in the next biennium.

Coping with these budget problems has been a daunting task for our state agencies, which are now faced with a hiring freeze and extensive layoffs to erase the red ink.

STATE HOMELAND SECURITY EFFORTS AND NEEDS

In spite of these challenges, our agencies and local public health jurisdictions responded to the call for increased homeland security. They are facing unprecedented responsibilities in providing for sustained security and protection of critical infrastructure. They have expended an additional $8 million on terrorism response activities, ranging from increased overtime pay for public health and emergency personnel, purchasing new specialized equipment and gear, preparing risk and vulnerability assessments and response plans, protecting transportation facilities such as our state ferries, enhancing electronic monitoring capacity, and other actions.

Faced with declining economies and severe budget shortfalls, Washington, like other states, must receive sustained financial assistance from the federal government, which has the primary responsibility to provide for homeland security.

Security of our nation's seaports and related infrastructure must receive immediate and long-term federal attention and funding. Washington, with its extensive coastline, is particularly vulnerable and has already experienced smuggling of human cargo through its ports. I, therefore, urge the Committee to give favorable consideration to the Administration's request for additional funding for the U.S. Coast Guard.

PUBLIC HEALTH NEEDS AND THE BIOTERRORISM THREAT

Public health and homeland security are absolutely critical. In the post-September 11 world, we must assume that a major bioterrorism attack is a likely occurrence. It is our responsibility to prepare and train accordingly. But states need a sustained financial commitment to preparedness, so we can be ready to protect public health during a bioterrorism incident, an infectious disease outbreak, and during other health emergencies.

Preparedness is an expensive but essential investment. Every part of our state must be ready. Our citizens live near unprotected borders, major dams, nuclear sites, and military bases. We need the resources to plan for emergencies, train the people who will be responding first, and practice so we are prepared.

We have identified several immediate needs that must have a continued source of funding if we are to successfully address bioterrorism threats. These include increased local and state communicable disease surveillance to detect bioterrorism events, training of clinicians, hospital staff, and first responders, secure statewide communication systems, and enhanced public health laboratory capacity.

The National Pharmaceutical Stockpile is an integral part of preparedness. However, states urgently need resources so they can be ready to use it. States and local communities must develop and exercise plans for receiving the stockpile and distributing the medication to people quickly and efficiently.

We are grateful that Congress and your committee recognized the importance of these needs and that we will be receiving funding for many of them in fiscal 2002. But, it is critical these programs receive continued funding in future years.

During our nation's civil war, President Abraham Lincoln cautioned, "As our cause is new, we must think anew and act anew". We now face unprecedented threats to our homeland security. As these threats are new, we must think anew and act anew. And as these threats are long term, we must adopt a long-term operational and fiscal plan for defending against and defeating those who would attack our citizens. This new approach will require programmed, multi-year federal funding for homeland security and bioterrorism protection, much as we have done historically for the Department of Defense.

SHARING CRITICAL SECURITY INFORMATION

A second critical need involves sharing of sensitive information on terrorist threats from all federal sources with Governors and other key state officials and local public safety officials. The sharing of intelligence is critical if we are to make informed decisions at all levels of government regarding terrorist threats, and effectively defend against them. Most of this information comes from federal sources, and there must be a system that provides timely access to it in order to prevent or mitigate terrorist attacks.

At the request of my office and the State Attorney General's office, Washington's Legislature recently approved legislation that modified our open public records law to expand restrictions on the release of sensitive terrorism-related documents, including those received from federal agencies. We now have much greater assurance that these documents will be protected and not end up in the hands of those who would harm our citizens.

CROSS RECOGNITION OF SECURITY CLEARANCES

A related and equally important issue is the need to ensure that federal security clearances for key state and local officials are standardized and reciprocal between agencies and levels of government. It does not make sense for state and local officials who need access to critical terrorism-related intelligence to be required to obtain a separate security clearance from each separate federal agency or for one federal agency to refuse to recognize security clearances granted by another federal agency. That is what is currently happening and it is costly and grossly inefficient.

As Governor, I need timely and secure access to intelligence information from a number of federal agencies and those federal agencies need to be able to share information with one another and with me and other key state officials, such as Adjutants General, state Secretaries of Health, and state police chiefs, as well as with key local officials, such as mayors and county executives.

BORDER SECURITY AND THE FEDERALIZATION OF THE GUARD

With respect to border security, we are grateful for the increased federal staffing that has been authorized and for the use of National Guard troops to augment other federal resources on the borders. However, we continue to have concerns about the decision to federalize these troops under Title 10 of the United States Code, and

have grave concerns about the decision to allow these troops to serve unarmed. That decision places these troops in unnecessary danger and adds undue burden on federal agents to provide force protection when they should be focused on preventing suspicious materials and people from entering the country.

We believe these troops should be activated under Title 32 in the service of the United States in the same manner as the Guard was activated for airport security immediately following the September 11 attacks and as the Guard has been used to support law enforcement agencies for more than a decade under the National Guard Counter-Drug Program. Title 32 duty allows the Guard to be used in the service of the federal government while retaining a meaningful role for the governors and the states in overall mission execution. Title 32 duty also assures equal pay and benefits for equal service regardless of a Guard member's duty location. Title 32 facilitates use of the entire National Guard, both Army and Air, as has been done for airport security, as opposed to use of one service component only, as has been done with federalization of the Army National Guard for border security. Using the entire National Guard force, both Army and Air, under the state's Title 32 force management authority significantly enhances our ability to assist the federal government while assuring our preparedness for state emergencies.

Finally, Title 32 duty is far more cost efficient, flexible, and responsive in meeting federal needs than is Title 10 duty. The nation's governors provided no-notice assistance to the federal government in deploying Air and Army National Guard troops to 420 airports within days of the September 11 attacks. This mission has been carried out in direct support of the designated lead federal agency, the FAA, and has been executed flawlessly and in a uniform manner at airports in every state, territory, and the District of Columbia.

By contrast, in October and November 2001, border state governors proffered, and federal agencies such as the Border Patrol, Customs and the INS specifically asked for, Title 32 National Guard assistance for enhancing security and speeding private and commercial vehicle passage at our nation's land border crossings. Because of the Defense Department's insistence on federalizing the Army National Guard for this mission, a costly national command structure had to be created and the mission has taken more than six (6) months to get off the ground. Under Title 32, the federal government had critical National Guard assistance at our airports in less than six days; under Title 10 it has taken more than six months to get relief at our nation's border crossings.

FEDERAL FUNDING AND THE STATE'S ROLE

Finally, I wish to address the important issues of how federal funding is made available to state and local governments and what restrictions or qualifications should be placed on eligibility for homeland security assistance. It is critical that federal funding for homeland security be allocated to the states for distribution to local governments. Although a large percentage of homeland security funding should be earmarked for enhancing the preparedness of our community-based emergency management organizations and emergency responder agencies, it must be channeled through the states in order to insure enhancement of regional intra-state improvements in our domestic security infrastructure.

In Washington, for example, we have a state Emergency Management Council that includes representatives of our cities, counties, fire chiefs, police chiefs, sheriffs, National Guard, seismic safety experts, public health, building officials, search and rescue, and private industry. The Emergency Management Council, in turn, has a Committee on Terrorism that has been meeting monthly for the past two and one half years. The Committee on Terrorism includes representatives from more than 60 federal, state, local and private sector organizations. These bodies function under state law to advise the Adjutant General and me on emergency preparedness strategies and policies.

We also use these bodies to oversee the distribution and allocation of FEMA and Department of Justice grant monies and other federal funds to assure a conscious, calculated, and collaborative strategy for using federal funds to enhance our community and regional intra-state preparation for natural and manmade disasters. Only in that manner can programs be implemented consistently and comprehensively to raise capacity throughout all regions of the nation.

I began my testimony by acknowledging the daunting financial challenges the attacks of September 11 have thrust upon the state of Washington. Governors, legislators, and local officials throughout the nation are confronted with similar challenges and, like Washington, are unable to generate revenues sufficient to meet the new demands of homeland security while still satisfying the other mandates of state and local governance.

As the threat to our national security is new, so we must think anew and act anew. The federal government must take a new approach in order to "jump start" national preparedness for further terrorist attacks. It is imperative that homeland security funding for the next two to three fiscal years (what I refer to as the critical transformation period for assuring homeland security) not be tied to traditional federal matching requirements. Under current economic conditions, and in light of new national security demands, traditional matching requirements are simply a bridge too far and will preclude states and local governments from taking the steps necessary to enhance our national security. As much as we recognize the need for enhancing our emergency response infrastructure, many states and local governments will not be able to take advantage of federal transformation initiatives because of a lack of matching funds.

Given the sheer size of the national problem and the magnitude of the funding that Congress has recognized is needed, so-called "soft matches" may be equally difficult or impossible to achieve. I, therefore, urge you to develop a transformation strategy for making necessary funds available to the states, and through the states to local governments, for enhancing state, local, regional and national preparedness for this new era of global terrorism.

Thank you, Mr. Chairman.

BIOGRAPHICAL SKETCH OF GOVERNOR GARY LOCKE

MAKING WASHINGTON A BETTER PLACE TO LIVE, WORK, AND RAISE A FAMILY

Gary Locke was elected Washington's 21st governor on Nov. 5, 1996, making him the first Chinese-American governor in U.S. history. As governor, he has worked to make Washington public schools the best in the nation, promote jobs and economic development in rural and urban areas, and fight juvenile crime. On Nov. 7, 2000, the governor, a Democrat, was re-elected to his second term.

Born into an immigrant family on Jan. 21, 1950, Gary spent his first six years in Seattle's Yesler Terrace, a public housing project for families of World War II veterans. His father, James Locke, served in the 5th Armored Division of the U.S. Army under General George Patton and landed on the beaches of Normandy shortly after D-Day. Following the war, James Locke met his wife, Julie, in Hong Kong and settled in Seattle, where they raised their five children.

Gary worked in his father's grocery store. He worked hard, became an Eagle Scout, and graduated with honors from Seattle's Franklin High School in 1968. Then, through a combination of part-time jobs, financial aid and scholarships, Gary attended Yale University, where he received his bachelor's degree in political science in 1972. After earning a law degree from Boston University in 1975, he worked for several years as a deputy prosecutor in King County, prosecuting people for crimes such as robbery and murder.

In 1982, Gary was elected to the Washington State House of Representatives, where he served on the House Judiciary and Appropriations committees, with his final five years as chairman of the House Appropriations Committee. As chairman, Gary negotiated bipartisan budgets that increased college and university enrollments, improved children's health-care services, and strengthened environmental protections.

Gary was elected chief executive of King County in 1993 and took on all of the challenges facing Washington's most complex urban area. During his term, he cut the budget, expanded transit services, established a program to reward county departments for saving money, and developed a nationally acclaimed growth management plan.

As governor, Gary has worked to make Washington a better place to live, work, and raise a family. Believing that education is the great equalizer, he has made it his top priority. He created Washington's Promise Scholarships for top high school students from working, middle-class families. He has pushed to hire more teachers and to reduce class size in the K–12 system. He appointed an Academic Achievement and Accountability Commission to help identify and improve schools that are struggling in the effort to raise test scores. He also created the Washington Reading Corps to help students who are struggling as they learn to read. And his Youth Safety Summit brought together educators, community leaders, students, and law enforcement leaders to begin addressing school violence.

In 1997, Gary signed into law a landmark welfare reform bill that puts work first and has reduced the number of families on welfare by almost a third. He helped roll back business and occupation taxes for businesses, and in 1999 refunded $200 million in taxes from the injured workers fund. He has also put forward a Rural Economic Development proposal to help rural economies grow by making vital funds

available for infrastructure development and work force training. Gary proposed a transportation plan in 1998 that provides strategic solutions for congested traffic corridors in urban areas, focusing on basics such as maintenance and highway improvements. His Offender Accountability Act will increase the supervision of felons after they have served their time.

Gary and his wife, Mona Locke, a former reporter for KING 5 television in Seattle, were married on Oct. 15, 1994. They are the parents of Emily Nicole, born on March 9, 1997, and Dylan James, born on March 13, 1999.

Chairman BYRD. Thank you. Governor Engler we are glad to see you this morning. We thank you for your appearance. You've already been introduced. Why do not you proceed please?

STATEMENT OF HON. JOHN ENGLER, GOVERNOR, STATE OF MICHIGAN

Governor ENGLER. Thank you, Mr. Chairman, Senator Stevens, members of the committee. I apologize for my late arrival. I was in front of Senator Rockefeller and Senator Grassley, and either their question or my answer was too long. But I am honored to be here this morning and to join my colleagues, Governor Locke from Washington and Governor Barnes of Georgia. I'd also like to submit for the record more extensive testimony that represents the position of the National Governors Association.

Chairman BYRD. Your testimony will appear in the record as though stated.

Governor ENGLER. Thank you. I want to thank this body for its willingness to work in a bipartisan basis with the administration and America's Governors as we develop a comprehensive national strategy to protect our people from acts of terror. When it comes to homeland security it is not about Republican or Democrat priorities, simply American priorities. And the National Governors Association is grateful to the Congress for its focus on homeland security.

The National Governors Association also commends Governor Ridge for his accessibility to Governors, his willingness to work closely with State and homeland security officers as we develop coordinated national security plans. And that is not a trivial point. As we emphasize in the written testimony, for our Nation's response to be comprehensive in both theory and practice the 50 States must be the locus of interaction with the Federal homeland security effort.

As a common clearinghouse for funding and program implementation, as Governor Locke just testified very eloquently, the States are willing to take on the responsibility of making sure every community is covered. This will not be the case, though, if homeland defense funding is scattered to other levels of government that are more limited in scope. There have been recent news stories on some of the Justice Department funds, and I think those are unfortunately maybe the tip of the iceberg on some of this. But, that was before 9/11 and now it is a different day.

I think Governors recognize that the first responders are often our local partners. There is no question about that. Significant funding will need to be passed through to local government to assure they are trained, equipped and ready to go. However, without the statewide coordination, there will be gaps in the emergency-based system. And our people, this country, cannot risk those gaps.

So, if we are to prevent and to respond to another terror attack, then the preparation must be comprehensive and across the board, leaving no community or potential target unprotected. I'd also like to stress the point that again is in our submitted testimony, but it regards the interoperability of communication systems. I think this is a special challenge that we face.

In this regard, the committee may be interested to learn just last month in Michigan we enacted a comprehensive strategy to speed deployment of broadband, high speed Internet connections. And we think, certainly, there are economic and educational opportunities that result from broadband deployment and high speed internet, but enhancing homeland security was also a very key component of our initiative. The ability to share data across government agencies, including law enforcement, at every local level, the emergency management hospitals, county health departments—absolutely critical. We have invested in the recent years—we are just bringing online the last aspect of a state of the art 800 megahertz radio communications system, nearly $200 million of State money to build this system out across the State, operated by our Michigan State Police.

Now we have made it available for use by local law enforcement and other State and local agencies, and many of them have come on to this system. But, I guess the point I would make is that the investment needed to have this kind of communications capability, to have it done at the right speed across all agencies, is a substantial cost. And then you add to it, as we saw in—so important in New York—the need for redundancy and back up systems, that adds more. And so, State and local governments are going to struggle trying to bear these costs alone. I don't think they can handle this all by themselves.

But, the benefits of this interoperability will spill over far beyond homeland security, and I think it will have a positive effect in helping all these agencies be better equipped to serve the public and carry out there respective ongoing missions on a day to day basis. But, the Federal investment is very important, and it is needed.

And I want to stress at the same time, there has been this investment. But the State coordination is essential because we can no longer afford or accept the Federal funding that results in the creation of separate unconnected systems. We literally have in the State of Michigan examples where different agencies within the Justice Department in the past had funded different local communities with systems which couldn't talk to each other. And today, I think that is a luxury we can no longer afford.

With regard to bioterrorism expenditures, within 3 months of September 11th the Michigan experience, through our Department of Public Health, some $2.6 million were spent responding to anthrax threats crisis, to bolstering all of our response capabilities. And we are budgeting now, on a statewide basis, nearly $29 million in additional immediate investment at local hospitals, at health departments, and again, in State laboratories. And again, we are awfully grateful because it has been the leadership and support from the Congress that formed the Kennedy-Frist legislation. That makes a big difference, that helps.

As with bioterrorism preparedness, there are a lot of other homeland security initiatives too, and our testimony details some of that and you will hear from each of us. We have spent, our estimate is, something in the order of $31 million directly responding to homeland security needs that have been put in front of us, again, since 9/11. Recurring costs to support necessary program initiatives are probably going to be in that $30 million range on an annual basis.

I think, Governor Locke, you have two of us—I think we both have busy border crossing points. If Governor Pataki were here he'd be the third one on the Canadian northern border. But we certainly appreciate the commitment that has been made by the President and the Congress to add personnel to the borders.

We do need improvements in the staffing. We need a lot of systems improvements as well. And frankly, this is a scenario where the Canadians have done a better job, historically, on the northern border.

Following September 11 the traffic at Michigan's border crossing with Canada slowed to a crawl. We had delays that were 12 hours or more at border crossings. We operate in the auto industry on something called just in time. Well, nothing was in time and on time in those days. While it has gotten back to a little bit of normalcy now, we still have far more delay than we need.

Surprisingly, given the amount of trade between the United States and Canada, it is about $1.3 billion a day, but 43 percent of the traffic flows through Detroit or Port Huron. And we need that. We need that for the economy. We cannot have it slowed at the border. We sent in Guard members. We were asked to do that, and then later on additional Guard were Federalized and brought in all to assist Customs.

It was amazing to me just adding Guard who were not trained to be border agents, how much more contraband was being discovered, what kind of stops were being made that maybe were not in the past. So, we have got some issues, but we believe—and I think Governor Locke would agree because he has had some experience going out of Washington with technology—that manpower alone is not enough. There has been a lot of discussions about what would be a smart border approach. And Mr. Chairman and members, we think that there are some smart strategies, innovative strategies at the border where you use new technology, you do a lot more information exchange and resource sharing, the kind of things we need with Federal and State agencies. But at the border, we can do a lot.

That is a Federal responsibility. The States do not maintain the borders. I mean, I often hear let the States do it. On the borders I am perfectly happy to say that is the Federal Government's—that is your job. And we want to provide whatever we can in the way of support to improve the way that is done. And we recognize that it is going to cost some money. It is going to take an investment, but we have got to make the borders better.

And they do have a lot to do with security. In fact, President McPherson, Peter McPherson at Michigan State who has spent a lot of time on United States-Canada relations, suggests that maybe what we really need to look at is the coordination with the Canadians to the point that we look at the security in the hemisphere

where it really is the water that becomes the natural boundary. And so, some of that coordination on an international level to make sure than somebody who is coming to this hemisphere is actually being appropriately admitted up in Canada or in the United States. And that might even make our northern border, at least those problems be a little bit less.

Mr. Chairman, that really is my testimony. I thank you for the opportunity to be here on behalf of the Governors Association.

[The statement follows:]

JOINT PREPARED STATEMENT OF GOVERNOR JOHN ENGLER, GOVERNOR ROY E. BARNES, AND GOVERNOR GARY LOCKE

Mr. Chairman, Senator Stevens, and members of the Committee: The nation's Governors appreciate this opportunity to discuss the issue of homeland security. Since September 11, states have responded in every possible way and at great expense without any certainty of reimbursement despite the most significant budget shortfalls of at least a decade—nearly ten percent of state operating funds, or $40 billion overall, with an expectation this will increase to $50 billion this fiscal year.

Governors are grateful for the Administration's and this committee's efforts to make support for state and local government homeland security a top priority. The federal government should provide adequate funding, support, and information sharing to ensure that homeland security needs are met. In addition to significant initial federal investment, ensuring homeland security cannot be a one- or two-year effort, but rather requires a more permanent recognition of the vastly changed responsibilities we all confront.

The Office of Homeland Security should have the ultimate authority to coordinate policy and funding levels from which grants to states could be provided for sustained state capacity. A well-developed national strategy and work plan, reflecting the experiences and needs of local, state, and federal policy officials, should guide the development and approval of national programs and policies. Maximum resources must be combined with state and local efforts to achieve a truly effective national capability to prepare and manage the consequences of terrorism.

We want to emphasize how critical it is that federal homeland security funds be funneled through the Governor or a designated state agency. The ability to coordinate through a single agency or office is crucial if we are to address the complexity of directing and coordinating resources towards protecting our citizens.

Before proceeding Mr. Chairman, America's Governors wish to thank you for your leadership in providing additional funds as part of the Defense Appropriations bill in the fiscal year 2002 budget directly to states to immediately enhance the capacity and preparedness to the state and local public health systems to respond to biological and chemical attacks, and we appreciate the speed with which your committee is moving to consider the President's supplemental request for homeland security. While each Governor works diligently to address public health threats, they all know that their best response is to develop and maintain a strong public health infrastructure. Governors hope to continue a partnership with you to accomplish this objective.

The September 11th terrorist attacks have moved the issue of terrorism to the top of everyone's agenda. Dealing with the threat of terrorism is a complex challenge that will not be accomplished overnight; nor will it be inexpensive or easy to accomplish. It has and will require significant costs—human and fiscal—at every level of government. It will also require intergovernmental preparedness and interagency cooperation at all levels of government to prevent loss of life and major property damage.

The Governors are pleased that President Bush selected one of their colleagues to be the Director of Homeland Security. Governor Ridge recognizes and continues to emphasize the need for a comprehensive homeland security strategy that is truly national in scope—a strategy that takes into account the requirements of state and local response entities, but recognizes that the central coordinating role must be at the state level through the Governor's office. Many Governors have appointed directors of homeland security and task forces to coordinate state activities regarding securing the infrastructure. These individuals have been consulted often by the Office of Homeland Security. More importantly, Governor Ridge met with our Executive Committee last December and with all Governors at their Winter meeting in February to ensure the greatest possible mutual coordination and cooperation. The Director has been directly accessible to Governors in attempts to find answers to ques-

tions such as reimbursement for National Guard security activities or specific questions concerning infrastructure protection.

The magnitude and urgent nature of the September 11th terrorist attacks and subsequent anthrax crisis and national alerts have led Governors to initiate their own efforts to coordinate and implement a comprehensive state-based strategy to detect, prepare for, prevent, protect against, respond to, and recover from terrorist attacks within their borders. This great challenge comes at a time when Governors are "tightening belts" in order to balance their state budgets. But when it comes to protecting the citizens of their states and the critical infrastructure, Governors believe that as homeland defense priorities are set, they must be accomplished. That is true whether the funds have been made available yet or not and even though the circumstances were not foreseen.

States have borne unprecedented costs to ensure that the nation's critical infrastructure and citizens are protected from terrorist attacks. These costs involve: building up the nation's public health system to respond to and recover from a biological, chemical, or other attack using weapons of mass destruction; developing an interoperable communications system; securing the critical infrastructure, from airports to border crossings, water supply to pharmaceutical labs, bridges and tunnels; and securing and protecting crops and food supplies vital to the health and safety of citizens.

Mr. Chairman, this is a tall order and as stated earlier, states have and are paying a substantial price for homeland security. The National Governors Association estimates that the first-year costs alone could reach $5 billion to $7 billion nationwide, with $3 billion of this cost devoted to bioterrorism preparedness and emergency communication, and $1 billion devoted to guarding critical infrastructure. These costs will vary from state-to-state because of the different critical infrastructure and geographic location. But all states, from Maine to California and from Iowa to Texas, have a story to tell about the costs of beefing up security since September 11th.

Public Health System—Building a Capacity to Deal with Bioterrorism

The attacks of September 11th and subsequent anthrax scares highlighted the importance of developing and maintaining a strong public health infrastructure in every state and territory. In the months following the attacks, states spent millions of dollars in unbudgeted funds expanding the duties and work schedules of many public health employees to prepare for and respond to public health emergencies. In addition, Governors assessed and strengthened hospital surge capacity and capability, as well as public health laboratory capacity to analyze accurately and identify agents of chemical and biological terrorism.

As you know, Mr. Chairman, our nation's public health system is built and supported by state and local governments. State governments conduct a range of disease surveillance and detection activities necessary for identifying public health threats quickly. States also coordinate, train, and deploy medical supplies and human resources required for treating victims of public health emergencies. However, most systems are currently tailored to respond to routine medical situations, not bioterrorist attacks.

Mr. Chairman, as stated earlier in this testimony, late last year this committee led the Congress to appropriate funding to improve immediately our nation's capacity to respond to bioterrorist attacks. The nation's Governors are especially encouraged that this committee recognized the importance of state and local governments in building public health emergency systems that can adequately protect our nation. Indeed, states will receive more than $1 billion in fiscal year 2002 to begin to develop comprehensive statewide and regional plans for responding to public health threats. The nation's Governors applaud the commitment of the Administration and Congress in providing this immediate financial relief for states. States are currently developing comprehensive, statewide plans in anticipation of funding for laboratory build-up and other public health necessities. We all understand there is no way to predict whether an attack will occur in a metropolitan or isolated rural area—the need to coordinate an unprecedented response on little notice is critical. The Administration and Congress should build upon these current programs and recognize that states need substantial additional resources to protect citizens from bioterrorism, provide a mechanism for ensuring that funds are fairly allocated across states and territories, and recognize that Governors bear the ultimate responsibility and accountability for the development, implementation, and coordination of state plans. During a conversation with Governors at their 2002 winter meeting, Governor Ridge emphasized the essential role of states in coordinating funding.

The most important step that Congress can take at this time to protect our nation against public health threats is to commit to continue funding for this important

state-based initiative well into the future. States are working to implement long-term comprehensive plans to protect Americans from the threats of terrorism today and into the future. These long-term goals will not be realized unless states can reasonably expect that Congress will not eliminate or diminish financial support in future years.

Developing a Communications System

The current focus on security has elevated the demand for public safety communications and information sharing needs in emergency situations. There must be interoperability of equipment between first responders—fire, police, emergency medical workers, and lab teams—with and between state and local police, across county and city jurisdictions, and with federal enforcement officials. These individuals must be able to communicate in a timely manner. There must not be another incident as that described by New York City officials when they warned about the imminent collapse of one of the World Trade Towers on September 11th, but the individuals receiving the information could not reach fire officials in the Tower with their radio equipment. Instead they had to rely on the 19th century method of sending a messenger across long distances only to arrive less than a minute before the first tower fell. Mr. Chairman, this shouldn't happen in the 21st century with the availability of top notch equipment and technical expertise.

Communication interoperability is the foundation for improving communications among public safety and emergency service agencies and, in turn, for reducing the lapsed time between receipt of, and response to, calls for assistance from citizens. It is at the heart of efforts to ensure rapid, clear, and secure voice and data communications. In an interoperable environment, communications are seamless, coordinated, and integrated. Also, security improvements are made to guard against cyber attacks on essential government and other critical sector operations.

Although interoperability is a national objective, it can only be achieved on a state-by-state basis. Therefore, the state must play a central role in designing and advancing the standards and objectives of the system.

Building an interoperable communication system will not be an easy task and will require a long-term commitment of federal and state resources to accomplish. Furthermore, the Governors want to ensure that funds are not squandered on the "wrong" equipment and that limited personnel and resources are not wasted on incomplete or redundant equipment and training. There should be no duplication of effort—resources are too limited. Rather this must be a short- and long-term sustainable effort to address the immediate and future public safety needs of interoperable communications.

Action must be taken at the federal level to ensure that there are adequate radio frequencies, known as spectrum, dedicated to public safety needs. Under the existing law, allocations are governed by the Federal Communications Commission (FCC). Currently, there is inadequate available dedicated public safety spectrum. The situation will rapidly become worse as states develop more comprehensive communications systems designed to transmit voice and data targeted at incident prevention and emergency response.

In 1996, Congress gave broadcasters a portion of valuable public broadcast spectrum temporarily and at no cost for the auspicious purpose of conversion from analog to digital signals in the move toward high definition television (HDTV). At the same time the giveaway was under consideration, state and local governments submitted comments to the FCC urging prompt public safety action to allocate 24 megahertz of spectrum exclusively for state and local public safety including police, fire, and emergency medical services. On September 17, 2001, in the shadow of the worst terrorist attack in this nation's history, the FCC issued a decision that will allow 21 broadcast companies to resell spectrum to the wireless industry. According to the FCC action, these channels will not be available for public safety use until 2006, if ever. In the meantime, state and local governments remain starved for adequate broadcast spectrum for public safety.

Mr. Chairman, the resulting situation puts states and local emergency responders in a serious situation with critical fiscal implications: what equipment should states and local governments purchase, lacking any certainty whether the public safety spectrum promised by Congress will, in fact, ever be available? The federal government must recognize that dedicated spectrum for state and local government public safety use is a part of the nation's national defense strategy and must make immediate plans for its accommodation.

Protecting the Critical Infrastructure

Since September 11th, states have spent millions of dollars to ensure that the nation's public and critical infrastructure are protected. These costs involve state and

local law enforcement personnel, including the National Guard, who provide security for energy supplies, water resources, bridges, tunnels and inland waterways, ports, nuclear plants, borders and chemical laboratories. Governors believe that securing the infrastructure represents the first line of defense in homeland security.

Subsequent to September 11th, the President asked Governors to use the National Guard in augmenting security at the nation's commercial airports. Although there has been reimbursement for some of these expenses, Governors did not limit their use of the National Guard or other security personnel to only that which was mandated at the President's request, but also to meet federal requests for expanded security to protect aircrafts in hangars and airfield perimeters.

In addition to augmenting airport security, Governors were asked to provide assistance at several of the nation's ports of entry and border crossings. This assistance was needed to expedite the trafficking of goods and services. Some border states had commercial venders who were experiencing slowdowns because they could not receive parts and other materials needed for production in a timely manner.

Another critical security need is the energy infrastructure—power plants, refineries, and transmission and distribution networks—that is vulnerable to risks associated with threats from terrorist attacks and weapons of mass destruction. Managing and securing the energy infrastructure, including oil and gas pipelines, is an essential element of the nation's economic well-being, environmental protection, and community safety. States will need additional resources to work closely with federal agencies and the private sector in taking the necessary measures to protect our critical energy infrastructure.

Another infrastructure in need of protection is the public drinking water and wastewater systems. Nationwide, there are approximately 168,000 public drinking water systems. The nation's wastewater infrastructure consists of approximately 16,000 publicly-owned wastewater treatment plants, 100,000 major pumping stations, 600,000 miles of sanitary sewers, and another 200,000 miles of storm sewers. Significant damage to this infrastructure could result in loss of life, catastrophic environmental damage to rivers, lakes, and wetlands, contamination of drinking water supplies, long-term public health impacts, destruction of fish and shellfish production, and extreme disruption to commerce and the economy. The best protection for the water sector lies in common sense actions to increase security and reduce threats from terrorism, including conducting vulnerability assessments, enhancing physical and electronic security, and implementing emergency response and recovery procedures. Because these actions often take place at the state level, it is imperative that Congress and the U.S. Environmental Protection Agency (EPA) provide the states with increased funding to implement them.

Likewise, food safety is a major challenge to the nation's overall security in dealing with bioterrorism and the infrastructure, given the possible use by terrorists of crop dusters for spreading defoliants or other chemicals or biological agents on crops, livestock, and the overall population. The introduction of diseases such as hoof-and-mouth, anthrax, and brucellosis through livestock or plants to the population at large would create a loss of confidence in the integrity of food production systems that could send economic and financial shockwaves across the country. The impact would be devastating and take industry years to recover.

In February 2001, the General Accounting Office (GAO) reported that during 1999, state food safety programs alone provided more than $301 million in resources to food safety and accounted for approximately two million inspections utilizing more than 5,700 staff years. This represents a tremendous state role in the food safety/public health protection system, especially since states account for more than 80 percent of the food safety enforcement actions that are accomplished.

In order to deal with an attack on the food supply, sufficient funding for laboratory and scientific capacity is needed in states. This capacity is essential to trace potential food borne illness outbreaks and for detecting food contamination and infectious animal diseases.

Finally, protecting the infrastructure will be costly for first responders, and states must coordinate and assist in meeting these costs. According to a survey of first responders conducted by the National Emergency Management Association (this organization represents state directors of emergency management) approximately $2.1 billion is needed to assist local first responders in building overall capacity and capability to respond to disasters. The first responder community must develop their emergency operating centers (EOCs) and communications and warning capabilities to complement the proposed alert system from the Office of Homeland Security. Also, more local emergency management personnel are needed to perform the functions of administration, planning, public education and awareness, exercises, and training. Additional fulltime local directors of emergency management and appro-

priate support staff could cost more than $140 million annually. And the total cost for establishing primary and alternate local EOCs needed to provide coordinating facilities for local response operation could cost more than $1.5 billion according to the survey.

Other Issues of Concern to Governors

Mr. Chairman, there are a number of issues we would like to raise for your consideration, including identification security, intergovernmental intelligence sharing, and the duration and reimbursement of federal assistance. Each has importance fiscal impacts for states.

The nation's Governors are aware of several proposals regarding citizen identification security, including a national identification card, or requiring certain biometric markers or other identifiers on drivers' licenses. While the Governors applaud these efforts to consider options for enhancing security, Congress and the Administration should approach this issue with caution. Moving to such a system would be very costly for states, especially the driver's license issue, and should be discussed more with Governors and Secretaries of States. The technology and enforcement of significant new responsibilities would have significant fiscal impacts. In approaching the issue, very careful consideration must be given either to providing full funding to implement such a system or allowing maximum flexibility to states.

Another area that Governors, Congress and the Administration must work together on is intelligence sharing. A method must be developed to get critical information into the hands of first responders who can and must act on it in order to protect the nation. Governors understand and appreciate that there is information critical to the nation's security that must be guarded at the highest levels. But it should be understood that state and local officials and responders can facilitate efforts at apprehending potential terrorists or others who pose a threat to the nation if they have the necessary information. Agencies such as the FBI and/or Immigration and Naturalization Service (INS) would be required to share information and data bases with state and local officials. There will be a cost to state and local governments for additional personnel to assist federal authorities in carrying out the security mission. But human and fiscal savings would be achieved through preventing potential terrorists from reaching their targets.

As states near or have adopted our budgets for next year, they have raised the issues of reimbursement and whether we have the authority to stretch federal funds beyond October 1, 2003. Issues like building public health care infrastructure will require a long-term commitment, but currently there is little certainty about what the federal role will be from the fiscal perspective after fiscal year 2002 and 2003. We believe your committee could help on both fronts by clarifying federal intent on these important issues.

Conclusion

In conclusion Mr. Chairman, states have made a major commitment to homeland security since September 11th. A few examples are:

—The Commonwealth of Kentucky anticipates spending $3 million alone in overtime costs to guard airports. Improvements in the state's communications system start at $60 million, and the state has spent $1.6 million on purchasing new equipment such as vehicles, laboratory equipment, secure communications and other specialized gear.

—Municipalities in the State of Maine have incurred an estimated $1.6 million in overtime and other costs for security and for responding to hundreds of anthrax scares.

—The State of Michigan has spent $2.6 million for epidemiologists, microbiologists, and laboratory personnel to bolster the state's response capabilities for anthrax and other potential types of bioterrorism.

—In West Virginia, National Guard troops have been called up, and state employees have been asked to patrol and protect highways, bridges, waterways, refineries, and public buildings at a cost of more than $4 million.

Mr. Chairman, these and other states have been spending funds at a time when States are facing budget shortfalls of at least $40 billion overall, with an expectation that—notwithstanding national economic recovery—this shortfall will increase to $50 billion this fiscal year.

Therefore, the Governors urge Congress to make support for state and local government efforts a top priority. The federal government should provide adequate federal funding, support, and information sharing to ensure that homeland security needs are met. In addition to significant initial federal investment, ensuring homeland security requires yearly maintenance-of-effort by the federal government.

Finally Mr. Chairman, we understand the difficult task of developing a homeland security strategy for the nation. The Governors stand ready to work in partnership with the federal government to meet these challenges, but we need your assistance to ensure that we have the authority and funding to succeed.

BIOGRAPHICAL SKETCH OF GOVERNOR ROY E. BARNES

Birth Date: March 11, 1948
Family: Married; three children
Religion: Methodist
Spouse: Marie
Party: Democrat
Elected: November 1998
Term Expires: January 2003

Roy E. Barnes was born in Mableton, Georgia. He attended the University of Georgia, earning a bachelor's degree in history in 1969 and a law degree in 1972. After serving in the Cobb District Attorney's office for two years, he was elected to the first of eight terms in the state senate. After two terms, he was named chairman of the Judiciary Committee. Barnes served as administration floor leader from 1982 through 1989. He also served on the Governor's Growth Strategies Commission and was senate chairman of the Constitutional Revision Committee. Returning to the legislature in 1993 after a run for governor in 1990, he represented the 33rd house district. He served as vice chair of the House Judiciary Committee and as a member of the Rules and Banks and Banking Committees. He also was a senior partner in the law firm of Barnes, Browning, Tanksley, and Casurella in Marietta, Georgia.

BIOGRAPHICAL SKETCH OF GOVERNOR JOHN ENGLER

"Gov. John Engler has had more impact on the lives of Michiganians over the past decade than any other single person, and his deep imprint will be evident well into the new century."——The Detroit News, April 9, 2001.

First elected in 1990 as Michigan's 46th governor, Governor John Engler is now America's most senior governor. Engler was elected chairman of the National Governors Association in August 2001.

A common sense Midwestern conservative who believes strongly that every child should have the chance to succeed, Engler has made improving education Michigan's number one priority. With boldness and vision for the future, Governor Engler also cut taxes, reformed welfare, right-sized government and implemented the biggest road repair and rebuilding plan in state history. Under his watch, the quality of Michigan's water, land and air resources has steadily improved.

In 1994, Engler led the fight to enact Proposal A—a ballot proposal overwhelmingly approved by voters to fund schools fairly and cut property taxes. Now, all children have a foundation grant that follows them to the public schools of their choice, including more than 180 charter public schools. With funding issues resolved, high standards and rigorous assessments have helped improve student performance. To encourage academic achievement, Governor Engler created the Michigan Merit Award—a $2,500 scholarship for college or training—that is awarded to high school students who pass their proficiency tests in reading, writing, science and math.

Governor Engler has signed 31 tax cuts into law, saving taxpayers more than $25 billion. The state inheritance tax and capital gains taxes have been eliminated. Personal exemptions for children, seniors and the disabled have been increased. The personal income tax rate is being reduced to 3.9 percent—the lowest level in a quarter century—and Michigan's main tax on business is being phased out completely.

Engler's economic policies have helped to create more than 900,000 jobs in Michigan, cutting the state's unemployment rate from over 9 percent the year he took office to 3.4 percent in 2000—the lowest annual level ever recorded. For an unprecedented four years in a row, Michigan has won the prestigious Governor's Cup for the most new factories and expansion projects in the nation. As part of the nation's most forward-looking economic development strategy, $1 billion is being invested in a "Life Sciences Corridor" from Ann Arbor to Grand Rapids, and a high-tech cybercourt to hear business disputes is also in the works.

Governor Engler has strengthened Michigan's role as guardian of the Great Lakes, fought water diversions and invested more in clean water than any governor. Thanks to reforms of environmental laws, Michigan leads the nation in reclaiming contaminated brownfield sites while preserving green space and farmland.

Other highlights of the Engler administration include:

—passing the $675 million Clean Michigan Initiative to reduce pollution, fix up state parks, improve water quality and clean up contaminated sites;

—trimming state government personnel by more than 20 percent (excluding state troopers, prison guards and other public safety workers);
—transforming the $1.8 billion deficit he inherited to a $1.3 billion surplus;
—restoring Michigan's AAA credit rating;
—helping nearly 300,000 families achieve independence from cash welfare and reducing welfare rolls by nearly 70 percent;
—restructuring the regulation of energy and telecommunications industries to increase consumer choice and reduce rates;
—investing a record-high $1.54 billion to fix our roads in 2001 alone—more than four times the amount spent in 1990;
—reducing violent crime by more than 25 percent;
—serving an additional 45,000 patients annually with mental health services;
—giving Detroit's mayor authority to appoint the local school board and speed up the pace of reform;
—increasing K–12 education spending by 84 percent; and,
—dramatically improving student reading and math test scores.

Engler, 53, is a graduate of Michigan State University with a degree in agricultural economics and earned a law degree from the Thomas M. Cooley Law School. He was recently elected to the Board of Trustees of the Gerald R. Ford Foundation and named a Public Official of the Year by Governing Magazine. Michigan's First Lady, Michelle Engler, is also an attorney. They are parents of seven-year-old triplet daughters—Margaret, Hannah, and Madeleine.

Chairman BYRD. Thank you for your statement. Governor Barnes.

STATEMENT OF HON. ROY BARNES, GOVERNOR, STATE OF GEORGIA

Governor BARNES. Well thank you, Mr. Chairman and Senator Stevens and other members of the committee for giving me an opportunity to come here this morning and talk about some of the challenges we face and some of the things that we are doing in Georgia—in the South—to protect the security of our citizens. I also want to thank you for allowing us to share our views on not only our problems, but something that has been touched on by Governor Locke and Governor Engler, is how to better coordinate the resources that exist between the State government and the Federal Government.

We all know that the madmen who killed thousands of people on September 11th, and those who contaminated our mail with deadly anthrax, were not just targeting New York City or Washington. They were attacking the United States of America. The victims left loved ones in all 50 States, including the State of Georgia. And now we realize everywhere that it could happen anywhere.

And so as Americans, we are fighting side by side in this war on terrorism. The fight, I suggest to you as you heard earlier, will require planning for the possibility of future attacks. And it will require, and if I can stress this even more than what the other speakers have said to try to heighten it, the sharing of information and the standardization of the sharing of information.

And it also will require constant, real-time communication between different agencies of the Federal Government, and also different agencies of the State government. But most of all, it will require a commitment of resources. Now we recognize there is going to be some commitment of resources that have to come from the States. And as Governor Engler talked about and Governor Locke talked about, we are willing to do that.

But, we also need assistance from the Federal Government because we also realize—and I think you do—State and local governments are on the front lines of this war and we do not have all the

ammunition we need to fight it. And it will require something else, and that is flexibility, because even though we are all fighting the same war every State has unique security priorities. I will just give you a couple of examples in Georgia.

We have the Centers for Disease Control in Atlanta, Georgia. It is a major target from protesters to terrorists. I mean, everybody is there that has a gripe with the United States Government or particularly what they are doing. Or, and during times of terrorism, of course they are the heartbeat for the rest of the Nation. We have some specific and unique circumstances to provide security there. We do that in the State government for the CDC.

We also have two major seaports on the Atlantic coast. We have 12 military bases, to which we are thankful, by the way. And we also have the Nation's largest airport. In fact, on September 11th when I was asked to evacuate the Atlanta Airport we had over 20,000 people in the Atlanta Airport at that time.

Now like Governor Locke and Governor Engler, we also felt particularly keenly the effects of the recession. Georgia will take in less this fiscal year—$500 million less than what it took in last year in taxes, which is the first time that has occurred since 1953, because we have been a high-growth State. But, we are willing to establish and have established the priorities to make sure that we meet our responsibility in providing the security for our people.

Let me give you a couple of things that we have done and some of the problems that we see and how I think they can be corrected. Shortly after September 11th we put together, as most States did, a homeland security task force, which had representatives of our law enforcement agencies, National Guard and otherwise; and also a liaison to work hand in hand with our Federal agencies. This task force includes the State agencies responsible for public safety, emergency management, public health, environmental protection, transportation and defense, as well as local law enforcement officials and fire chiefs.

I asked them to come up with recommendations to us to better provide the security for our people. And based upon those recommendations we have included $6.3 million in this year's budget. Now that is on top of the regular public safety and public health increases, to try to put into some of the specific suggestions that they had dealing with homeland security.

Let me give you some of those that we are spending money on. We have created the Georgia Information Sharing and Analysis Center, which will gather intelligence on terrorism threats and it will operate in tandem with the FBI's Joint Terrorism Task Force in Georgia. In fact, this is a good example of the Federal and State working together. The FBI Joint Terrorism Task Force that is located in Atlanta will be housed in a State facility—that houses this information sharing facility and intelligence gathering.

But, also we are having the same problem about the standardization of security clearances that Governor Locke talked about. What clears security for one agency does not clear security to another. In fact, on September 11th my adjutant general came to me and he said I've got to get you to fill out this security clearance so I can talk to you about some of the threats that we may have. And since

I hire and fire him, I said that is an interesting thing, but I will fill it out and I did so.

And I do not mind doing that, and I do not think anybody else minds doing so, but there has to be among the agencies that are cooperating so standardized way of clearing security so that we can allow our State and our Federal agencies to work together. Some of the other things we have done with the State funds so far that we have appropriated, is to provide the additional staff needed by existing agencies to handle increased security responsibilities and to provide back up for the CDC.

Our State lab, our Department of Human Resources laboratory, public health laboratory, acts as the back up lab for the CDC. When they are overburdened we undertake it. In the anthrax scare we were covered up because CDC was covered up. And we operated our public health lab 24 hours a day almost.

The FBI moved into our State laboratory, which was fine, and we wanted them to do so. At one time we had over 2,000 pieces of mail in our State laboratory that we were doing for the CDC to go through to test for anthrax. Now all of them turned out to be negative, but you still have to go through that process.

The reason I tell you that is we do not mind—the States—do not mind providing the cooperative effort to keep our people safe. And in exchange what we ask is a constancy of funding and the flexibility to address some of those individual needs that we have in our States. I will give you one more example in Georgia. I am sure it is not unique, but it is of concern to us.

We have 33 counties in Georgia out of 159—don't ask me why we have so many counties—we have 33 counties out of 159 that do not have a 9–1–1 emergency response system. And, of course, 9–1–1 is pretty well the very first level of emergency response. We need the flexibility to be able to meet some of those needs.

So, these are the things that we have done on a financial basis. Most of us have also undertaken to introduce and pass legislation to give our public health departments and directors new comprehensive powers to deal with bioterrorism attacks, something that Governors did not even consider less than 1 year ago. This includes the ability to declare an immediate quarantine and the power to require large scale vaccination and compel medical examinations. And because the CDC is there, and we are proud to have it there, it is also a concern to us to be able to respond to any attack that may occur on the CDC and anything that may come out of that.

We know, as President Bush has told us and that we all realize, that this war against terror is not going to be won in the immediate future. It is a long term fight and will require a long term commitment, and that is what we are asking from you. We are willing to commit long term because we are on the front lines. We protect our people and we are going to protect our people. We ask for Federal assistance and Federal assistance on a long term basis rather than just one shot so that we can do some planning around it.

We are doing our part and we ask the Federal Government to do theirs. We need resources, yes, and the commitment to resources over a multi-year period. But, we also need the flexibility to do the

things that are best suited for the unique circumstances in each of our States. Georgia has critical needs for equipment, supplies and technical support. But the most critical need is for staff to establish and maintain a bioterrorism preparedness and response program, for the training to our counties and our cities and our State officials that first respond.

We need to be able to hire staff, and in order to do that we need an ongoing commitment of funds. And we need guidelines that are consistent from one program to the next and as standardized as possible to make sure that we are getting results. We do not need micromanagement of our State agencies and we are willing to be accountable for the results that are required of us without micromanaging us.

In closing, I believe that a comprehensive State terrorism strategy is the best and most appropriate framework for the delivery of Federal programs and funding. All Federal resources, programs and activities involving State and local government should be coordinated through the Nation's Governors and their appropriate State agencies so that we can make sure that we do not duplicate our funding resources and that we do not duplicate what is necessary and that we can coordinate into one plan everything that is being done. I suggest to you that bypassing the States would only lead to gaps or to wasteful overlaps and redundancies, two things that we cannot afford in this war that we are all fighting. Thank you Mr. Chairman.

Chairman BYRD. Thank you, Governor Barnes. Dr. Carter, you have already been introduced. Would you please proceed?

STATEMENT OF DR. ASHTON CARTER, FORD FOUNDATION PROFESSOR OF SCIENCE AND INTERNATIONAL AFFAIRS, KENNEDY SCHOOL OF GOVERNMENT, HARVARD UNIVERSITY

Dr. CARTER. Thank you, Senator and members of the committee for having me before this committee, but above all for holding this hearing because it emphasizes the need to give some coherence to the homeland security investment program over all, and that in fact is the theme of the brief comments I would like to make. My statement, Mr. Chairman, is drawn from an article that I published in "International Security" in the winter issue, which has attracted some attention. And that is going to be the basis for what I have to say. If I may I would like to enter that in the record as my written statement.

Chairman BYRD. That will be included, without any objection.

Dr. CARTER. Thank you. The main purpose of the article, which was written in November, was to define the Governor Ridge job. How can this new position add value, and make a contribution and to protect the Nation against terrorism, which is a struggle which is going to be with us as far into the future as we can see? The conclusion of the article was that to make a contribution Governor Ridge should not try to be a coordinator; should not be a czar; should not be an agency head; certainly should not be a spokesman; but instead an architect, an architect of the capabilities we do not now have but urgently need to build. The architect of what we need to build.

I will not describe why these other job descriptions which I named would fail, but I want to concentrate on the architect role.

The main thing an architect would do is to create a multi-year, multi-agency program plan—and those of you from defense backgrounds like me know what a program plan is—which is an investment plan to build new capabilities. To see what I mean, think of a single piece of paper in which on the left hand side you have the various agencies of the Federal Government that play a role in this process.

You have the States and the localities, their important roles. You have the private sector, which owns and operates critical infrastructures that need to be protected. And along the top of the piece of paper you have the various tasks that need to be accomplished in a competent national effort to combat terrorism.

My favorite way of arraying them is to think of a timeline that goes from before an incident to after an incident. And before an incident you need to worry about detection and surveillance and intelligence and prevention and protection. And then when an incident is imminent, about interdiction. And after an incident, about consequence management, attribution and forensics and learning from what has happened to you.

So imagine those tasks arrayed across the top of the paper, and it looks like a little matrix. And in every box the architect would fill in what capabilities need to be built in each of those boxes so that the Nation overall has the set of capabilities it needs, prescribing for each box what new money and new organizations are needed to get the job done.

So that, in the simplest terms, producing that chart is the job that would add value. That is the simplest description I can give it. It is not rocket science or Werner von Braun, the physicist. Werner von Braun said the job of the rocket scientist—the goal of the rocket scientists at Pennemunde was to make sure that it was more dangerous to be at the predicted impact point than to be at the launch point. By that standard of rocket science that is probably all we need to produce that chart.

Now Governor Ridge, hypothetically if he took on this definition of his job, would get the President to approve his chart. The President would direct the agency heads at the Federal level to reflect the contents of that chart in their budget submission, and to provide the funding, the inducements and the regulation which may be required so that State and local levels and private entities do their part. And then send that package up to the Hill where it would, of course, be your job to make the final disposition.

The chart I have described and the process I described stand in sharp contrast, I think, to the process that produced the fiscal year 2003 budget, which process I think can be described charitably as the result of agency, contractor and Congressional initiative, many of them very good, but not a plan. There is a lot of useful stuff in there, but it is the result of a lot of people hammering and sawing without an architectural blueprint.

Next, if Governor Ridge took on that definition of his job, what does it take, what does he need to do a competent job of creating an architectural plan? A small White House staff, however capable, is in my judgment not enough to produce a good plan in an area that is so large, so new, so complicated and so vital. They will not have the knowledge across all the domains. They will get

outgunned by the agencies who have a more partial view of the problem. We saw that in the skirmish over the creation of a border agency, for example.

They will not be able to do the Red Team-Blue Team work which, I describe in the article and again I draw from my defense experience, is so crucial to figuring out, to be one step ahead and smarter than the people who would do damage to us. They will not be able to do the systems engineering, the design of the cross-cutting things that are no agency's individual responsibility, but that are necessary to make the whole thing work together.

They will not be able to help the agencies that we are now showering with money but that have no tradition of spending large sums of money on engineering programs and large technology programs and systems efforts to help those agencies develop the capability capably to spend that money. And above all, they will not be able to provide a framework for deciding who pays for all this stuff. Who is going to pay for all this protection? What mix? How are we going to apportion the cost between the Federal level, the State and local level, and all the private actors? Somebody has to design that architecture.

To do all this well, Governor Ridge, who decided he was going to be an architect, would in my judgment need the kind of capability that was represented in defense for many years by institutions like Rand, the Mitre Corporation, the Mitretek Systems Corporation, Aerospace Corporation, and so forth, not-for-profit institutions that were not part of the Government, but were not part of the for-profit sector either, and that were capable of providing in-depth analysis program planning and systems engineering to the Government when we had another complex job, which was to win the cold war.

And I think that some kind of capability like that, perhaps a consortium of the ones that exist, maybe a new founding, will be necessary to make Governor Ridge all he can be.

Now I have some of my views, Mr. Chairman, and members, about what that plan if it were well done would contain. I won't say what they are except to, if I may, note two things, and then I'll stop.

The first is that this is a pretty serious problem for the country and we have to look to what our strengths are. We have a lot of weaknesses as a society. We're open, we're complicated and fragile. We're comfortable. So we have to ask, what are our comparative advantages as a society in beating this thing.

And it seems to me that one key strength that no other society on Earth has as much as ours does is the inventiveness and the science and technology capabilities that this country has. I just want to stress the importance of that for this homeland security mission.

You know, when we were taking on the Warsaw Pact and my boss, former boss and now collaborator and friend, former Secretary of Defense Bill Perry used to make this point all the time. When we went against the Warsaw Pact, we didn't try to compete with them man for man, tank for tank. We knew we couldn't do that. And instead, we decided to make a military that was better than, not larger than theirs, and it was going to be better through

science and technology. And that was the approach that played upon our national strengths and won the cold war. And we need similarly to marshal science and technology in this war.

In many cases, moreover, not only is it successful, but in many cases the application of science and technology can relieve us of the need to adapt in other ways that would be detrimental, procedural ways that would be detrimental to our way of life or to our civil liberties.

Though science and technology, applied right, can give us a way out here, I understand the National Academy of Sciences is working on a science and technology plan, I'm a member of that committee, and that's just one contribution, but I commend their work to your attention.

I'd like to close, Mr. Chairman, with a final idea which is a big idea about the international coalition effort against terrorism and where it meets the subject of this hearing, especially the question of weapons of mass destruction terrorism. This is an idea that for all I know might already have occurred to Senator Domenici, who is an expert on this subject; I've heard it sketched in a speech by Senator Lugar; I saw it also in a speech by former Senator Nunn. It was a Senate Foreign Relations testimony that curiously enough preceded September 11 by a few days. But it goes like this.

There's a lot of talk about what's the next phase in the international war against terrorism, is it Iraq, is it—who's next? And that's an important discussion to have, but let me ask you to imagine a different kind of next phase, not an alternative to those others, but in addition to those others, whose object is not root out cells of al Qaeda, but to root out cells of unsecured wherewithal to do weapons of mass destruction, be they fissile materials, germ cultures, the scientific knowledge that goes with that.

Imagine such a coalition, a coalition of nations including us, our European and Japanese allies, Russia, China, India, maybe even Pakistan, who set standards for safe custodianship of these materials and assist those who need help to meet those standards the way the Nunn-Lugar program has assisted the Soviet Union. Like a Nunn-Lugar, but which is global in scale, in scope rather, and global in participation.

I think, Mr. Chairman, the United States needs to lead a coalition of that kind also, because I know enough about nuclear weapons in particular, to know that once they're here, we're cooked. They're very difficult to find. And the only way to stop those threats—by far the most desirable way, is at the source, and I'd like to see that be another phase in the international coalition as well. Thank you. Thank you all.

[The information follows:]

THE ARCHITECTURE OF GOVERNMENT IN THE FACE OF TERRORISM

On September 11, 2001, the post-Cold War security bubble finally burst. In the preceding ten years, the United States and its major allies failed to identify and invest in the prevention of "A-list" security problems that could affect their way of life, position in the world, and very survival. Instead they behaved as if gulled into a belief that the key security problems of the post-Cold War era were ethnic and other internal conflicts in Bosnia, Somalia, Rwanda, Haiti, East Timor, and Kosovo. Peacekeeping and peacemaking in these places, although engaging important humanitarian concerns, never addressed the vital security interests of the United States, and none of these conflicts could begin to threaten its survival. As if to con-

firm this point, the official military strategy of the United States during the last decade centered not on peacekeeping but on the challenge of fighting two Desert Storm reruns, one in Korea and one in the Persian Gulf, at the same time. The two-major-theater-war doctrine at least had the virtue of addressing threats to vital U.S. allies and interests. But as the decade wore on, it was increasingly apparent that although important interests were at stake in both major theaters, in neither was U.S. survival in question. The A-list seemed empty, so policy and strategy focused on B- and C-level problems instead.[1]

A-list threats, such as the threat posed by the Soviet Union for the preceding half-century—were indeed absent, but only if threat is understood as the imminent possibility of attack defined in traditional military terms. If taken instead to denote looming problems that could develop into Cold War-scale dangers, the A-list contained at least four major underattended items in the Government 1990s: (1) the collapse of Moscow's power, (2) the growth of Beijing's military and economic might, (3) proliferation of weapons of mass destruction, and (4) the prospect of catastrophic terrorism. Upon taking office, George W. Bush and his administration claimed to be formulating their strategy around the first two of these items, in a self-proclaimed return to big power realism. But in the wake of the World Trade Center and Pentagon attacks of September 11, the Bush administration is instead finding its agenda dominated by catastrophic terrorism, for which it appears no more or less prepared than its predecessor Bush, Sr., and Clinton administrations.

The challenge of catastrophic terrorism is destined to be a centerpiece of the field of international security studies, and thus of the readers and writers of the pages of this journal, for the foreseeable future. Today the focus is a particular nest of Islamic extremists operating freely from the lawless failed state of Afghanistan. But the last time that a building in the United States was destroyed in a terrorist attack, the Alfred P. Murrah Federal Building in Oklahoma City in April 1995, the perpetrator was homegrown, an embittered American nihilist operating in the vast anonymity of modern society. One month earlier, an obscure cult in Japan put sarin nerve gas in a Tokyo subway and attempted an airborne anthrax release. Indeed the varieties of extremism that can spawn catastrophic terrorism seem limitless, and they have not been studied as thoroughly by social scientists as have the dynamics of great power rivalry. What is clear is that war-scale destructive power is becoming increasingly available as technology advances. The same advances heighten the complexity and interconnectedness of civilization, making society more vulnerable at the same time it delivers to small groups destructive powers that were formerly the monopoly of states. Thus if security is understood to be the avoidance and control of mass threat, catastrophic terrorism must occupy a central place in security studies, a status that "ordinary" non-mass terrorism never achieved.[2]

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[1] This argument and the corresponding A-, B-, and C-lists are derived from Ashton B. Carter and William J. Perry, *Preventive Defense: A New Security Strategy for America* (Washington, D.C.: Brookings, 1999).

[2] Studies dealing with catastrophic terrorism include: Richard A. Falkenrath, Robert D. Newman, and Bradley A. Thayer, *America's Achilles' Heel: Nuclear, Biological, and Chemical Terrorism and Covert Attack* (Cambridge, Mass.: MIT Press, 1998); "A False Alarm (This Time): Preventive Defense against Catastrophic Terrorism," in Carter and Perry, *Preventive Defense*, pp. 143–174; Ashton B. Carter, John M. Deutch, and Philip D. Zelikow, "Catastrophic Terrorism: Tackling the New Danger," *Foreign Affairs*, Vol. 77, No. 6 (November/December 1998), pp. 80–94; Robert T. Marsh, John R. Powers, Merritt E. Adams, Richard P. Case, Mary J. Culnan, Peter H. Daly, John C. Davis, Thomas J. Falvey, Brenton C. Green, William J. Harris, David A. Jones, William B. Joyce, David V. Keyes, Stevan D. Mitchell, Joseph J. Moorcones, Irwin M. Pikus, William Paul Rodgers, Jr., Susan V. Simens, Frederick M. Struble, and Nancy J. Wong, *Critical Foundations: Protecting America's Infrastructures: The Report of the President's Commission on Critical Infrastructure Protection* (Washington, D.C., October 1997); The Gilmore Commission, James S. Gilmore III, James Clapper, Jr., L. Paul Bremer, Raymond Downey, George Foresman, William Garrison, Ellen M. Gordon, James Greenleaf, William Jenaway, William Dallas Jones, Paul M. Maniscalco, Ronald S. Neubauer, Kathleen O'Brien, M. Patricia Quinlisk, Patrick Ralston, William Reno, Kenneth Shine, and Ellen Embrey, *First Annual Report to the President and the Congress of the Advisory Panel to Assess Domestic Response Capabilities to Terrorism Involving Weapons of Mass Destruction I: Assessing the Threat* (Washington, D.C., December 15, 1999), http://www.rand.org/nsrd/terrpanel/terror.pdf; The Gilmore Commission, James S. Gilmore III, James Clapper, Jr., L. Paul Bremer, Raymond Downey, Richard A. Falkenrath, George Foresman, William Garrison, Ellen M. Gordon, James Greenleaf, William Jenaway, William Dallas Jones, Paul M. Maniscalco, John O. Marsh, Jr., Kathleen O'Brien, M. Patricia Quinlisk, Patrick Ralston, William Reno, Joseph Samuels, Jr., Kenneth Shine, Hubert Williams, and Ellen Embrey, *Second Annual Report to the President and the Congress of the Advisory Panel to Assess Domestic Response Capabilities to Terrorism Involving Weapons of Mass Destruction II: Toward a National Security for Combating Terrorism* (Washington, D.C., December 15, 2000), http://www.rand.org/nsrd/terrpanel/terror2.pdf; and The National Commission on Terrorism, Ambassador L. Paul Bremer III, Maurice Sonnenberg, Richard K. Betts,

The resulting agenda of analysis and policy development is wide. First, the motivations and root causes of catastrophic terrorism—inscrutable as they may now seem—must eventually yield at least in part to careful study.[3] Second, the potential of catastrophic terrorism to transform traditional international relations should also be studied and its policy consequences propounded, as the great powers—the United States, Europe, Japan, Russia, and China—set aside some of the lesser issues that divide them and acknowledge a great common interest in protecting their homelands.[4] This article concerns a third dimension of policy: the need to reengineer the architecture of governance—security institutions and their modes of operation—when warscale damage results from terrorism.[5]

THE GOVERNANCE ISSUE

Post-Cold War complacency was only one reason that the United States found itself so surprised by, and so unprepared for, the onset of catastrophic terrorism and the mission of homeland security. A deeper reason is that the security institutions of the U.S. federal government are particularly ill-suited to deliver homeland security. Greater awareness of the threat since September 11 alone will not rectify this problem. There is a fundamental managerial inadequacy, as basic as that of a corporation with no line manager to oversee the making of its leading product.

Pundits have been debating whether the campaign to prevent catastrophic terrorism is a "war" or not. If one sets aside semantics and asks the practical managerial question, Can U.S. preparations for war be easily adapted to preparation for catastrophic terrorism? the answer is no. Preparations for war in the military, diplomatic, and intelligence senses are the province of institutions—the Departments of Defense and State, and the intelligence community—whose focus and missions have been "over there" in the fields of Flanders, the beaches of Normandy , the jungles of Vietnam, and the desert of Kuwait. Their opponents have been foreign governments, and even against them they have not been asked to defend the U.S. homeland in recent history except through the abstraction of nuclear deterrence.

If catastrophic terrorism cannot really be treated as a war, then perhaps it should be conceived as a crime. But the U.S. law enforcement paradigm is also ill-suited to deal with catastrophic terrorism. This paradigm centers on the post facto attribution of crimes to their perpetrators and to prosecution under the law. So deeply entrenched is this model that four weeks after the September 11 attacks, the attorney general had to prod the Federal Bureau of investigation publicly to shift its efforts from "solving the case" to preventing another disaster.[6] Additionally, if the focus of the war model is foreign perpetrators, the focus of the law enforcement model is the American citizen. Neither model encompasses the transnational drifter that is characteristic of the al-Qaeda operative.

Early in the Bush administration, the new director of the Federal Emergency Management Agency (FEMA) asserted that catastrophic terrorism was not a war or a crime, but a disaster, and thus the province of his agency, even obtaining a presidential directive to that effect.[7] In so doing, he reversed the previous FEMA management, which regarded catastrophic terrorism as a new mission with no funding and thus to be avoided. But even armed with a presidential directive, FEMA seemed unable to convince anyone that acts of God and acts of terror were similar enough that a managerial solution was to be found in combining them.

Wayne A. Downing, Jane Harman, Fred C. Iklé, Juliette N. Kayyem, John F. Lewis, Jr., Gardner Peckham, and R. James Woolsey, *Countering the Changing Threat of International Terrorism*, report of the National Commission on Terrorism (Washington, D.C., June 5, 2000), http://www.fas.org/irp/threat/commission.html.

[3] Jessica Stern, *The Ultimate Terrorists* (Cambridge, Mass.: Harvard University Press, 1999); and Philip B. Heymann, *Terrorism and America: A Commonsense Strategy for a Democratic Society* (Cambridge, Mass.: MIT Press, 1998).

[4] See Stephen M. Walt, "Beyond bin Laden: Reshaping U.S. Foreign Policy," in this issue.

[5] Ashton B. Carter and William J. Perry with David Aidekman, "Countering Asymmetric Threats," in Carter and John P. White, eds., *Keeping the Edge: Managing Defense for the Future* (Cambridge, Mass.: MIT Press, 2001), pp. 119–126; and The Hart-Rudman Commission, Gary Hart, Warren B. Rudman, Anne Armstrong, Norman R. Augustine, John Dany, John R. Galvin, Leslie H. Gelb, Newt Gingrich, Lee H. Hamilton, Lionel H. Olmer, Donald B. Rice, James Schlesinger, Harry D. Train, and Andrew Young, *Road Map for National Security: Imperative for Change: The Phase III Report of the U.S. Commission on National Security/21st Century* (Washington, D.C., February 15, 2001).

[6] Philip Shenon and David Johnston, "F.B.I. Shifts Focus to Try to Avert Any More Attacks," New York Times, October 9, 2001.

[7] Vernon Loeb, "Cheney to Lead Anti-Terrorism Plan Team: New FEMA Office Will Coordinate Response Efforts of More Than 40 Agencies, Officials Say," Washington Post, May 9, 2001, p. A29.

Thus the federal government lacked a managerial category for catastrophic terrorism, which is neither war, crime, nor disaster, as conventionally understood. Preparations for mass terrorism therefore proceeded haltingly in the 1990s. Some progress was made when preparedness was tied to specific events, such as the 1996 Atlanta Olympics.[8] But elsewhere the preparations were more the result of the efforts of a few well-placed individuals—in the Departments of Defense, Justice, and Health and Human Services—who had become concerned about the problem, than of any overall managerial scheme. As the decade wore on, money did begin to flow to such programs as training state and local governments in weapons of mass destruction.[9] But these efforts were largely the result of congressional initiative and inevitably reflected constituent interests. They did not lead to the development of a program to build a national capability for combating catastrophic terrorism.

Outside the federal bureaucracy, even less was done. State and local governments, key to both prevention and response to this new threat, generally lacked the resources and specialized knowledge to combat catastrophic terrorism. The role of the private sector—for example, in protecting critical infrastructures such as communications and power networks from disruption or in funding protection through insurance—remained undefined.

Before September 11, 2001, therefore, the U.S. government did not have a managerial approach (i.e., a framework for bringing responsibility, accountability, and resources together in sharp focus) to deliver a key public good—security in the homeland against catastrophic terrorism. This managerial deficiency was not unique to catastrophic terrorism. The post-Cold War world spawned a host of novel security missions for government: peacekeeping and post-peacekeeping civil reconstruction, counterproliferation, threat reduction, information warfare, and conflict prevention (or "preventive defense"). Although it is widely agreed that the United States needs to be able to accomplish these missions (even if debate continues over exactly when and where it should perform them), no fundamental changes have been made in the security architecture to create better institutions and capabilities for them.

Indeed, at least on paper the federal structure has changed little since the first burst of innovation in the aftermath of World War II and the onset of the Cold War. No comparable burst occurred in the 1990s. It is as though corporate America was managing the modern economy with the structures of the Ford Motor Company, the Bell System, and United Fruit. Company managements spend a great deal of thought and energy on organizing their functions to align executive authority with key products. The federal government disperses executive authority so thoroughly that few individuals believe they are accountable for any of the government's key security outputs. People rise to the top of the Washington heap because of their policy expertise, not their managerial expertise. Those senior executives who are managerially inclined find their tenures so short and precarious that there seems to be little reward in making changes in "the system" that will make it possible for their successor's successor to be more effective.[10]

Above all, the federal government in the past few decades has eschewed creating new institutions for new missions such as preparedness for catastrophic terrorism. The political climate in the United States has been hostile to "big government," and existing cabinet departments staunchly defend their heritages and authorities, many of which are enshrined in two hundred years of statute. The sense of departmental entrenchment is mirrored on Capitol Hill, where separate authorization and oversight committees protect each "stovepipe"—national security, law enforcement, disaster relief, public health, and so on—as jealously as the executive agencies themselves.

It is not surprising, therefore, that the specter of catastrophic terrorism occasions deep reflections on the nature and structure of governance in the United States. What needs to be done next cannot be understood without reference to these problems, and to past attempts to overcome them.

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[8] Kennedy School of Government case authored by John Buntin, Parts A–C: "Security Preparations for the 1996 Centennial Olympic Games (Part A)," Case No. C16–00–1582.0; "Security Preparations for the 1996 Centennial Olympic Games: Seeking a Structural Fix (Part B)," Case No. C–16–00–1589.0; and "Security Preparations for the 1996 Centennial Olympic Games: The Games Begin (Part C)," Case No. C16–00–1590.0.

[9] Defense against Weapons of Mass Destruction Act 1996 (Nunn-Lugar-Domenici), Public Law 104–201 (H.R. 3230), September 23, 1996, National Defense Authorization Act for Fiscal Year 1997, 104th Cong., 2d sess., http://www.fas.org/spp/starwars/congress/1996/pl104-201-xiv.htm.

[10] Ashton B. Carter, "Keeping the Edge: Managing Defense for the Future," in Carter and White, *Keeping the Edge,* pp. 1–26.

FOUR FAILED APPROACHES

In broad outline, four approaches to managing the mission of homeland security have been proposed: the command and control approach of the Clinton administration, the lead agency approach, the establishment of a Department of Homeland Security, and the appointment of a White House coordinator or "czar." To date, the Bush administration appears to be focusing on the last, which like the other three has inherent deficiencies.

The Clinton administration defined its approach in command and control terms: Which federal agency should be in charge of dealing with catastrophic terrorism? Initially, the administration determined that the Department of Justice would "have the lead" in domestic terrorist incidents, while the Department of state would do so in incidents abroad. This approach both reinforced the false distinction between domestic and foreign terrorism and focused on acts in progress rather than on advance detection, prevention, and protection. Later, the Clinton administration promulgated two presidential directives, PDD–62 and PDD–63, which further apportioned the matter of "who's in charge" among the existing agencies according to their traditional functions.[11] Thus, for example, PDD–63 assigned protection of the financial system to the Treasury Department. The fact that this department had no funds, no technology, and little authority to regulate in the field of cybersecurity did not deter the authors of PDD–63. In fact, by focusing on the question of who is in charge, the command and control approach presumed that the government possessed the capabilities to combat catastrophic terrorism; all that was required was to marshal them effectively under a clear command system. The result was the creation of a host of unfunded mandates, responsibilities assigned with no plan for providing the means to fulfill them. The administration made no provision to build new capability, which was—and remains—the crux of the matter.

A second approach considered was to designate a single lead agency as having the homeland defense mission. In this approach, the proposed lead was usually the Department of Defense. DOD was presumed to have already much relevant technology, an ample budget, and a reputation for carrying out its mission more effectively than most other government agencies.[12] But this approach failed because too much of the relevant capability—for example, for surveillance of potential terrorists on U.S. territory—fell beyond DOD's traditional purview. The Pentagon shared the disinclination to arrogate such sweeping new authorities to itself and proclaimed itself willing to take a strong, but follower, role if another agency would lead the effort.

A third approach called for the creation of a Department of homeland Security.[13] This approach sought to escape the problem of interagency coordination by concentrating the catastrophic terrorism mission in a single agency. It recognized that none of the existing cabinet departments was a natural lead agency, and that their ingrained cultures would not easily incline them to adopt the new mission. The fallacy in this approach is that interagency coordination could be thus avoided. Suppose, for example, that the Department of Homeland Security sought to develop a more rapid means of determining whether someone was exposed to anthrax. It would soon discover that this effort was redundant with DOD's efforts to develop the same detector technology for battle field exposure in accordance with its traditional mission. The problem of interagency coordination would not have been eliminated, but only complicated by the introduction of a new agency. Aggregating functions such as customs, immigration, border patrol, and coast guard into a new agency might be efficient, but it can hardly be said that such an entity should have the lead in homeland defense, or that its creation eliminates the inherently interagency nature of catastrophic terrorism.

A fourth approach to organizing the federal government for catastrophic terrorism is to appoint a White House coordinator or "czar." President Bush named Pennsylvania Governor Tom Ridge to such a post within a month of September 11. This approach is the least problematic, because it recognizes that the essence of the solution is the coordination of a wide range of government functions behind a new priority mission. White House czars, however, have usually been ineffective. With no resources or agencies of their own, they are easily reduced to cajoling cabinet departments into doing what the czar prescribes. The czar's instructions inevitably

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[11] Address by President Bill Clinton at the U.S. Naval Academy, May 22, 1998; White House fact sheet, Combating Terrorism, PDD/NSC–62, Protection against Unconventional Threats to the Homeland and Americans Overseas, May 22, 1998, http://www.fas.org/irp/offdocs/pdd-62.htm; and White House fact sheet, PDD/NSC–63, Critical Infrastructure Protection, May 22, 1998, http: //www.fas.org/irp/offdocs/pdd/pdd-63.htm.

[12] See Joseph S. Nye, Jr., Philip D. Zelikow, and David S. King, eds., Why People Don't Trust Government (Cambridge, Mass.: Harvard University Press, 1996), p. 9 and references therein.

[13] Hart-Rudman Commission, *Road Map for National Security.*

compete with other needs and tasks of the department, and the final outcome of the competition is determined by the cabinet secretary (invoking legal authorities, usually of long standing) and the relevant committees of Congress, not the czar. After the czar is thus overridden a few times, lower-level bureaucrats conclude that the czar's directives can be ignored. As the Washington saying about czars goes, "The barons ignore them, and eventually the peasants kill them."

THE CRUX OF THE MANAGERIAL CHALLENGE

A solution to the managerial challenge of catastrophic terrorism should have two features that the approaches outlined above lack. First, it should acknowledge the inherent and ineluctable interagency nature of the problem and abandon any idea of creating a single lead agency.[14] Second, the approach should begin the long process of providing the United States with a stock of essential capabilities—tactics, technology, and institutions—that the federal departments, state and local governments, and private sector currently lack. Interagency coordination implies a White House focus. But this focus should not be a "czar" who tries to assume or direct the daily functions of all the agencies involved but an "architect" who designs the capabilities that these agencies need to address the problem. This approach gives the architect budgetary authority (the key to his influence) and applies that influence where it is needed most: to creating needed capabilities rather than stirring up empty command and control disputes over who is in charge of capabilities that are woefully inadequate or do not exist at all. In short, the important function of the White House architect is program coordination, not policy coordination or command and control. The program in question is a multiyear, multiagency effort to develop tactics, technology, and where required new institutions for the ongoing struggle against catastrophic terrorism.

Perhaps the most apt analogy for the job required of the White House is provided not by any war that the United States has fought, but rather by the Cold War. In 1949 Josef Stalin's Soviet Union exploded an atomic bomb over the steppes of Kazakhstan. Although no U.S. citizens died in that distant blast, Americans were suddenly gripped by the prospect of warlike damage being visited upon their homeland by a shadowy enemy with global tentacles. George Kennan warned of a long twilight struggle that would test U.S. patience and resolve. The nation mobilized over time a response that was multifaceted, multiagency, and inventive. Nuclear bombers, missiles, and submarines were built for deterrence and retaliation. Spy satellites were launched for warning. Air defenses were deployed around the nation's periphery, and missile defenses were attempted, to raise the price of attack. Civil defense programs sought to minimize casualties if the worst happened. Special relocation sites and procedures were instituted to ensure continuity of constitutional government if Washington was destroyed. NATO and other alliances were formed to get more friends on the U.S. side, and the Marshall Plan sought to ensure that economic desperation did not become an ally of Stalin. U.S. leaders further recognized that this new reality was so dangerous that they needed a capacity to analyze, reflect, and learn, not merely react. They founded such think tanks as the RAND Corporation to devise innovative methods for coping with the era's new danger. In time, ideas such as the theory of deterrence and the theory of arms control were elaborated that were not obvious in 1949 but that helped navigate the world through fifty years of Cold War. With difficulty and many mistakes, the nation also learned to deal with fear of a threat at home without hunting "reds" in the State Department and Hollywood. The Cold War effort was massive, extended throughout most of the federal government, and was coordinated by the White House.

Designing a similar long-range program to counter catastrophic terrorism is the task of the Bush White House in the aftermath of September 11, 2001. The National Security Council (NSC) cannot do the job for two reasons. First, it does not normally convene the full range of departments, especially Justice and Health and Human Services, required for this effort. The NSC has largely focused on foreign problems. More fundamental, since Dwight Eisenhower's day the NSC has slowly lost the capacity for program coordination and become a policy coordination body only.[15] That is, it brings the national security agencies together to decide upon a common policy

[14] This does not rule out the possibility of creating an agency that combines the functions of such border-related agencies as the Coast Guard, Border Patrol, Immigration and Naturalization Service, and Customs. Accomplishing this bureaucratic feat, however useful, would require the fulltime attention of a senior manager with presidential and congressional support. If Governor Ridge were to assume this task, he would have no time for anything else.

[15] John Deutch, Arnold Kanter, and Brent Scowcroft with Chris Hornbarger, "Strengthening the National Security Interagency Process," in Carter and White, *Keeping the Edge,* pp. 265–284.

but does not oversee or influence their internal capabilities or budgets. Indeed the NSC's staff is renowned for its diplomatic and policy expertise, but few have experience managing programs or agencies.

President Bush was therefore correct not to give the homeland security job to the NSC, but instead to found the Office of Homeland Security with a broader membership, chaired by Governor Ridge. It is up to Governor Ridge to avoid the fate of White House czars who try to "run things" from the White House. Instead of taking a command and control approach, Ridge should adopt the architect's programmatic approach, designing a multiyear, multiagency plan that will materially increase the capabilities of the existing departments and agencies so that they can play their part in the campaign against catastrophic terrorism. Such an approach would have the additional salutary effect of overriding the tendency, prevalent as the fiscal year 2002 budget was finalized in the aftermath of September 11, for individual agencies and their oversight committees to craft their own response to the counterterror challenge. In many cases, these responses amounted to little more than long-standing budgetary requests to which the label "counterterrorism" was conveniently applied. Elsewhere, multiple agencies vied to make redundant subscale investments where a single large investment by only one of them is needed.

The homeland security program might be organized functionally according to a time line extending from before a hypothetical incident of catastrophic terrorism to its aftermath. In the first phase, the United States needs better capabilities for detection of catastrophic terrorism. This involves surveillance of persons and motives—a delicate matter—but also surveillance of potential means of destruction such as crop dusters, germ cultures, and pilot instruction. Surveillance of means raises far fewer civil liberties issues than does surveillance of persons, and it might be much more effective. A group that evades surveillance becomes subject to prevention by efforts to keep destructive means out of their hands. The Nunn-Lugar program to safeguard Russian nuclear weapons and fissile materials is an example of a prevention program. The next stage is protection, making borders, buildings, airplanes, and critical infrastructures more difficult to breach, disrupt, or destroy through technical design and procedures. Protection might also mean making people more resilient to disease through vaccination and other public health measures. Interdiction or "crisis management" seeks to disrupt and destroy potential perpetrators of catastrophic terrorism and their base of support before they can mount an attack, as in the current campaign in Afghanistan. Containment or "consequence management" means limiting the level of damage and the number of casualties by organizing emergency response, public health measures, and restoration of critical functions in the aftermath of a terrorist attack. Attribution refers to the capability to find the perpetrators of an act (e.g., by typing an anthrax culture or performing radiochemical analysis of nuclear bomb debris) and choosing retaliation, prosecution, or other response. Finally, as with the RAND Corporation in the Cold War, the nation will need a capacity for analysis and invention: studying terrorist tactics and devising countermeasures, understanding motivations and modes of deterrence, drawing lessons from past attacks, creating new technologies, and developing a systematic plan.

Schematically, the result of such an effort by the Office of Homeland Security would resemble a simple matrix, in which functions are arrayed in columns and the agencies involved in carrying them out in rows (see Figure 1). In each box would appear the agency's responsibility, if any, for possessing capability in that function, with a plan to develop that capability over a period of years. The president would approve such a matrix for each fiscal year extending five years into the future, and would send it to the Congress with his annual budget submission. Although Congress would of course have the last word on the budget, experience shows that it makes only marginal adjustments where there is a strong and clear presidential program on a subject of great national importance.

Figure 1. Dimensions of a Homeland Security Program: The Architect's Program Plan.

	Detection	Prevention	Protection	Interdiction	Containment	Attribution	Analysis and Invention
Justice/FBI							
Defense							
Intelligence							
Health and Human Services							
Border (Coast Guard, Border Patrol, Customs, Immigration, etc.)							
FEMA							
Other (Energy, Transportation, Agriculture, State, etc.)							
New Federal Agencies or Nonprofit Institutions							
State and Local Government (supported by federal grants)							
Private Sector (via regulation, subsidy, and indemnification)							

KEY INGREDIENTS OF THE HOMELAND SECURITY PROGRAM

The homeland security program will have many key components. Below are a few illustrative examples.

Red team, blue team

Most Americans were probably not shocked to learn on September 12 that the U.S. government did not have advance information about the dozen or so individuals residing in the country who plotted and took part in the airline suicide attacks of September 11. They probably were deeply disturbed to learn, however, that the government was as heedless of the tactic used as it was of the perpetrators. The airline security system inspected for guns and bombs, not knives; aircrews were trained to deal with hijackers who sought hostages or conveyance to Cuba, not kamikaze attack. In retrospect, a huge gap existed in the U.S. air safety system. Terrorists detected it before the security system did—and exploited it.

To avoid tactical surprise of this kind, the homeland security effort needs to adopt a standard mechanism of military organizations: competing red and blue teams. The red team tries to devise attack tactics, and the blue team tries to design counter-

measures. When the United States developed the first stealth aircraft, for example, the air force created a red team to try to detect and shoot them down. When the red team identified a weakness in the stealth design, the blue team was charged to fix it, systematically balancing risk of detection against the cost and inconvenience of countermeasures.

A comparable red/blue team mechanism should be the central feature of the program for homeland security. To work, the mechanism must be systematic and institutionalized, not ad hoc. It must be independent of the interests—airlines, for example—that stand to be inconvenienced by its findings. It must have the money to conduct experiments, tests, and inspections, not just paper studies. It must be knowledgeable about the technologies of terrorism and protection. Above all, it must be inventive. These criteria all argue for a new institutional founding outside of, but close to, government. Models include the National Academies of Sciences, the RAND Corporation, the Mitre and Mitretek Systems Corporations, the Institute for Defense Analyses, and other nonprofit research organizations established during the Cold War.

Science and technology

American society has many weaknesses in the battle against catastrophic terrorism. It is large and open. Its infrastructures are complex and interconnected. It values free movement, free speech, and privacy. Its commanding international position is a lightning rod for many international grievances. The United States must therefore draw on its key strengths in ensuring homeland security, among which inventiveness, deriving from its huge science and technology base, is probably most important. The U.S. military has long sought to use superior technology to offset opponents' favorable geography, superior numbers, and willingness to suffer casualties.[16] The homeland security effort requires a program of contract research and technology development that should be conducted outside of government, in universities and private companies. The contracting methods should permit small and entrepreneurial commercial companies that are the drivers of new technology, and not just large government contractors, to participate in the effort. Biotechnology companies, which unlike the aerospace and information technology industries have never had strong ties to national security, should be induced to participate.[17] Finally, "centers of excellence" in counterterrorism should be established. These centers should set out to develop the same depth of expertise represented by the Los Alamos, Livermore, and Sandia National Laboratories in the field of nuclear weapons design during the Cold War.

Transnational intelligence

A number of studies have called attention to the problem of combining information derived from foreign intelligence collection with information derived from domestic law enforcement.[18] The rules governing collection in the two categories differ for the important reason that U.S. persons enjoy protections from surveillance that do not apply to the overseas activities of the intelligence community. There is no reason, however, why information of both types collected by the U.S. government in accordance with the respective rules for each cannot be combined and correlated. The barriers to doing so are largely bureaucratic. These barriers need to be surmounted in an era when individuals move easily across borders, and when groups fomenting terrorism are likely to be transnational in their membership.[19]

Intelligence of means

Surveillance of the means that terrorists employ is potentially more important than surveillance of persons, and raises far fewer civil liberties issues. Placing all Middle Eastern male noncitizens resident in the United States under surveillance, for example, is both objectionable and impractical. But inquiring after all those persons, of whatever nationality, who take flying lessons but are not interested in learning to take off or land, who rent crop dusters, or who seek information on the

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[16] William J. Perry, "Desert Storm and Deterrence," *Foreign Affairs,* Vol. 70, No 4. (Fall 1991), pp. 64–82; and Ashton B. Carter with Marcel Lettre and Shane Smith, "Keeping the Technological Edge," in Carter and White, Keeping the Edge, pp. 129–163.

[17] Joshua Lederberg, ed., *Biological Weapons: Limiting the Threat* (Cambridge, Mass.: MIT Press, 1999), chap. 1.

[18] Gilmore Commission, *First and Second Annual Reports to the President and the Congress*; Carter, Deutch, and Zelikow, "Catastrophic Terrorism"; Hart-Rudman Commission, *Road Map for National Security*; and Heymann, *Terrorism and America*.

[19] A specific proposal for combining CIA and FBI intelligence on transnational terrorism is contained in "A False Alarm (This Time)," pp. 143–174; and Carter, Deutch, and Zelikow, "Catastrophic Terrorism."

antibiotic resistance of anthrax strains or the layout of a nuclear power plant is feasible and might be extremely useful.

Likewise, it is undesirable to restrict access by citizens to the Capitol building and congressional office buildings, but there is no fundamental technical barrier to seeding these buildings with sensors that would promptly, and with a low rate of false alarms, detect the presence of anthrax on surfaces and in ventilation systems. Nuclear weapons are much harder to detect, but the streets in the vicinity of the White House could be laced with sensitive detectors that would stand a good chance of finding a nuclear weapon or radiological weapon. Although these detectors would individually have a high rate of false alarms, when networked so that their outputs are correlated in space and time, they could comprise an effective warning system. Such a system is preferable to registering truck drivers or other methods of surveilling persons in the White House vicinity. control of weapons and materials

Ten years into the Nunn-Lugar program to safeguard nuclear, chemical, and biological weapons and materials in the former Soviet Union, a job remains to be completed.[20] In addition to continuing to support and greatly expand this program, the effort must be extended to Pakistan, where an arsenal of substantial size might fall prey to growing extremism.

The costs of protection

Protective measures for homeland security cover a wide spectrum of possibilities: vaccines, air defenses around the White House and nuclear power plants, electronic firewalls around information networks, to name just a few examples. The investments required could be enormous. Who will pay? Private investment could be mandated by regulation. Government could bear or subsidize the costs. Or apportionment of risk and blame could be left to the insurance marketplace and tort courtrooms. The answer will vary from case to case, but the federal government needs to devise a strategy. Crafting the right regulation and legislation, as well as putting the right subsidies in the federal budget, will be a key responsibility of the homeland security architect. national information assurance institute

A major ingredient of the protection effort must be safeguarding the information infrastructure that resides overwhelmingly in private hands. Developing protective tools and techniques, sharing information on threats between government and private network operators, and establishing the proper balance between regulation and government spending to strengthen networks will require a public-private partnership. These objectives could be accomplished through a nonprofit institution dedicated to this purpose and funded jointly by government and participating private network operators. Several such institutions have already been proposed.[21]

Iterdiction

Soon after September 11, President Bush enunciated a principle of U.S. policy against catastrophic terrorism that, if pursued to its logical conclusion, would establish interdiction as an ongoing effort rather than an episodic response to actual attacks. In his first major public pronouncement following the September attacks, the president said, "Either you are with us, or you are with the terrorists."[22] This would seem to imply the need for a continuing program to preempt attack from groups that profess an intention to carry out mass terrorism and to apply pressure, including attack, against those who actively support or harbor them. Taken literally, such a program of interdiction would have profound consequences for U.S. foreign policy, for alliances such as NATO, and for international organizations such as the United Nations.

Public health surveillance and response

Containment of the damage from an incident of mass terrorism requires that the public health and agricultural systems establish capabilities that go well beyond their accustomed mission of protecting against naturally occurring dangers. The powers of the public health authorities to mandate disease surveillance and impose such remedies as quarantine are broad, a holdover from the nineteenth century. These authorities need to be updated to encompass man-made pandemics. The pri-

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[20] See Matthew Bunn, The Next Wave: Urgently Needed New Steps to Control Warheads and Fissile Material (Washington, D.C., and Cambridge, Mass.: Carnegie Endowment for International Peace and Harvard Project on Managing the Atom, April 2000); and Howard Baker and Lloyd Cutler, cochairs, A Report Card on the Department of Energy's Nonproliferation Programs with Russia (Washington, D.C.: U.S. Department of Energy, Secretary of Energy Advisory Board, January 10, 2001).

[21] "A False Alarm (This Time)," pp. 164–165.

[22] President George W. Bush, Address to a Joint Session of Congress and the American People, U.S. Capitol, September 20, 2001.

vate health care system overall, which under the doctrine of managed care is designed to have the least possible excess capacity during normal times, will need to provide such surge capability as extra hospital beds and stockpiled medications carefully chosen and sized for possible bioterrorism. state and local first response

The Nunn-Lugar-Domenici legislation, passed in 1996, began providing state and local first responders with the equipment and training needed to enhance their vital role in consequence management.[23] Defining the ongoing federal role in supporting state and local government is a major task of the counterterrorism program.

Forensics for attribution

Ever since the U.S. Air Force sampled the first residue from the Soviet Union's nuclear weapons testing in the 1950s and deduced their detailed design, radiochemical analysis of bomb materials and debris has developed into a sophisticated science. A corresponding effort to type bioterror agents and their chemical preparations is required to attribute attacks to their perpetrators. At this time the FBI, DOD, and the Centers for Disease Control and Prevention all have forensic programs, but none is adequate for counterterror purposes. The counterterror program architect will need to decide which of these programs will be funded to provide the greatly expanded capability the nation needs.

Mobilization and sunset

Until the mid-twentieth century, successful prosecution of war depended on the ability to mobilize nations and armies. A similar concept is useful in the war on terrorism. In the face of reasonably credible and specific information about actual or imminent mass terrorism, extraordinary measures might be advisable that are undesirable when there are no such warnings. In an emergency, the government will assume special authorities, restrict movement and other freedoms, and impose economic disruptions as the nation hunkers down. It is important to the quality of civil society in the long run that this mobilized state be clearly distinguished in statute and procedures from "normal" times when catastrophic terrorism is an ever-present, but not specifically anticipated, contingency. Experience in the United Kingdom during its century long struggle against Irish terrorism suggests that even in liberal democracies, powers granted to the government in the name of imminent terrorism are seldom rescinded when the threat recedes.[24] It is therefore important to write into any statute or regulation conferring extraordinary powers on the government a sunset clause describing the time and method of demobilization, placing the burden for extending the mobilization squarely on the government's ability to produce credible and specific information of imminent threat.

CONCLUSION

Merely coordinating the existing capabilities of the United States to counter catastrophic terrorism is not adequate to protect the nation or the international order from this major new challenge, because the existing capabilities fall far short of what is needed. Nor is it practical to imagine having someone in the federal government who is truly in charge of a mission that inherently cuts across all agencies of the federal government, state and local government, and the private sector. What is required instead is a multiyear, multiagency program of invention and investment devised in the White House, embedded in the president's budget submissions and defended by him to Congress, and supported by appropriate law and regulation. This program should cover all phases in the war against catastrophic terrorism—detection, prevention, protection, interdiction, containment, attribution, and analysis and invention. If President Bush's director of homeland security assumes the role of architect of such an effort, he will provide future presidents with the tools they will need to cope with this enduring problem.

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[23] Falkenrath, Newman, and Thayer, *America's Achilles' Heel*; and Richard A. Falkenrath, "The Problems of Preparedness: Challenges Facing the U.S. Domestic Preparedness Program," BCSIA Discussion Paper 2000–28, ESDP Discussion Paper 2000–05 (Cambridge, Mass.: Belfer Center for Science and International Affairs and Executive Session on Domestic Preparedness, John F. Kennedy School of Government, Harvard University, December 2000).

[24] Laura K. Donohue, "Civil Liberties, Terrorism, and Liberal Democracy: Lessons from the United Kingdom," BCSIA Discussion Paper 2000–05, ESDP Discussion Paper 2000–01 (Cambridge, Mass.: Belfer Center for Science and International Affairs and Executive Session on Domestic Preparedness, John F. Kennedy School of government, Harvard University, August 2000).

BIOGRAPHICAL SKETCH OF HON. ASHTON B. CARTER

Ash Carter is Ford Foundation Professor of Science and International Affairs at Harvard University's John F. Kennedy School of Government and Co-Director, with William J. Perry, of the Harvard-Stanford Preventive Defense Project.

From 1993–1996 Carter served as Assistant Secretary of Defense for International Security Policy, where he was responsible for national security policy concerning the states of the former Soviet Union (including their nuclear weapons and other weapons of mass destruction), arms control, countering proliferation worldwide, and oversight of the U.S. nuclear arsenal and missile defense programs; he also chaired NATO's High Level Group. He was twice awarded the Department of Defense Distinguished Service medal, the highest award given by the Pentagon. Carter continues to serve DoD as an adviser to the Secretary of Defense and as a member of both DoD's Defense Policy Board and Defense Science Board, and DOD's Threat Reduction Advisory Committee. From 1998-2000, he served in an official capacity as Senior Advisor to the North Korea Policy Review, chaired by William J. Perry.

Before his government service, Carter was director of the Center for Science and International Affairs in the Kennedy School of Government at Harvard University and chairman of the editorial board of International Security. Carter received bachelor's degrees in physics and in medieval history from Yale University and a doctorate in theoretical physics from Oxford University, where he was a Rhodes Scholar.

In addition to authoring numerous scientific publications and government studies, Carter is the author and editor of a number of books, including Preventive Defense: A New Security Strategy for America (with William J. Perry). Carter's current research focuses on the Preventive Defense Project, which designs and promotes security policies aimed at preventing the emergence of major new threats to the United States.

Carter is a Senior Partner of Global Technology Partners, LLC, a member of the Advisory Board of MIT Lincoln Laboratories, the Draper Laboratory Corporation, and the Board of Directors of Mitretek Systems, Inc. He is a consultant to Goldman Sachs and the MITRE Corporation on international affairs and technology matters, a member of the Council on Foreign Relations, the Aspen Strategy Group, and the National Committee on U.S.-China Relations, and a fellow of the American Academy of Arts and Sciences.

Chairman BYRD. Thank you, Dr. Carter. Dr. Gale.

STATEMENT OF STEPHEN GALE, ASSOCIATE PROFESSOR, POLITICAL SCIENCE DEPARTMENT, UNIVERSITY OF PENNSYLVANIA

Dr. GALE. Mr. Chairman, Senator Stevens, members of the committee, I really thank you for the opportunity to be here today. A lot of what I have to say actually is an amplification on some of the remarks made by Senator Byrd this morning, and I was very impressed. I've been asked to present my views on the status of homeland security since the events of September 11 and comment on the ways I believe we need to change that will effectively lead to types of threats that should be expected in the future.

As you know, many of the steps taken over the last several months to enhance homeland security have been quite public, for example, the creation of the Office of Homeland Security, and the changes in airport screening. Others have been less visible: modifications in the policies and operations of State and local governments, Federal agencies, private sector firms.

To the extent that the military actions in Afghanistan and various diplomatic initiatives throughout the world have been directed at minimizing the probability of future acts of terrorism in the United States, I suppose that those, too, can be included under the rubric of homeland defense. As potentially valuable as these steps may appear, it is my opinion that they not only fall short of meeting their specific immediate objectives, but also based on critical

misconceptions, about the kinds and sources of threats that the United States faces from terrorist groups in the future.

In many ways, our current situation I see analogous to that of a man whose only tool is a hammer, and therefore treats everything as if it's a nail. We have misdirected many of our efforts simply because we have not come to terms with the objectives and methods of the attackers, and have assumed that the strategies for prevention and mitigation that have served us in the past are going to apply equally well to threats of the type that we now face. Unless those misconceptions are corrected and our policies revised, I believe that they will ultimately result in a continued misallocation of resources devoted to homeland security and will continue to leave us highly vulnerable to acts of terrorism.

Having spent the past 25 years involved in research, teaching and consulting about terrorism and security, the sources of those misconceptions, at least to me, are clear as a proverbial sore thumb. What's not as obvious are the steps that we're going to need in order to correct the situation.

According to the Executive Order which established the Office of Homeland Security, "The Office shall work with the executive departments and agencies, State and local governments and private entities to ensure the adequacy of the national strategy for detecting, preparing for, preventing, protecting against, responding to and recovering from terrorist threats or attacks within the United States."

It seems to me that Congress has also got to play a role in providing for the security of the United States by insuring that our Nation's resources are effectively and efficiently invested in homeland security. And what I hope is that my remarks here can assist you in helping to refocus our efforts, and that your deliberation process and decisions will be guided by the very real possibility that these attacks can occur at any time.

Whatever else we may think of the actions on September 11, there is no doubt that they should be viewed as a clear indication of the type and scale of the terrorist attacks that I believe we will experience in the future. al Qaeda has not only demonstrated the will to attack the U.S. homeland directly, but with massive, well organized attacks designed to directly support its goals. It's not a media event; they are trying to reach their objectives directly.

What should also be understood is that the attacks on September 11 required relatively modest efforts and resources, at minimal cost—certainly no more than half a million dollars—and with a very simple tactical plan. The United States suffered and continues to suffer major personal, financial, material and psychological damage; the financial impact alone is capitalized by some in the trillion-dollar range.

Notwithstanding the level of damage and disruption caused by the events of September 11, I believe that we will not be as quote, "fortunate," unquote, in the future. Unlike many other terrorist organizations, with its extensive global network of operational and support cells, al Qaeda is not interested simply in presenting its case to the media or using the fear of terrorism as a source of leverage in negotiations to acquire, say, land or the return of prisoners. Let me be clear: the long-run goal of al Qaeda is the creation

of an independent, pan-Islamic society based on the commitment to Islamic faith and Islamic law. Osama bin Laden has clearly described this society as the reinstitution of a caliphate.

But regardless of what its institutional structure is, al Qaeda's goals must be understood as the critical driving force in its planning for future acts of terrorism. al Qaeda's leadership believes that the key element of their plan for a pan-Islamic society is to ensure that the West, and the United States in particular, is defeated and unable to threaten any Muslim.

By creating a situation wherein the United States and its allies are in a state of mass disruption and chaos, not necessarily death, chaos and destruction, and focused on domestic control rather than on our relationships throughout the world, al Qaeda believes that it will be able to proceed with the next phases of its strategy, which is the polarization of Islam to ensure that the new society is led only by the faithful and local revolutions to eliminate those nation States which they see as having been imposed on Islam by the West. This is this comment about the past 80 years, referring I suppose to the League of Nations.

It's important to recall here that the U.S. Department of Defense's perspective on terrorism is framed in terms of asymmetrical warfare, the attempt to "circumvent or undermine U.S. strengths while employing its weaknesses, exploiting its weaknesses, using methods that differ from the usual mode of U.S. operations."

Whatever we may believe about its morality and legitimacy, however, asymmetric warfare is simply warfare that employs nontraditional operations and strategies. And just as the U.S. position during the cold war was based on the strategy of mutually assured destruction, what we called MAD, my colleagues and I, perhaps in a moment of macabre humor, see al Qaeda's strategy in terms of MUD, Multilateral Unconstrained Disruption on a permanent basis.

Based on Osama bin Laden's statements, I fully expect that the next round of attacks from al Qaeda will almost certainly be directed at disrupting, and possibly disabling the U.S. economy. And as far-fetched as this may sound on the surface, I believe that this threat is not only real, but at least under the current U.S. policies regarding homeland security, disturbingly feasible, even in the near term.

Now, my colleagues and I have explored a number of scenarios, of which I'm just going to make a few to make my point. I'm not a movie director or movie writer, these are serious considerations, I'm going to only omit a few of the details because in the past people have accused me of giving too much information out.

The potential of a physical or cyber attack directed at the computing facility responsible for coordinating and balancing the loads of the electrical grid in the eastern United States can be readily accomplished. It's one building guarded by two contract guards. And it would result in the total loss of electrical service throughout the entire grid, save for Texas because it's on a separate system, for the foreseeable future. And should anyone doubt the reality of this threat, note that the elements of this attack were outlined in materials found in Afghanistan and published on the front page of the New York Times about 1 month ago.

As my colleague to my right has said, special nuclear materials are also important, but not necessarily nuclear weapons. They can be used in attacks ranging from the detonation of what are popularly referred to as "dirty" nuclear bombs to the contamination of water supplies of one or more major metropolitan areas and potentially the disruption of health care systems, transportation, food distribution and other critical national functions.

Estimates of the amounts of nuclear materials available vary, but based on materials found in Afghanistan and the al Qaeda training manual, it's clear that al Qaeda has given serious consideration to such attacks, and we believe they have access to those materials. But note that even without the use of special nuclear materials, by using conventional nonnuclear explosives, many of the same objectives can be achieved, particularly if a large number of facilities such as regional shopping centers, major hospitals, or entertainment centers were simultaneously targeted.

The idea is disruption. Not necessarily that—the use of the largest number of surface to air missiles which are readily available throughout the world, in a strategy of ongoing hits at take off, and/or landing from about 1 mile away, can easily be used to further disrupt and potentially end passenger and other commercial air traffic in the United States. Even a limited number of strikes coupled with the threat of continued actions could easily lead to the discontinuation of both passenger and package flights, and a major disruption of the U.S. economy.

Attacks based on dispersing environmentally dangerous materials in major cities can easily cause massive disruption and financial damage, and in many cases without any loss of life. And with it, massive destruction of our way of life as Americans and a significant loss of Government credibility.

As is clear from the enormous Federal, State and local investments in roads, ports, airports, public transportation systems, the U.S. economy depends on transportation. Raw materials and machinery, intermediate goods, services, retailing are all fundamentally dependent on the continued operation of the entire system, not just individual legs of a journey. And even before the documentation was found in Afghanistan, it was clear that terrorists fully appreciate that attacks on special facilities, critical interchanges, choke points such as bridges, tunnels, trestles, interchanges, port facilities, would produce catastrophic impacts on the U.S. economy.

Many of these attacks would require even more modest resources than the events of September 11 to produce an even greater disruption and damage. In a number of cases the result would be a total collapse of one and more sectors of the economy. For example, roughly 80 percent of the manufacturing and distribution of health care products depends on the operation of a highly integrated transportation system on the east coast.

For virtually all the Fortune 2000, maintenance of the efficiency of today's global supply chain depends on the continued operation of what are called enterprise systems, these are the software systems created by SAP and Oracle. The dark side of technological improvements and economic efficiency, however, is increased vulnerability.

Governor Engler pointed this out when he spoke of problems of just in time inventory. Attacks aimed at enterprise systems could result in not only in significant long-term disruptions to our economy, but to severe disruption of military logistics and operations, since they are on the same systems.

The list is obviously abbreviated. I could go on. And it also omits a lot of details, but what I want you to recognize is that none of these potential threats depends on the technologies or weapons that are found in science fiction novels. Nor do they depend on using classified information, special techniques or financial resources that are not generally available to terrorist groups such as al Qaeda. Instead, as with the events of September 11, I believe that future terrorist attacks will be based on the simple application of the principle of leverage, that is to say, terrorists will use very modest actions which are simple in planning, resources, technology, and execution, to achieve major highly disruptive consequences.

Equally important, either directly or through the loss of credibility in Government, any of these actions could result in precisely the kind of broad disruption and chaos al Qaeda regards as critical in meeting its goals. In fact, given what we now know of the training methods and operational plans, all that al Qaeda needs at this point to implement any or all of these actions is organization and coordination. There should be little doubt that they have the will and the resources.

Given the very real threat of acts of terrorism in the future, my colleagues and I have approached the problem of enhancing homeland security in terms of the following observations. First, the future actions of terrorist organizations such as al Qaeda will be the continued use of attacks that meet their goals. This is not a media event. They're going to be constrained only by their available resources and their perception of the vulnerabilities in the United States and the West.

Planning for homeland security must in turn recognize that our investments in security decisions needs to be based on the analysis and understanding of the objectives and resources of organizations such as al Qaeda and the variety of specific actions that they're going to use to achieve their long-run goals, not just what we imagine that they should be doing because we know how to protect it.

Understanding terrorist actions through examining the relationships among an organization's goals, strategies, and tactics is the hallmark of an albeit nontraditional military, not criminal, analysis. And as with the use of military actions to promote international security, effective homeland security depends on developing, coordinating, and implementing security measures that meet realistic expected threats, rather than assuming that the threats will be determined by the security that we choose to employ.

Remember, just because we know how to use a hammer doesn't mean that everything is a nail. If we had used marshals and snipers to protect the World Trade Center and Pentagon because of, say, a threat on September 8, it would not have done any good. The success of policies and programs aimed at homeland security for the United States depends directly on our ability to make decisions based on the effective and efficient use of national, State and local

resources and the effective coordination of those decisions as part of a consistent national effort.

As explained by the President in his remarks on October 8, 2001 at Governor Ridge's swearing in ceremony, "In the war on terror, knowledge is power. We will strengthen and help protect our transportation systems, our food and water systems and our critical infrastructure by making them less vulnerable to attack."

Fortunately, the United States has actually taken steps in this effort. In its reports to congressional requesters on combating terrorism, the GAO recommends the use of a set of procedures for threat and risk assessments that assist in prioritizing and targeting program investments for homeland security. Based on quantitative and qualitative threat risk assessments, the procedures known as VAM views the application of specific threat postures, and estimates the net present value, the return on investment, resulting from investments in security. Think of it as a kind of security impact statement.

However, in order to make direct use of risk and threat assessments and estimate value added, there must also be a commitment to structuring the Office of Homeland Security in a manner capable of supporting comprehensive reviews of findings, developing programs and plans, and effectively coordinating and implementing the decisions through public and private sectors across all branches of government.

And as with other wartime efforts and at least in this regard, the war on terrorism wasn't misnamed, clear institutional responsibility, authority and operational control is critical to success. Governor Ridge actually said as much on November 27, 2001. He told a gathering of aerospace executives, "There's no question that American ingenuity, know-how and technology will be a key to winning this new war on terrorism. Our national strategy for homeland defense will identify our objectives in precise and measurable terms. The first step in developing a strategy is to identify your goals."

This is as true of homeland security as it is in military planning and military strategy. In short, I believe that at least until all the elements of al Qaeda and all the similar groups have been eliminated, and the United States is able to support expanded homeland security through extensive intelligence and the implementation of coordinated security measures, the Nation must commit to ensuring homeland security for a policy of effective and efficient investments, and those security measures that are likely to mitigate the effects of threats from al Qaeda.

Given the likelihood of continuing threats from terrorist organizations, I believe that the United States must take steps to ensure that substantial resources are invested in security and the Nation has an authoritative organizational focus for homeland security efforts. Thank you very much.

[The statement follows:]

PREPARED STATEMENT OF DR. STEPHEN GALE

Mr. Chairman, Senator Stevens, members of the Committee on Appropriations, thank you for this opportunity to testify today. It is a pleasure to be here in the United States Senate.

I have been asked to present my views on the status of homeland security since the events of September 11th and to comment on the ways in which I believe it will need to change in order to effectively meet the types of threats that should be expected in the future.

As you know, many of the steps taken over the past several months to enhance homeland security have been quite public—for example, the creation of the Office of Homeland Security and the changes in airport screening. Others have been less visible modifications in the policies and operations of state and local governments, federal agencies, and private sector firms. To the extent that the military actions in Afghanistan and the various diplomatic initiatives throughout the world have been directed at minimizing the probability of future acts of terrorism in the United States, I suppose that these, too, can be included under the rubric of homeland defense.

As potentially valuable as these steps may appear, it is my opinion that they not only fall short of meeting their specific, immediate objectives, but also are based on critical misconceptions about the kinds and sources of threats that the United States faces from terrorist groups in the future. In many ways, the situation is analogous to the case of the man with a hammer who treats everything as a nail: we have misdirected many of our efforts simply because we have not come to terms with the objectives and methods of the attackers and have assumed that the strategies for prevention and mitigation that have served us in the past will apply to the types of threats we now face. Unless these misconceptions are corrected and our policies revised, I believe that they will ultimately result in a continued misallocation of the resources devoted to homeland security and will leave us highly vulnerable to acts of terrorism.

As one who has spent the past twenty-five years involved in research, teaching, and consulting about terrorism and security, the sources of these misconceptions are as clear to me as the proverbial "sore thumb." What is not as obvious are the steps that will be needed to correct the situation.

According to the Executive Order which established the Office of Homeland Security, "The Office shall work with *executive departments and agencies*, State and local governments, and private entities to ensure the adequacy of the national strategy for detecting, preparing for, preventing, protecting against, responding to, and recovering from terrorist threats or attacks within the United States." (emphasis added)

It seems clear to me that Congress should also have a role in providing for the security of the United States by ensuring that our nation's resources are effectively and efficiently invested in homeland security. I hope that my remarks can assist you in helping to refocus our efforts—and that your deliberation process and decisions will be guided by the very real possibility that attacks could occur at any time.

Whatever else we may think of the actions on September 11th, there is no doubt that they should be viewed as a clear indication of the type and scale of the terrorist attacks that I believe we will experience in the future. Al Qaeda has not only demonstrated the will to attack the U.S. homeland directly, but with massive, well organized attacks designed to directly support its goals. What should also be understood is that the attacks on September 11th were relatively modest efforts. At minimal cost and with a very simple tactical plan, the United States suffered—and continues to suffer—major personal, financial, material, and psychological damage.

Notwithstanding the level of damage and disruption caused by the events of September 11th, I believe that we will not be as "fortunate" in the future. With its extensive global network of operational and support cells, Al Qaeda is not interested simply in presenting its case in the media or using the fear of terrorism as a source of leverage in negotiations. The long-run goal of Al Qaeda is the creation of an independent, pan-Islamic society based on a commitment to Islamic faith and Islamic law (the Shari'ah). Usama bin Laden has described this new society as a reinstitution of a "caliphate" but, regardless of its specific institutional structure, Al Qaeda's goals must be understood as the critical driving force in its planning for future acts of terrorism.

Al Qaeda's leadership believes that the key element of their plan for a pan-Islamic society is to ensure that the West—and the United States in particular—is "defeated and unable to threaten any Muslim." With a sufficiently weakened United States, with a United States and its allies in a state of mass disruption and chaos—focused internally rather than on its relationships throughout the world—Al Qaeda believes that it will then be able to proceed with the next phases of its strategy: polarization of Islam to ensure that the new society is led by the faithful and local revolutions to eliminate the nation states imposed on Islam by the West.

It is important to recall here that the U.S. Department of Defense's perspective on terrorism is framed in terms of "asymmetrical warfare"—the attempt "to circumvent or undermine U.S. strengths while exploiting its weaknesses, using meth-

ods that differ from the usual mode of U.S. operations" (DOD Annual Report, 1999). Whatever we may believe about its morality and legitimacy, however, asymmetric warfare is simply warfare that employs non-traditional operations and strategies. And just as the U.S. position during the cold war was based on a strategy of Mutually Assured Destruction (MAD), my colleagues and I see Al Qaeda's strategy in terms of "MUD," Multilateral Unconstrained Disruption.

Based on bin Laden's statements, I fully expect that the next round of attacks from Al Qaeda will almost certainly be directed at disrupting—and possibly disabling—the U.S. economy. As far-fetched as this may sound on the surface, I believe that this threat is not only real but, at least under current U.S. policies concerning homeland security, disturbingly feasible—even in the near-term. My colleagues and I have explored many scenarios, of which I will use just a few to make my point. (Please note that I have omitted the details in order to limit the identification of specific areas of vulnerability.)

—A physical or cyber-attack directed at the computing facility responsible for coordinating and balancing the loads of the electrical grid in the Eastern United States can be readily accomplished and result in the total loss of electrical service throughout the entire grid (save for Texas) for the foreseeable future. (Should anyone doubt the reality of this threat, note that elements of this attack were outlined in materials found in Afghanistan and published in the New York Times about a month ago.)

—Special nuclear materials (not nuclear weapons) can be used in attacks ranging from the detonation of what are popularly referred to as "dirty nuclear bombs," to the contamination of the water supplies of one or more major metropolitan areas, to the disruption of health care systems, transportation, food distribution, and other critical national functions. Estimates of the amounts of available material varies but, based on materials found in Afghanistan and the "Al Qaeda Training Manual" it is clear that Al Qaeda has given serious consideration to such attacks and has access to such materials. Note that even with the use of conventional explosives, many of the same objectives could be achieved—particularly if a large number of facilities such as regional shopping centers, major hospitals, and entertainment centers were simultaneously targeted.

—The use of a modest number of surface-to-air missiles in a strategy of on-going "hits at take-off and/or landing" can easily be used to further disrupt—and potentially end—passenger and other commercial air traffic in the United States. Even a limited number of strikes coupled with the threat of continued actions, for example, could easily lead to the discontinuation of both passenger and package flights and a major disruption of the U.S. economy.

—Attacks based on dispersing environmentally dangerous materials in major cities can easily cause massive disruption and financial damage—in many cases, without any loss of life or even serious health threat—and, with it, massive disruption of our way of life and a significant loss of government credibility.

—As is clear from the enormous federal, state, and local investments in roads, ports, airports, and public transportation systems, the U.S. economy depends on transportation. Raw materials, machinery, intermediate goods, services, and retailing are all fundamentally dependent on the continued operation of the entire system. As was clear even before the documentation was found in Afghanistan, terrorists fully appreciate that attacks on specific facilities, critical interchanges, and choke points (e.g., bridges, tunnels, trestles, interchanges, port facilities) would produce catastrophic impacts on the U.S. economy. Many of these attacks would require even more modest resources than the events of September 11th to produce even greater disruption and damage. In a number of cases, the result would be a total collapse of one or more sectors of the economy. (For example, roughly 80 percent of the manufacturing and distribution of health care products depends on the continued operation of the highly integrated transportation system on the East Coast.)

—For virtually all of the Fortune 2000, maintenance of the efficiency of today's global supply chain depends on the continued operation of what are called Enterprise Systems (e.g., SAP, Oracle). The "dark side" of improvements in economic efficiency, however, is increased vulnerability. Attacks aimed at Enterprise Systems can result not only in significant long-term distortions to our economy, but the severe disruption of military logistics and operations. (To the extent that we can assume that Al Qaeda is familiar with the critical role of such systems in business processes, attacks on Enterprise Systems probably constitute a true threat to the stability of the United States and Western economies.)

This list is obviously abbreviated—and omits many details. What I would like you to recognize, however, is that none of these potential threats depends on tech-

nologies or weapons that are found only in science fiction novels. Nor do they depend on using classified information, special techniques, or financial resources that are not generally available to terrorist groups such as Al Qaeda. As with the events of September 11th, I believe that future terrorist attacks will be based on the application of the "principle of leverage:" the use of modest actions—simple in planning, resources, and execution—to realize significant, highly disruptive consequences.

Equally important, either directly or through the loss of credibility in government, any of these actions would result in precisely the kind of broad disruption and chaos Al Qaeda regards as critical in meeting its goals. In fact, given what we now know of its training methods and operational plans, all that Al Qaeda needs at this point to implement any or all of these actions is organization and coordination. There should be little doubt that they have the will and the resources.

Given the very real threat of acts of terrorism directed at the United States in the future, my colleagues and I have approached the problem of enhancing homeland security in terms of the following observations:

—The future actions of terrorist organizations such as Al Qaeda will be continue to be directed toward the use of attacks that meet their goals, their resources, and their perceptions of the vulnerabilities of the United States and our allies. Planning for homeland security must, in turn, recognize that our investments in security decisions need to be based on an analysis of the objectives and resources of Al Qaeda and other groups and the ways in which specific actions will assist them in achieving their long-run goals.

—Understanding terrorist actions through examining the relationships among a group's goals, strategy, and tactics is the hallmark of (albeit non-traditional) military, not criminal, analysis. And, as with the use of military actions to promote international security, effective homeland security depends on developing, coordinating, and implementing security measures that meet expected threats rather than assuming that the threats will be determined by the security we choose to employ.

—The success of policies and programs aimed at homeland security for the United States depends directly on our ability to make decisions based on the effective and efficient use of national, state, and local resources—and the coordination of these decisions as part of a consistent national effort.

As explained by the President in his remarks on October 8, 2001 at Governor Ridge's swearing-in ceremony, "In the war on terror, knowledge is power. [We will] Strengthen and help protect our transportation systems, our food and water systems and our critical infrastructure by making them less vulnerable to attack."

Fortunately, the United States has already taken steps to support this effort. In its Report to Congressional Requesters on "Combating Terrorism" (GAO/NSIAD–98–74), the GAO recommends the use of a set of procedures for threat and risk assessments that assists in prioritizing and targeting program investments for homeland security. (The process was developed through a joint effort initiated over five years ago and is currently used by at least one major oil company and the Department of Energy.) Based on both quantitative and qualitative threat and risk assessment procedures, this system (VAM) reviews the application of alternative security strategies to specific threat postures and estimates the net present value (net benefits) resulting from investments in each of the alternative strategies.

In order to make direct use of risk and threat assessments and estimate the value-added of alternative security measures, however, there must also be a commitment to structuring the Office of Homeland Security in a manner capable of supporting a comprehensive review of findings, developing programs and plans, and coordinating the implementation of its decisions throughout the public and private sectors, and across all agencies and branches of government. As with other wartime efforts—and, at least in this regard, the "war on terrorism" has not been misnamed—clear institutional responsibility and operational control is critical to success.

Governor Ridge has said as much. On November 27, 2001, he told a gathering or aerospace executives, "There is no question that American ingenuity, know-how and technology will be a key to winning this new war on terrorism. Our national strategy for homeland security will identify our objectives in precise and measurable terms. . . . the first step in developing a strategy is to identify your goals. This is as true in homeland security as it is in military planning and military strategy."

In short, I believe that, at least until all of the elements of Al Qaeda have been eliminated and the United States is able to support homeland security through vastly improved intelligence and the implementation of coordinated security measures, the nation must commit to ensuring homeland security through a policy of effective and efficient investments in those security measures that can mitigate the likely types of threats from Al Qaeda. Given the likelihood of continuing threats from ter-

rorist organizations such as Al Qaeda, I believe that the United States must therefore take immediate steps to ensure that its substantial resources are wisely invested in security and that the nation has a visible, authoritative organizational focus for its homeland security efforts.

Thank you.

BIOGRAPHICAL SKETCH OF DR. STEPHEN GALE

Dr. Gale is the Director for the Center for Organizational Dynamics and a member of the faculties of the Regional Science and Political Science Departments at the University of Pennsylvania. In these capacities, he has responsibility for developing and directing educational and research programs aimed at assessing the impacts of changes in organizational structures, business development, financial valuation, performance analysis, urban and regional development, and locational evaluation.

During his career, Dr. Gale has been responsible for developing graduate level programs related to new business development, performance analysis and business process re-engineering, transportation and logistics, the effects of information systems in reorganization strategies, and the use of financial analysis to transform cost centers into profit centers. His research and consulting work have concentrated in these areas and have included: (a) studies for the National Science Foundation, the National Institutes of Health, Sandia National Laboratories, the Office of Naval Research, the Ford Foundation, the Departments of Housing and Urban Development, Transportation, and Energy, and the Agency for International Development; and (b) assignments on behalf of Gerald D. Hines Interests, Control Data Corporation, IMS America, Johnson & Johnson, Amtrak, Exxon Corporation International, Dupont, and a number of Fortune 1000 corporations. The work included business plan development, technology transfer, financial valuation, process re-engineering, survey research, and logistical analysis.

Dr. Gale's current research and consulting has focused principally on the development of effective and efficient procedures for valuing cost centers. His recent work for the Department of Energy and Exxon Company International has resulted in the development of software for determining the value-added of security to organizations and its application to the improvement of security management.

Dr. Gale is the author of over seventy books and articles as well as a variety of reports associated with his consulting assignments. He received his B.S., M.A., and Ph.D. degrees from the University of Michigan. In addition to his current position, Dr. Gale has also served on the faculties of the University of California, Berkeley; Northwestern University; and Columbia University.

QUESTIONING BY CHAIRMAN ROBERT C. BYRD

Chairman BYRD. Thank you Dr. Gale. The chair thanks all the witnesses for their excellent statements. The committee will now proceed with questions. And Senators will be limited to 7 minutes. I shall begin.

Dr. Carter, this Nation is facing huge challenges domestically and overseas. But our budget for addressing all of these challenges including the new relatively undefined issue of homeland security is very limited. Given the cost and the long-term nature of homeland security efforts, some national priorities will not be funded. Others will have to be cut. How do you recommend to this committee that we prioritize among all of our many and varied funding decisions?

Dr. CARTER. That's a very good question. I can only give you a partial answer to that. I do think that in the area of homeland security, I can't speak to all the national priorities as broadly as you can, Mr. Chairman, but within the homeland security plan, that's one of the vital tasks of the architect. We can't cover all of these contingencies. We can't be everywhere all the time on top of all these things. We have to put some order into this house and figure out what kinds of scenarios we're going to invest in disproportionately and what the best cost exchange ratio is for a given investment.

That's precisely the kind of thing which isn't going to just bubble up by the agencies all by themselves which busy people like you who have a much broader profile cannot do. And that's what this architect needs to do. Otherwise, it isn't going to happen and we will be making investments willy-nilly. Not only will they cost more than we can afford, but they won't protect us in the long run.

Chairman BYRD. Thus far, do you see this architect doing that prioritizing?

Dr. CARTER. I think it's been a slow start. I'm just making inferences from the outside, but I believe that it is becoming apparent to Governor Ridge's office that the architect's role is in fact where he can leave a legacy and that trying to coordinate that which we already have is something you can't do from the White House and beside the point, because that which we have is not sufficient. Trying to run your own agency is okay, and we may need some new agencies here and there, but even if we create a new agency or several new agencies, the problem of coordination will remain. There will still remain a need for an architect, even if we rejigger the agencies better. So that role isn't going to go away.

It is now more than 6 months since the event. I think that it would be easier to get a head of steam with this job description were it November and not April, but we've got to wish him well, because it's the only Government we've got, and he will be occupying the role of Director of Homeland Security even if he's not doing the function. So I certainly do wish him well and I hope he takes the architect's role and not any of these other roles as the way he can leave a legacy.

Chairman BYRD. Dr. Gale, would risk assessments, at the Federal level, using intelligence capabilities not available to State and local officials, be a logical way to begin to prioritize our vulnerabilities?

Dr. GALE. The way in which this is phrased makes it a little difficult to answer, largely because the coordination of all the efforts is yet to be done, and we don't really understand precisely how an Office of Homeland Security is operating.

At this point, however, what we have is an opportunity to use methods that have already been developed, for example by the Department of Energy in its security efforts, to try and prioritize precisely the efforts of the architect that Mr. Carter is speaking about. The difficulty is to coordinate that with the kind of intelligence that we believe we can actually coordinate from all of the other agencies that are collecting information and bringing it together within this very, very complex Government.

I think the most surprising thing to me in the aftermath of September 11 is that we've continued to use a lot of the kinds of stovepipe organizational mechanisms that have been so successful for us in balancing the efforts and the needs of this enormous Nation. At the same time during time of war I expect that there will be tremendous amount of change in the cross-cutting across those agencies, and at this point the question of setting priorities is one that will necessarily have to await the kind of coordination that goes into an agency like the Office of Homeland Security at the outset.

Chairman BYRD. Let me ask either of you two gentlemen, is any Federal entity as far as you know now doing risk assessments?

Dr. CARTER. Sure.

Dr. GALE. Sure. The Department of Defense does risk assessments, but right now as far as I know, the Department of Energy has an extensive program. They also have a mechanism for determining not just priority, but the return on investment from security.

Chairman BYRD. Do you know if that information is being shared with State and local people?

Dr. GALE. As far as I know, the only agency that has been extensively involved in it is the Department of Energy, although I must say that in March of 1998 I did make a presentation on that method to the director of FAA security, and he told me that we could not protect ourselves from meteorites.

Chairman BYRD. My time is limited. I would like to ask a question of the Governors. The Department of Justice's Office of the Inspector General recently released a report on the Office of Justice programs, State and local domestic preparedness grant programs. And one of the major conclusions of the report is that the funds provided for equipment grants are not being disbursed to the States in a timely manner.

One of the primary reasons for the delay is that States have been required to submit a 3-year State plan prior to grant funds being released. Although this requirement has been in existence since fiscal year 2000, only four States submitted their plans prior to September 11, 2001. Since that time, 46 of the States have submitted their plans, of which 44 have been approved.

Given that these funds have been available to your States for 2 years, what took the States so long to submit the 3-year plans? Were there any problems with the Federal rules? Any one of you three or all three, if you please.

Governor ENGLER. I know that in our case—and I'm not sure of the dates, so I don't have the dates, I wasn't aware that that was the reason that funds had not been allocated out of these programs. I know that we have been receiving allocations. I saw the article as well, and I was concerned. I had focused on the allocations that had been made of money to local units where the equipment wasn't in inventory or the training hadn't been done and I looked at that as one of those issues where again the lack of coordination was the program.

I think one of the things that's happened since 9/11 is there's been a significant change in bioterrorism. For example, I understand that those are different threats. We had not felt I think prior to 9/11 that we were short on funds. So I would think that we would argue before 9/11 that some of the funds being made available were not coordinated very well. In response to, to elaborate just on one of the previous questions, we have not had any sharing at the State level with the Governors of any type of risk assessment from Federal officials. There's been no security type briefing that would go beyond what we would read in the papers. So we have no special knowledge.

All of us individually I think have said to our State police and our adjutant generals what do you think the risks are in our State? But there's nothing that's been brought to us on the basis of any information gathered internationally or nationally.

Chairman BYRD. Governor Locke and Governor Barnes, let me repeat the question. The Department of Justice's Office of the Inspector General recently released a report on the Office of Justice programs, State and local domestic preparedness and grant programs. Given that these funds have been available to the States for 2 years, what took the States so long to submit the 3-year plans? Were there any problems with the Federal rules? Governor Locke?

Governor LOCKE. Mr. Chairman, I would have to get back to you to find out exactly what the status was with respect to our State of Washington. I know that we did receive, many of our local law enforcement agencies did in fact receive Department of Justice funds for equipment. And whether or not our State or the local government entities had fully complied with the Federal rules and whether or not we were taking too much time, I'd have to find out.

But I have to say that shortly after September 11 as we looked at all of our response plans and as we looked at the issue of bioterrorism, I would have to say that the State of Washington felt pleased with respect to the response by the Justice Department in terms of ensuring and making available grant funds for equipment purchases by local law enforcement personnel.

Our concern has been as we looked at some of these purchases and the equipment that was made available to local law enforcement, is again the lack of coordination in making sure that there was in fact a comprehensive strategy among local government entities. And that's one thing I'd like to just stress if I could, Mr. Chairman.

With respect to bioterrorism, it's important that there be a statewide strategy, because for instance, if there is to be some sort of bioterrorism event in the city of Seattle or in any other city, the hospitals within that particular community will not be able to respond fully. We're going to have to use the services and the availability of the medical facilities and expertise from entire communities many miles away. So we need to make sure that whatever grant monies are available are blocked through the State for such a coordinated, comprehensive strategy, knowing that there's no one city that can respond in any of itself.

Chairman BYRD. Governor Barnes, would you respond to the question, please, and then I'll call on Senator Stevens.

Governor BARNES. All right, sir. First, I don't think any of us ever thought about coming up with a terrorism plan before September 11. We had been receiving, just like Governor Locke said, equipment funds from the Department of Justice and I don't think it was ever marketed to us, you know, when you sent out the information, that this should be to come up with some statewide terrorism plan. And so the idea that you come up with some 3-year terrorism plan before September 11, you know, hindsight is 20/20, but it just wouldn't have been on your radar screen.

Chairman BYRD. Well, if you're expecting grants from the Federal Government and you're required to do certain things in order to qualify for those grants, wouldn't you know something about that?

Governor BARNES. Yes, sir, we would. And we have a whole staff that does nothing but tries to see what the individual requirements are for each of the grants. But we interpreted the grant application

to be more on issues, if you really want to know the truth, that dealt with those that had international borders. And we did not. Now that might have been a misapprehension on our behalf, but that's what we looked at that part of the grant program as being.

Chairman BYRD. Senator Stevens.

QUESTIONING BY SENATOR TED STEVENS

Senator STEVENS. Thank you, Mr. Chairman. In the last Congress, we had a joint hearing here in the Senate, a series of hearings. We found that the terrorism subject, and I guess that's what we're really talking about, a strategy against terrorism, was fragmented—leadership was fragmented among 42 Federal agencies, 14 congressional committees, hundreds of State and local first responder entities. We also found that on the Federal front, the Department of Justice, the FBI had the lead in prevention and preparedness and crisis management, and FEMA, the Federal Emergency Management Agency, I believe had the lead in consequence management—that, is disaster relief. We didn't have a single national strategy. We now have two Presidential decision directives, the Attorney General's 5-year plan, two Federal response plans, one by FBI and the other by FEMA.

So really what we're dealing with is how to set this up. I hope eventually we'll get around to creating a basic system whereby a President nominates somebody, we confirm them by the Senate and give a firm direction to coordinate all of these plans.

I have several concerns I would like to ask you gentlemen, if I could. First with regard to your abilities as Governors, do you think we should have some specific authority in the terrorist area to authorize States to enter into compacts on a regional basis?

Governor BARNES. Yes. I generally favor regional basis, regional compacts on almost everything, but particularly, for example, Georgia and Florida, because of the long coast line that exists, would be very helpful for us to be able to do that.

Senator STEVENS. Governor Locke?

Governor LOCKE. Well, I very much believe that we should have the authority to enter into regional compacts and also perhaps some international compacts as well, given the situation we have.

Senator STEVENS. That was going to be my next question. Governor Engler?

Governor ENGLER. Agreed, and we already do that in terms of the response to the incident. What you're suggesting is how do we prevent. Can we do more together, and I agree with that strongly.

Senator STEVENS. The strategy for prevention seems to me to be more effective on a regional basis than it would be national, but I don't know if you would agree. With regard to the border, and you mentioned that, Governor Locke, it does seem to me that we have some basic problems along the border. We have about the same border with Canada as all the rest of the whole United States. But when you get down to it, have you all had—you're both border States with Canada. Have you had talks with Canada? Can you tell us how we're progressing in terms of aligning our national strategies with our northern neighbor?

Governor LOCKE. Actually, the State of Washington and our officials including Senator Patty Murray have had numerous conversa-

tions with Canadian officials. There's use of technology that will be available soon to help expedite the movement of people and freight, people who have had background checks and are already entered into computer systems using technology. And so that's proceeding, but we're still waiting. We're still waiting for the deployment of trained border agents and Customs official to the United States-Canadian border. In the meantime, we have the deployment of the National Guard.

Senator STEVENS. Is it only going to be on our side, Governor? What about Canada?

Governor LOCKE. No, no. Canada is also involved in that and they're also involved in the partnership of the deployment of that technology, so that its people, whether Canadians or U.S. citizens, who routinely go back and forth across the border.

Senator STEVENS. I know you have probably more cross-boundary employment than anyone in Michigan, Governor.

Governor ENGLER. That's true.

Senator STEVENS. How are you working with them?

Governor ENGLER. We've talked to the Ontario officials. Recently I've had a conversation with Premier Harris on this. We have not kept up with the Canadians. We are understaffed compared to the Canadian side.

Senator STEVENS. Senator Inouye and I have taken some international trips this year to central Asia and not just through the Pacific region, along the Asian coast. In Singapore we found that because of the alertness of one local policeman, a whole ring of people that were designing to use 100 tons of explosives and destroy a considerable number of U.S. installations in a three-nation basis there was discovered. It brought home to us that in the final analysis, only an informed and alert public really can make this system work, and we should be more concentrating on prevention than upon, God forbid we also need the help, but concentration ought to be on prevention rather than the needs of the first responders.

Now I want to ask all of you if you have any ideas of what, how we might work in the system the ability of all of the entities, local, county, State and Federal, to analyze the reports of concerned citizens to be sure that reports of suspicious activity are seriously treated. In Singapore, they were lucky. A cop made a report and someone reacted immediately and that whole ring was broken up. I fear that we are really not emphasizing the role of individual citizens in prevention, and I would like to have your comments. What can we do, this committee, to help make certain that reports of concerned citizens are treated immediately so that we know, we have the ability to react under the circumstances, if God forbid, something like Singapore's situation is brought to the attention of anyone in any one of our States.

Governor ENGLER. Senator, I think that most States would welcome the opportunity to have our key law enforcement agencies fully briefed by the Federal agencies. We still have, while we have seen improvements and we have seen improvements specifically since 9/11, we still do not have, I think, a level of confidence that there is a full briefing that takes place. And whether that's with a select number of law enforcement officers, or some fashion that that's determined, somebody has got to know. We could have the

citizen file the report today but the agency might not have any clue that that was what might be linked to something, because you know, they may not know the key information from the Federal agency. And that, in talking to our law enforcement agencies, is still a problem because I mean, you have territory among agencies at the Federal level, but we certainly have it inter-governmentally, Federal to State.

Dr. GALE. You're talking about a massive effort. Singapore is a much smaller society where the communication from a policeman even up to the chief of police takes a relatively modest amount of time.

Senator STEVENS. I agree, but we don't have any coordination at all, do we?

Dr. GALE. That was the word that I have heard pretty much interspersed through everyone's discussion: Where is the coordination? And quite frankly, it is the kind of thing where we imagine what happened right after Pearl Harbor, that coordination sprang into place somehow whole cloth. I believe, if I know my history at all, we worked real hard to put a coordinated effort together, but by March of 1942, there was a substantial amount of coordination and no longer the reliance on a lot of the stovepipes that we have been talking about today. A lot of the difficulty is that we have a bunch of stovepipe agencies and we all are using exactly the same procedures we have always used——

Senator STEVENS. Thank you——

Dr. GALE [continuing]. Even though there's a gun to our head.

Senator STEVENS. Dr. Gale, sorry. The chairman and I lived through that period. I want you to know there was a lot more volunteerism after the events of Pearl Harbor than there is now. We had people—I lived in California then and we had people walking the beach every night, and up in Alaska we had the territorial guard, a volunteer group, and we had all over the country volunteers. I don't see many volunteers coming out of the woodwork right now, and what we're looking at now is demands, I've had demands from almost every small village and city in my State to get a new fire truck or a new police car, or new communications system.

What are we going to do to create a volunteer system to assist law enforcement in detection and prevention?

Dr. GALE. The first thing the public has to understand is what we're fighting here. As far as we're concerned, I mean at least as I read the national spirit right now, it's over and done with, we took care of them when we had victory in Afghanistan, and as far as a good percentage of the people on my campus at least, there are a lot of people who say we deserved it.

Senator STEVENS. My time is up. Thank you very much, Mr. Chairman.

Chairman BYRD. Thank you, Senator Stevens. Senator Murray.

QUESTIONING BY SENATOR PATTY MURRAY

Senator MURRAY. Thank you very much, Mr. Chairman, and thank you to all of our guests today.

Let me start with Governor Locke and Governor Engler. Both of you have mentioned in your comments today about the need to

work within your own regions in terms of organizing any kind of response and preventive action. When it comes to bioterrorism, our regions include the northern border. Are you working with Canada in any way in terms of bioterrorism, in any way of coordinating plans with them if there were to be an anthrax, smallpox or other kind of bioterrorism activity?

Governor ENGLER. Senator, before I answer the question I would like to ask the chairman's permission to after I do answer it, to be excused to see Secretary Thompson before I catch my plane.

Chairman BYRD. Surely.

Governor ENGLER. Thank you.

Chairman BYRD. And we want to thank you too for your appearance here today.

Governor ENGLER. Senator, thank you for holding this hearing and your keen interest.

We are not walking with Ontario in any formal fashion yet. I mean, there may be informal communications my health officials or law enforcement agencies have had, but there is nothing that's formalized with the provincial leaders in Ontario relative to that threat. Nor frankly is there with Ohio.

So I mean, this is a gap that's so new to us in one sense. We're still struggling even within communities. We found in one community, a mayor told me he found each of his hospitals seeking to order enough doses of a vaccine that would cover their whole area and he said, well, we don't need three times the vaccine for the community, let's have you three hospitals get together. That's the level of coordination that just historically has not been there.

We've got a very big job to do and I think what you're hearing today from all of us is, tell us which part you want us to take charge of and then actually put us in charge, and we'll do it. That's really where we are. It's a very good question, Senator.

Chairman BYRD. Governor, before you leave, HHS sent out their request for plans in January. Only 2 of the 50 States have sent HHS—you're going to be talking with the Secretary of HHS—their bioterrorism plans. I am sure that the committee would urge the Governors across the country to move these plans along, move them along.

Governor ENGLER. Thank you.

Chairman BYRD. Thank you.

Senator MURRAY. Governor Locke?

Governor LOCKE. Thank you, Senator Murray. In response to the Federal allocation for bioterrorism we have, I believe, submitted our plan to the Federal Government, to HHS. But that regional approach understands and emphasizes the fact that we are going to have to cross State borders as well as international borders.

As I indicated in an earlier response, we know that when we ask the States to be able to coordinate and insure a comprehensive strategy so that cities are not going at this alone in terms of response to bioterrorism, that there has to be a coordinated regional approach. That also recognizes that for instance, Vancouver, Washington is really part of the Portland, Oregon metropolitan area, and that whatever happens in Portland is also going to depend across the river with Vancouver, Washington. The same thing with Bellingham, Washington, which is right next to the Canadian border,

that we're going to have to rely on the systems and response by hospitals and public health authorities with respect to the authorities in British Columbia. Also, eastern Washington with Idaho.

And so our response plan contemplates multistate as well as multination coordination.

Senator MURRAY. So are we working with Canada on any kind of formal contract or agreement in terms of bioterrorism?

Governor LOCKE. Not in terms of a government to government contract, but in terms of response planning, my understanding is that we are working with Canadian officials and Canadian communities to respond in the event of any type of bioterrorism threat.

Senator MURRAY. Governor Locke, I wanted to ask you because as you know, the Federal Government has issued several alerts following the September 11th attacks, and I would really appreciate in front of this committee your very frank assessment of the Federal Government's ability to keep you informed about threats to Washington State and other relevant information.

Governor LOCKE. Well, we have been able to have very good access with Governor Ridge, and when we have had some problems along the way, we have been able to immediately contact Governor Ridge and he has been able to respond and iron out those difficulties with some of the other Federal agencies. We wish that we had not had to go to Governor Ridge, but you know, to be very candid, there was a time when one of the major TV networks report and broke a story that Seattle was the target of some threats based on pictures that were discovered in the caves of Afghanistan. And shortly after that, various Federal agencies, unnamed people within Federal agencies gave interviews to the press and kept saying that there were pictures of specific buildings or companies or landmarks that were found.

They were all contradictory, and we were having a hard time getting to the bottom of it and wondering if certain Federal agencies were withholding information and not sharing that information with the State. And finally we were able to get hold of Governor Ridge and we were—he immediately ordered that the copies of those pictures be made available to the members of the congressional delegation, to the State officials, to sheriffs and police chiefs. And so we convened one big meeting, had those copies of those photographs brought to us so that we could all see them.

But it took a while for those photographs to reach us. And it wasn't until Governor Ridge intervened that we were able to have those almost instantaneously delivered to us, and we were able to view all those pictures and get to the bottom of it, to report that there were no credible threats against the State of Washington, either facilities or installations or people.

So again, we need that better coordination among the Federal agencies working with State agencies, and we should not have to go up to Governor Ridge to have these things sorted out.

Senator MURRAY. Thank you for that. I heard Dr. Gale talk about the threat to the electrical system or the transmission systems for energy sources, and I know in our area, Governor Locke and I are hearing that the administration wants to move towards what's called a regional transmission organization that would be a centralized command over our entire electrical system. And this

has not been discussed in terms of vulnerability to terrorist attack, and after hearing Dr. Stephen Gale, I would just like to ask Governor Locke whether he would share my concern that this is something we should consider before moving to that kind of system.

Governor LOCKE. Well, I think we are all very concerned in the Pacific Northwest, whether you're from Oregon, Washington or Idaho, and even Montana, about the integrity of the BPA system and the transmission facilities, and that it's a very unique, very local system that's working well. It needs improvements, and that's why BPA has asked for additional borrowing authority, to make the upgrades to their transmission facilities.

But it's a very unique system, far different from what occurs in other parts of the country, and we need to make sure that the unique features of the BPA transmission system are protected and enhanced, and so we would be very very concerned about some of the proposals from FERC and others to have a west coast wide or a western United States wide regional transmission organization.

Senator MURRAY. Dr. Gale, would you share that concern?

Dr. GALE. My concern here is that this attack may be coming at pretty much any time, and the way in which we are discussing it seems as if it's kind of theoretical at this time, and over the long haul we are going to find some mechanism to try to make the system work in a little bit more protective fashion.

Think of it this way. In a sense, these hearings are a way of trying to figure out what we have to do to avoid martial law if one of those attacks that I described actually occurs, because any of those could seriously disable this entire economy and with it, the entire Nation. And certainly BPA, that's the entire west coast, and we could not afford to have a 2-month degradation or elimination of electrical service on the west coast.

I mean, in a sense the question is, how do you actually put together a security system that's going to react now and one that will protect that entire structure. They are not going to bomb large dams, can't do that very easily. But there are coordinating facilities for all of these efforts, for all of the energy systems, and those are easily targetable. And the question is, where do we want to put our efforts right now to insure that we can get the maximum leverage out of our security, and certainly BPA is on the top of everybody's list.

Right now we're all still talking about the same problem of coordination, how would you ever get it done, and given the fact that it can happen tomorrow, how can we put it in place and time.

Senator MURRAY. I see that my time is up, Mr. Chairman. Thank you very much.

Chairman BYRD. Thank you, Senator Murray. Senator Dorgan, I believe you were next.

QUESTIONING BY SENATOR BYRON L. DORGAN

Senator DORGAN. Mr. Chairman, thank you. This panel has been just an excellent panel. I really appreciate the testimony you have offered, and I think it is a good start to these set of hearings.

Dr. Gale, are you optimistic or pessimistic?

Dr. GALE. About what?

Senator DORGAN. Well, about the future, about our ability to prevent the kinds of scenarios you described in your testimony? Your testimony describes some pretty grim opportunities for terrorists. Tell us your feeling about the future.

Dr. GALE. I'm a realist.

Senator DORGAN. What does that mean?

Dr. GALE. I'm a pragmatist. Actually, I'm a fighter. I believe that there are always threats to the United States and to people and that our objective, national security and at local security levels, is to insure that we can be optimistic about talking to our kids. This kind of legacy for our children is insane, and we could have prevented it, and at this time there are real reasons to be optimistic if we invest in security in the right ways and use the resources and the volunteerism that Senator Stevens was talking about.

Where's the spirit behind all of this that motivates anybody for defense? I haven't seen very much of that, and I've heard a lot about overtime pay for people. This is a time of serious national crisis and I really think we're talking about it as if it's business as usual. And on September 11th, if there was only one message that should have come through, it's that there will be no business as usual until those people who are capable of doing actions like that have been stopped and eliminated, and that's not going to be any time soon.

So from my point of view, I'm really optimistic because I love a good problem and I like fighting, but do I think there aren't going to be problems? Absolutely not. I think there will be lots of them.

Senator DORGAN. Governor Locke, before September 11th this committee, through the subcommittee that I chair, had a northern border security initiative that we funded, to begin the long process of trying to provide some semblance of security on the northern border. You know that we have a 4,000-mile border between the United States and Canada. While we have 9,125 Border Patrol agents along the United States and Mexico border, we only have 622 Border Patrol agents between the United States and Canada, a 4,000-mile expanse.

You at Port Angelos, of course, have had the experience of having an alert agent catch the millennium bomber coming through, who would have caused substantial damage here in this country, and undoubtedly loss of life. I think you and Governor Engler certainly would know that we have much more to do all across the northern border. Yet, we are not able to station Border Patrol agents, INS or Customs Service people every quarter mile on the northern border, so it is a long and porous border.

Do you feel with what you have heard of our discussions in Congress that we are moving in the right direction? We are obviously now talking about substantial additional resources in all of the agencies, Border Patrol, INS, and Customs. Is there more we should do, and if so, what is it?

Governor LOCKE. Well first of all, I do want to congratulate and compliment the Members of Congress and the Senators along the United States-Canadian border for their incredible interest and perseverance in making sure that there's adequate funding to address the security issues along our United States-Canadian border.

I did have a meeting with Deputy Prime Minister Manley a few weeks ago, who is the Canadian counterpart to Governor Ridge, and we were talking about some of the improvements that we can expect along the northern border.

Senator Patty Murray, I think took a tour of some of those technologies and innovations, and reviewed the progress of that.

Clearly there will be need for more technology, and there have been a lot of news reports and explanations about how even if you don't have a person at a particular place, the use of technology alerts border guards and border agents and Customs people to any movement along the border, and that enables them to respond. We have to be smarter in the deployment of people by using technology, and so I really applaud the commitment of the Congress to adequately fund the deployment of that technology.

Senator DORGAN. Senator Stevens talked about the cooperation with Canada. You have two countries that have a common interest in that border. It seems to me there's much more capability with both countries to use technology and the combination of manpower from both countries to achieve a common objective.

Mr. Chairman, I must cut my questioning short because of another commitment, but again, I think this panel has provided some outstanding testimony. I deeply appreciate your willingness to be here today to provide it. Mr. Chairman, thank you very much.

Chairman BYRD. Thank you, Senator Dorgan. Senator Kohl, you have been patient and you have been here a long time. Please proceed.

QUESTIONING BY SENATOR HERB KOHL

Senator KOHL. I thank you, Senator Byrd.

Dr. Gale, you touched upon the topic of food distribution in your remarks. Food safety has long been an area of interest for this committee but the events of September 11th turned our interest obviously to imperative. The Food and Drug Administration has primary food safety responsibilities for almost 100 percent of the food products in our country. And yet, they have the capability to inspect only about 1 percent of imported food items.

Furthermore, there is a great potential for tampering with domestic food items that presents immediate threats to public health and long-term harm to consumer confidence. Would you comment on the adequacy of current Federal efforts to protect our food supply? Do you think that these could be improved, for example, by giving agencies a mandatory recall authority which they do not have at this present time?

Dr. GALE. The complexity of our food supply is extraordinary. In a previous life before I began college, I spent 2 years as a dairy farmer. I know it from the bottom end and I also obviously consume it, and I have watched Pioneer Hybrid, I was doing work for them. You're talking about an extraordinarily complex highly diverse system which right now not only is regulated by the FDA, but an enormous number of agricultural agencies and pricing structures.

In order to—we keep saying the word coordinate—in the food distribution sector alone, we are talking about trucking companies that are responsible, seed companies. We are talking about all of

the producers of chemical protection, or chemical weed control and defoliants. If you are going to be looking at this in terms of recall, that's after it appears. That's the Tylenol problem.

What we have to be able to do is to insure that critical food supply points, where there can be a massive disruption of our food supply, are protected. Of course we ought to be able to recall food that's been contaminated instantly, but that's sort of after the fact. And I can describe to you, for example, an attack that could be used with these enterprise systems in which someone can identify precisely the containers that are going, say, to the 7th Fleet, infect them with botulism, and bring down the 7th Fleet with one person, who could be a janitor.

Food supply is an extraordinarily complex effort, and simply looking at it in terms of recalls from the FDA doesn't span the issue that I think is in back of what Mr. Carter is speaking about in terms of an architect. You've got to have a different architecture for approaching terrorism, not the same types of actions that we've taken in the past, FDA.

Senator KOHL. Would you then comment on our current capability of inspecting only 1 percent of all imported food items? Is that something that needs to be addressed?

Dr. GALE. Not only inspecting it in its entirety, but inspecting it before it gets here. And I think this was the point that was made by Governor Engler. There is no sense in our trying to do all the inspections on U.S. territory. Quite frankly, some of that stuff may be infectious when it gets here. What we want is a system which protects and inspects these commodities before they even get here.

But that's an extraordinary change. We would have to have a very different approach to foreign policy. Our Customs inspectors would have to be located internationally, and the determination as to whether or not that can actually be done and whether it's efficient and we have the resources for it is again, we need some kind of coordination to even start this process.

And to look at it as if we have our existing agencies and our existing policies, and we only have to amend them a little bit, is ignoring the fact that this is a major big shift in the kinds of attacks that we've had in the past.

Senator KOHL. Dr. Gale, naturally we are mostly concerned about international terrorism, but should that be the main focus for every State? Should different States and regions be focused on different threats, both domestic and international? Are there current threat assessment investigations being done to more clearly determine what States and what regions are the most at risk for domestic and international terrorism?

Dr. GALE. Well, international terrorism, if we are talking about al Qaeda, which is the big topic of conversation in the terrorism world today, pretty much any State can be affected. In fact, quite frankly, I would expect that the next round of attacks would try to affect all of the States for that kind of purpose of disruption.

On the domestic terrorism side, I've read some rather unusual stuff recently. 1994. Terry Nichols and Ramsi Yusef apparently had a meeting in Manila prior to the bombing in Oklahoma City. Is there a tie-in between al Qaeda and domestic terrorists in the

United States? You would think that they would be polar opposites in their approach to things.

They both have an approach of wanting to disrupt and severely disable pieces of the United States, and my enemy may be in fact my friend. And I see the domestic terrorism problem, although it was the real focus of attention during the Clinton administration, is coming back to be a major source of difficulty for the United States simply because it could be easily coordinated with international terrorism.

I fully expect that Osama bin Laden believes that domestic terrorists will pick up some of the burden from him in causing the massive disruption that he needs.

Senator KOHL. One last question for all of you to speculate on, and I would be interested in your response. Many, many, many Americans are hopeful, and maybe would suggest that what happened on 9/11 is not going to be repeated, and that all of these conversations that we're having, while useful, will hopefully not have to be dealt with.

Are you in your own mind fairly certain? Are you Governors fairly certain that we are going to have to deal with the actuality of the things that we're talking about here in the future, that this is not any sort of a theoretical discussion but something that our country will be facing in terms of things that do occur? Dr. Carter?

Dr. CARTER. Well, it's not theoretical and we will see incidents once again, and they will come from domestic sources. Let me just remind you that as we all sit here today, we don't know who did the anthrax attacks. It's entirely possible that it was an American. It's entirely possible that it was a cleared American. It's also entirely possible that it was a cleared American acting alone, with motives so obscure to the rest of us that he or she doesn't even seem fit to take credit for the act up until now.

So what we're seeing is the increasing fragility of society and also with the progress of technology, the ability of destructive power to fall into the hands of smaller and smaller groups of human beings, powers formerly reserved to nation States. Now small groups and individuals exhibit a much wider variety of motivations and behavior than do large groups of people.

And so, you've got all kinds of people out here. Remember the ones who put on sneakers and purple cloths a few years ago, and decided to join the Comet's Tail? There are a lot of motivations out there that are not just al Qaeda, that can be rageful, Messianic and destructive, and destructive power falls into the hands of groups that are deviant and bizarre from our point of view.

Everything about technology says that that trend is going forward and will be with us as long into the future as we can see. That doesn't make me despair because there is a lot we can do to fight back. Some of these examples we're talking about, we can't change our foreign policy to protect our food supply.

We have a panel, the National Academy's effort, of which I'm a member, that has looked in detail at the food supply. I think there's a reasonable strategy towards that which does look at choke points, as Dr. Gale said, does some random sampling elsewhere, which is a reasonable deterrent. In other words, there is a reason-

able posture that provides a reasonable level of protection and allows us to keep on keeping on.

And the electrical grid. We've looked at the electrical grid in detail as well, and that also, most of the interruptions that can be caused in the electrical grid are transitory, disruptive but not massively destructive. The only thing you need to worry about there, the principal thing to worry about, is interruptions that result in the non-repairable destruction of hardware, for example, high voltage transformers. And so if you look at this—and for that purpose, you buy some spare high voltage transformers and you would be prepared to insert them if there's destruction.

So I think this is a matter where systematic looking in a calm spirit, urgent but intelligent, infrastructure by infrastructure, we can mount a defense which allows us to keep on living our lives reasonably and makes these events not never, but rare and manageable. We can do that. To that extent, Senator Dorgan is gone now, but I'm an optimist.

Governor BARNES. Let me just reply to that——

Chairman BYRD. May we have shorter answers, please? We have several other Senators here who have been waiting.

Governor BARNES. In 1996, as you know, at the Olympics in Atlanta, we had an act of domestic terrorism. We never have caught that guy. So it's real to us. And we know that we have to be prepared.

Governor LOCKE. Senator Kohl, let me just say that even before 9/11, our State of Washington put together a civil support defense team, a full-time unit of the National Guard that's able to respond within almost an hour anyplace in the State of Washington to any biological, chemical or even radioactive threat, and they have been called out several times since September 11th. Thank goodness, false alarms even after local law enforcement had raised it to a level that was beyond their determination.

This civil support defense team was actually requested by the Federal agencies to be deployed to the World Series game in Arizona, and our civil support defense team, full-time National Guard people with all the suits, all the mobile laboratories, worldwide communications gear, this was up and running almost 1 year before September 11th.

So we take the threat of terrorist activities very real. We hope it never occurs, but I'm not a person who's going to bank the future safety of the people of the State of Washington and take a gamble, and so we're responding whether it's the Federal dollars, for bioterrorism we're taking this very real, we're not going to use this money just to buy fire trucks for local agencies. This is to make sure that we have prevention plans and response plans in place that are coordinated throughout the State and with neighboring States and other communities.

Senator KOHL. Thank you. Thank you, Mr. Chairman.

Chairman BYRD. I think Dr. Gale has already stated that he feels that we're dealing with situations that may happen earlier rather than later, and that we should be prepared.

Senator Bennett.

STATEMENT OF SENATOR ROBERT F. BENNETT

Senator BENNETT. Thank you, Mr. Chairman. I appreciate your holding these hearings and I appreciate the opportunity to participate in them, and I intend to take the majority of my time in a statement rather than questions, not because my ego insists on that but because I feel there's one factor that has been left out of this discussion. I say that without any criticism whatsoever of the discussion so far. I have gone through your testimony and your comments, and I think they have been extremely useful.

But when we get to the issue, and I think it was you, Dr. Carter, who was talking about going over this infrastructure by infrastructure, if we talk about critical infrastructure in this country, 90 percent of it is in private hands. It is not in Federal hands, it is not in State hands, it is not in local government hands, it's in private hands.

And I have not seen a discussion of the role of the private sector in protecting its infrastructure. If the private sector assumes that Government will do it, and they do not need to focus on their own security activities, we will have enormous problems. Osama bin Laden has made it clear post 9/11 that his target is the U.S. economy, and anything he can do to damage the U.S. economy he wants to do and is urging all of his people to do.

Now perhaps it comes out of my parochial role as a member of the Banking Committee, but if I wanted to do this country, if I wished this country ill, I would not fool around with kinetic weapons to blow up buildings. I would try to figure out a way to get into the Fed wire and shut down the Fed wire through the telecommunications system, all of which is in private hands.

I have had this conversation with Chairman Greenspan and he said yes, if you were able to shut down the Fed wire, you would probably do more damage to the economy immediately, and if you could keep it shut down for any period of time long-term, than you would if you set off an explosive device in lower Manhattan Island.

I know how, if somebody can get me in by hacking computers, I know how to shut down the New York Stock Exchange, with a very simple software fix, or unfix if you wish, that would scramble all trading on the New York Stock Exchange for months, if not longer, if you could keep it up.

The whole question of cyber attack through our computers focused primarily on the private sector and those aspects of the private sector that are critical to the function of the economy is a question that hasn't been raised in these hearings yet, and I want to raise the voice that it be raised and that it be talked about.

We have been holding hearings in the Joint Economic Committee, we have been holding hearings in the Banking Committee, we have been holding hearings wherever we can to try to focus on this problem, and the more we dig into it, the more we find out how vulnerable we are.

Now, this brings me to one of your themes that you have been talking about on the panel, or two actually, information sharing and risk assessment. Senator Byrd has asked about risk assessment and some of your testimony has been about information sharing.

In this arena of cyber terrorism, there is a very great reluctance to share information with the Federal Government, because they are convinced it will be made public. I have anecdotal evidence of public utilities that are very reluctant to do any risk assessment for fear it will then be made public and become a road map for terrorists.

I have a bill, if I can be shameless about shilling for my own legislation here, I have a bill that would permit the private sector to share information about cyber attacks with the Federal Government without having that information be made public. We have an example of an industry that shared information about the extent of the industry with the Federal Government that was then published on the web site of the requesting agency until someone from Governor Ridge's office called them up and said, will you please take that down off your web site, because it tells the terrorists every single check point in your industry that could be attacked that would produce massive economic difficulty.

So, I simply want to inject into all of these discussions the recognition that we are the most vulnerable wired Nation in the world. It is one of the reasons we are the most productive Nation in the world, because we have gone further than anybody else in terms of technology and the technological advances that come through computers. But with that advance has come a vulnerability that at some point some terrorist is going to exploit.

The attractiveness of it is that a terrorist can exploit it sitting in his cave tapping on his laptop. He does not have to go through customs, he does not have to come to the United States physically. He can break into our network, cyber network, and attack all of these critical infrastructures. Again, 90 percent of which are in private hands.

So when we talk about risk assessments and we talk about information sharing, I simply want to raise the flag on behalf of more information sharing, more information security within the Government, which means if my bill passes, a sharper definition of what happens under FOIA, the Freedom of Information Act, than is there today. I'm not repealing FOIA, I'm not setting FOIA aside, I'm just trying to sharpen the definition so that we can be protected from this kind of attack.

And Mr. Chairman, I wanted to get that into the discussion here because I think it is something without any impropriety on anybody's part, simply has not been raised until now.

Chairman BYRD. Well, thank you, Senator Bennett, for raising this flag to freedom's breeze unfurled. You may have fired the shot heard round the world.

Senator BENNETT. When the chairman starts quoting poetry, you know you've made a point. I thank you.

Governor LOCKE. Mr. Chairman, if I could?

Chairman BYRD. Yes.

Governor LOCKE. To Senator Bennett, I just wanted to make one comment. We in the State of Washington were very concerned about the use of Freedom of Information Act or public disclosure laws to get at those types of vulnerability assessments and reports that might be collected by our State agencies, or even source codes of computer programs and things like that.

And so, I'm pleased to report that in our State of Washington, I recently signed into law legislation that was passed by the legislature, requested by the attorney general's office and my office, that exempts that vulnerability assessments and source codes, and a variety of very sensitive information from any type of Freedom of Information Act.

Chairman BYRD. Thank you. Senator Durbin.

Senator DURBIN. Thank you, Mr. Chairman, and thank you to the panel.

Chairman BYRD. Before the Senator begins, do I understand that Dr. Carter has to leave?

Dr. CARTER. I apologize, Mr. Chairman and members. I do, unless the airplanes can wait for me, or they'll let me through faster than they're letting us through these days, I do need to excuse myself.

Chairman BYRD. You have made a fine contribution here this morning, and the committee thanks you very much for your contribution. Thank you for your time, for your statement, thank you very much.

Senator Durbin.

QUESTIONING BY SENATOR RICHARD J. DURBIN

Senator DURBIN. Thank you very much. Mr. Chairman, relative to the statement just made by Dr. Carter, there are very few common American experiences which everyone shares, rich or poor, young or old. One of those experiences is voting in this country, but another one since September 11th has been the presentation of a photo ID. We are now in a society which expects each of us to present on a regular basis a photo ID to establish our identity. It has become the threshold piece of evidence in a system designed for security.

And so while we have the Governors here and other witnesses, I would like to explore what is the most common form of identification, the driver's license, issued by 50 different States. States also issue identification cards, but I would think the most prevalent form of identification that I have noticed is the driver's license.

We also know from experience that the driver's license has been terribly abused when it comes to providing a source of identification. Timothy McVeigh used a fake driver's license to rent a Ryder truck for the Oklahoma City bombing. Of the 19 terrorists on September 11th, there was 1 who had neither a driver's license nor an ID card; 11 had at least one driver's license; there were 12 of them that had at least two different driver's licenses; and there were 6 of them that only had State IDs.

We have come to understand that leaving it to the States to establish standards for issuing the most important piece of identification, which we rely on as a threshold requirement in our security system, is an invitation to disaster. What happened in the State of Virginia and Florida with the terrorists on September 11th tells us that there are ways to defeat this system.

In the case of Virginia, it was $50 in a parking lot to get a notarized statement from someone saying this is who this person is and this is where they live, and that was good enough. They were in

the system, they had a Virginia ID card and they were off to the races, in this case off to the airports.

And so what I'm asking the Governors in particular, and Dr. Gale as well, is to think with me about legislation that I'm working on. If we are resistant to a national identification card but we now have a card that is a nationwide identification card—State driver's licenses—what is a reasonable thing to ask of the States in terms of making certain that they have a common standard for identification for the issuance of driver's licenses? What is a reasonable thing to ask of Governors and State governments when it comes to the verification of that person's identity when they apply for a driver's license?

Is it reasonable for us to establish national standards or a national model, provide some resources for not only creating these verification procedures but also creating a more counterfeit-proof driver's license and State ID card?

If you go to the city of Chicago, which I am honored to represent, down Michigan Avenue every morning at about 8 a.m. and you get to right about Wacker Drive, you are going to see hundreds of people standing in all sorts of weather. They are Mexicans who are trying to get into the Mexican Consulate to get a "matricula." Matricula is their national ID card, and with it they can get into the banking system and a lot of things. It is a card which, frankly, surpasses most of our State driver's licenses in terms of how good it is, the information it contains, and they have very strict standards on issuance.

What do you think, as Governors, would be a reasonable standard to work with the States to impose to make the driver's license a better form of identification?

Governor LOCKE. Well, let me just say that I think that first of all, I mean, if you're contemplating national legislation, what you're really looking at is some sort of common minimum procedures or thresholds that the States should utilize so that we know that Joe Blow on a Virginia license plate is really Joe Blow. And that if the State of Washington has a higher standard, that you're not able to circumvent that higher standard, higher verification process because a person had to go to another State. So that's one issue, and what are those common procedures, requirements that may be imposed upon the States, and people might argue about that.

The second issue, obviously, is how do you address driver's licenses for legal residents, whether students from abroad and people who are here visiting or working, and what type of documentation must those individuals have. And of course, I've heard of people saying that we need to have verification of their immigration status, but immigration is notorious in terms of not getting us that information, and so we're asked to rely on a status by Federal agency or verification by a Federal agency that says that their information is years and years behind. So that's a problem or a bottleneck that has to be confronted.

The third issues might be, you know, if a police officer from one State encounters a citizen with a driver's license from another State, how do you determine that it's not been altered or forged, how do you really understand, how can you access the information

about that individual that might be encrypted? And so, do you have some sort of common encryption of information on the back, magnetic cards or whatever, or bar coded information on the back, that goes beyond or simply verifies electronically what is on the face of the card, because the information that's printed on the face of the card may have been altered or forged, and so do you have a way of determining or verifying that information.

So those are just some of the issues that are raised, and I am not here to take a position on any of those issues or have thoughts about it, but clearly I do know that with respect to the issue, the dilemma of verifying immigration status, the States are not able to do that because we have to rely on Immigration and Naturalization, and their databases are so woefully behind.

Senator DURBIN. I agree with that completely.

Governor BARNES. There is one other thing. Of course, Governor Ridge, we have all talked to, and when we met with him this is one of the issues, as you probably know, that he is considering.

Senator DURBIN. We are anxious to meet with him too.

Governor BARNES. So I've read.

One of the other things in that same regard that you should consider is some type of central national database. In other words, all the States have information about their drivers that are licensed, and they generally exchange information, violation information between States, there are compacts between States. But there is no really central database that would allow information to be accessed, for example, someone coming from Illinois to Georgia, on-line. It may come later, but not on-line, and if you are going to create those standards, you should seriously consider creating some type of central on-line national database for all people that are registered.

Senator DURBIN. The most common reasons people seek fake driver's licenses are fairly obvious. If they've had their license suspended or revoked in some place——

Governor BARNES. That's correct.

Senator DURBIN. If they're underage and want to buy tobacco or alcohol. If they're trying to create a new identity for deception and fraud, and certainly for terrorist and criminal purposes. So we have to give Georgia and Illinois the ability to communicate with one another. When I say I've just moved to Georgia and I used to live in Illinois, well, I should be able to establish in your State of Georgia whether I have a valid driver's license or suspended or revoked. I'm sure you in the State of Georgia would like to know that.

Governor BARNES. True. And it should be on-line. We get that information now, but it's delayed.

Senator DURBIN. It's later.

Governor BARNES. Yes.

Dr. GALE. Senator Durbin, at the risk of being disagreeable, I think that the cost of doing it the way you are describing it, which is a coordination of State efforts, would probably be catastrophic compared to the institution of a national level system. I think you're going to be duplicating an enormous amount of energy and effort that's already been put in, and the coordination of databases like this, with very different procedures that are sort of built into the various State systems, I don't think is going to have the kind

of protection that you want from the kind of terrorism that we're talking about.

I imagine that at the local level, if you do it State by State, you can probably do pretty well in preventing kids from drinking underage, but we're talking about something that has a much different function and if you're going to do it piecemeal, probably the cost will be far far higher than doing it through a national level system.

And I've got to tell you, going on an airplane recently, several times, people are carrying their passports as often as they are driver's licenses. If we're going to be carrying passports, then we really do have a national ID card anyway; the only difficulty is that a passport can't be read electronically and doesn't have any other functions. Maybe we just ought to fold those two things together; people are using passports and maybe that's what we really have a need for at this time.

Senator DURBIN. I've noticed more and more passports too. Thank you. Thank you, Mr. Chairman.

Chairman BYRD. Thank you, Senator Durbin. Senator Reed.

Senator STEVENS. Pardon me. I want to correct you, Dr. Gale. We do have readable passports now; the new ones are.

Dr. GALE. But it isn't swipable for all sorts of other functions. Yes, we can read the code on it but we can't use it for example, as a cash machine card. And a lot of these things would be pretty much entre to any kind of facility, and that was the reason those national cards were designed. I'm not advocating it, but I know the costs that we're talking about on a piecemeal effort would be phenomenal.

Chairman BYRD. Senator Reed.

QUESTIONING BY SENATOR JACK REED

Senator REED. Thank you, Mr. Chairman, and thank you gentlemen for your testimony today.

I know you have thought hard about all of these issues since September 11th and before September 11th, and there has been lots of research and study and thought. It strikes me, though, that until you actually try to operationalize these ideas and see where the pieces fit or don't fit that you really don't have a handle on the problem.

Up in Rhode Island about 2 weeks ago, my State had a statewide emergency preparedness exercise at the Naval War College on a bioterrorism attack, and it's the process of drilling and exercising. And it seems to me that we can go around and have hearings and discussions, and think tanks operating, but until we actually try to figure out in a real scenario what you have, then we really haven't engaged. And I just wonder of the Governors, if you could comment about in your States and in other States, whether this process of going out and having full-blown exercises and seeing what you're missing and what you have is taking place, and then, Mr. Gale, you might comment also.

Governor BARNES. Yes, we have, and I think most States have gone through that. But this kind of segues, I guess, into a statement that Senator Stevens made earlier, and that is about the prevention. There is a difference, as has been pointed out, of reaction

and preventing. That's what we have been trying to concentrate on mostly. Yes, we have been going through training and exercises.

One of the reasons that we created this central information center that I talked about, and invited the FBI terrorism task force in Georgia to be located there, is so that we could have them close, and try to get over some of these issues that we deal about stovepipe agencies, not exchanging information.

We figured if they were close, and they have been very cooperative with us, and I want to be very complimentary, we had them close and they were there, and they were talking to our Georgia Bureau of Investigation and Law Enforcement, that when a citizen, as Senator Stevens pointed out, sent some information in, there would be one central point, a clearing house, for that, and there would be State law enforcement folks there and the Federal law enforcement folks there, and they would be in one physical location, and they could make sure that that citizen's suspicion was addressed.

I think that's much more important. I think the exercises are important; yes, we are going through that, and yes, we are trying, we have come up with all these scenarios about smallpox quarantine. We have had exercises and everything else. But the sharing of information is what leads to the prevention.

Senator REED. Governor Locke?

Governor LOCKE. Yes, we've already had many communities even prior to September 11th engage in exercises on bioterrorism and especially after our WTO experience in Seattle several years ago. And that's, again, why we also formed our civil support team, a full-time unit of the National Guard that's able to respond to any biological, chemical or radioactive threat. That was up and running almost 1 year before September 11th.

Nonetheless, we are planning on even more intensive drills and exercises, but I'd like to repeat what Governor Barnes indicated. We need to engage the citizens all across the country in terms of being more vigilant, being more watchful, being more observant, and reporting suspicious activities, anything out of the usual or the ordinary to local law enforcement, and we need that to prevent any type of activities in the first place.

But that, again, that's what we at the State official level can do, and it's up to the Members of Congress along with such luminaries as Dr. Gale and Dr. Carter to talk about the national strategy.

Senator REED. I will now call on a luminary.

Dr. GALE. Clearly, training works. The problem is, training in what? We don't know what standards we are trying to measure up to right now in terms of training. The kinds of attacks that we're used to training with reflect incidents that pretty much are outdated at this time. I'm not sure that we have an idea of how we would train people to respond to major electrical outages over a long period of time and the reinstallation of transformers; we've never done it.

So the training part of it has to start with some, call it an imaginative approach, or view of what it is that we think we can put in place, and what is effective and efficient to do. I mean, in large part, a lot of those exercises that I've seen, A Team, B Team, Red, Blue, all of these things are based on archetypes of responses that

really don't apply to the kinds of attacks that we are going to face in the future. We are going to be training on old issues rather than an expectation of what we really anticipate in the future.

Senator REED. It seems to me that based upon the Rhode Island experience that one of the great learning lessons, regardless of the reality of the scenario, is the difficulty of communicating with different parts of the response team on a tactical basis because of the lack of interoperability of radios and computers, and on a procedural basis simply because people don't know who to talk to at a given point. And that's something I believe that the Federal level, certainly with resources to not only encourage exercises but also to provide hardware, software, and maybe even procedural advice could be very useful.

And perhaps my final point, and Dr. Gale and the Governors, you could comment on this interoperability issue.

Dr. GALE. I completely agree, but what you are talking about is a very different form of coordination, control and authority by the Federal Government at this time, and pretty much everything I have heard today would require a very different posture for the Federal Government rather than what we have done on a piecemeal basis for purely important Constitutional reasons in the past. You're talking about a very different, very significantly different kind of coordination effort.

On the other hand, if you imagine that a major attack like this happens and that the alternative is martial law, I guess it would be worthwhile to make some changes now before we actually ran into that kind of dilemma.

Senator REED. Governor Locke?

Governor LOCKE. Well, obviously we run into this problem not just at a national level, from one State to another, one computer system to another, but even just within local governments. Different police agencies within our State have different methods of communicating and they can't all talk to each other. So we're talking about a huge paradigm shift in terms of setting national standards, and you're talking about setting national standards among the private sector as well as the public agencies, and that would be a very contentious debate as to who sets the standard and whose standard are we going to use.

You know, I mean just think of the law enforcement, all the different radio systems. Who gets to pick, and everybody will be fighting and advocating for their particular system and their viewpoint, and I can see this occurring, you know, multiplied many many times and all across the Nation. But it's a discussion that we have to have. It's a discussion that we have to have.

Senator REED. Thank you. Governor Barnes, did you have a comment?

Governor BARNES. The only thing, I agree with Gary. It is a discussion we need to have, and this is not just a Federal problem, it's a State problem too. We have problems coordinating between agencies, communicating between agencies, and such, and there's a problem expending Federal funds.

I will just give you an example. Some Federal funds deal with child welfare. The money that is given to the State, appropriated to the States for technology, cannot be intermixed with a State

technology. In other words, it has to be kept separate. Those kinds of things are things we fight all the time.

And I guess what has happened by September 11th, and this will be my final comment, is that September 11th has finally told all of us, you'd better sit up and listen, because you don't have the luxury of time to worry about whether folks can communicate with each other and coordinate with each other. You're either going to do it or you're going to have problems in surviving.

Senator REED. Thank you, Governor, and thank you, Mr. Chairman.

Chairman BYRD. Thank you, Senator.

The committee thanks each of you gentlemen for your fine presentations. The committee is very much aware of the responsibilities that you carry at the State level, Governors, and that you Dr. Gale and Dr. Carter, carry in your professorial work. You have given your time. You have made interesting informative statements.

I was born during the administration of Woodrow Wilson. He said, if I may paraphrase, that the informing function of the legislature, the informing function of the legislative branch is as important as the legislative function. And so you have helped us, and you have helped to inform the American people. After all, they are the people to whom we have to answer.

Thank you very very much. You have come at some sacrifices to yourselves and you have spent your time, and we are very grateful.

Now the committee——

Senator STEVENS. Senator, could I just add one word?

Chairman BYRD. Yes.

Senator STEVENS. I think we all have to look back and realize what great freedom we had before September 11th and see what we can do to get us back to that freedom. I'm reminded just sitting here listening to the conversation of the fact that came out, one of the terrorists that died on 9/11 had rented a car in Florida and had some 6,000 miles on that car. Yet, we go to great lengths to put up barriers to getting on airplanes. I don't know of any barriers we put on highway travel to track where people go. He had several different credit cards, so we couldn't track where he went.

But I do hope we don't sacrifice the freedom of this country in our rush to try and put up barriers to activities of terrorists when we can't predict their actions. We have to find some way, again, Dr. Gale, to resurrect the volunteerism of this country, to report strange activities and the people involved. For instance, as soon as I heard about the crashes, I as a pilot said find out where they were trained. Who in the world would believe that we would accept $20,000 from people who wanted to get trained to fly jumbo jets, and only learn how to make turns and fly straight and level?

Now somehow or another, the concept of awakening the public of the need for information flowing into Government, I think is much greater than our role of trying to take actions to try to prevent these things happening by Government alone. I do hope that we can focus on these things, and you all as Governors, and Dr. Gale too, I think you have done us a service today by raising a lot of flags, but let's not forget freedom as we do, and I think that's got to be the watch word for all of us. Thank you, Mr. Chairman.

Chairman BYRD. Thank you, Senator Stevens.

The Chair thanks all members of the committee for their attendance and their attention, and for their contributions. Thank you, Senator Stevens.

COMMITTEE RECESS

The committee will recess until 2 p.m.—2:15, because there is a roll call vote scheduled for 2:00, at which time the second panel on the subject of city and county homeland defense needs will meet. Honorable Martin O'Malley, Mayor of Baltimore, Maryland and Co-Chair of the Federal-Local Law Enforcement Task Force, U.S. Conference of Mayors. He will be joined by the Honorable Michael Guido, Mayor of Dearborn, Michigan, and Co-Chair of the Working Group on Homeland Security, National League of Cities. The third on the panel is the Honorable Javier Gonzales, Commissioner, Santa Fe County, New Mexico, and President of the National Association of Counties.

Thank you one and all.

[Whereupon, at 12:52 p.m., Wednesday, April 10, the committee was recessed, to reconvene at 2:15 p.m., the same day.]

(AFTERNOON SESSION, 2:23 P.M., WEDNESDAY, APRIL 10, 2002)

Chairman BYRD. The committee will come to order. This afternoon we continue our full committee hearings on homeland security. This is the second session of our hearings. This morning we heard from three of our Nation's Governors about the challenges they face at the State level in dealing with the threat of domestic terror. We heard from Governors Engler of Michigan, Barnes of Georgia, and Locke of Washington. We also heard from Professor Stephen Gale, of the University of Pennsylvania, an acknowledged expert on the whole matter of terrorism. Professor Gale informed the committee about some of the potential threats facing our country, and I think we all agree that they are considerable.

We also heard from Dr. Ashton Carter of the Harvard Kennedy School about some of the ways that the Federal Government should organize itself to address these problems, very good testimony. The Federal Government has already committed substantial resources in the defense of our homeland, but much more remains to be done, as we look ahead to a long-term commitment, designed to protect our homeland. I have called these hearings because this committee, the United States Senate, and the people of this country need additional information.

The committee will listen to those who best understand at the local level these recurring needs in the Nation's communities with one simple goal in mind, namely, to determine how best to use the resources to protect and respond to future terrorist attacks. I thank all our witnesses for coming to Washington to share with the committee your insights concerning the needs in homeland security at the local level.

Our panel this afternoon is made up of city and county elected officials who are clearly on the front lines in the battle against domestic terrorism in this country. The committee has before it Mayor Martin O'Malley of Baltimore, the co-chairman of the Federal-Local Law Enforcement Task Force of the U.S. Conference of Mayors. He was elected mayor in 1999. We have also Mayor Michael Guido, of Dearborn, Michigan, the co-chairman of the Working Group on Homeland Security of the National League of Cities. He was first elected in 1986. He is now serving his fifth term in office.

We have Mr. Javier Gonzales—is that the way you pronounce your name?

Mr. GONZALES. Perfect, Mr. Chairman, thank you.

Chairman BYRD. Would you pronounce it for me?

Mr. GONZALES. Javier.

Chairman BYRD. Javier?

Mr. GONZALES. Yes, sir.

Chairman BYRD. All right, thanks—Javier Gonzalez, Commissioner of Santa Fe County, New Mexico. Santa Fe, that is a community that has been around a long time.

Mr. GONZALES. Over 400 years, sir.

Chairman BYRD. Yes, almost as long as that city in Florida that was founded in 1565, St. Augustine, and Santa Fe was around before the pilgrims set foot on these shores.

Mr. GONZALES. Yes, sir.

Chairman BYRD. And you're still here.

And you're the Commissioner——

Mr. GONZALES. Thank the Lord.

Chairman BYRD [continuing]. Of Santa Fe County, New Mexico, and president of the National Association of Counties. You've served since 1994, and you are now serving your second term. You were elected as the president of the National Association of Counties in July 2000.

The committee welcomes all three of you. I now recognize my friend and colleague, Senator Ted Stevens, the ranking member of the committee for any remarks he may wish to make.

Senator STEVENS. Senator, I made my remarks this morning. I welcome the mayors and Mr. Gonzalez. It is a beautiful country down there in New Mexico, Senator. Thank you very much. Nice to have you all here.

Chairman BYRD. Thank you, Senator Stevens.

All right, let us begin with Mayor O'Malley.

Senator MIKULSKI. Mr. Chairman, may I have an opportunity——

Chairman BYRD. Oh, absolutely. Absolutely. Let me turn to the distinguished Senator, or junior Senator—she is a front line Senator, whatever it is, from Baltimore, Maryland. I used to be a welder in a shipyard in Baltimore. We built Victory ships and Liberty ships.

Now to my guide, philosopher, and friend, Senator Mikulski.

STATEMENT OF SENATOR BARBARA A. MIKULSKI

Senator MIKULSKI. Thank you very much, Mr. Chairman, and once again thank you for holding these hearings on how we best achieve the goal of homeland security. I am so pleased this afternoon that you have invited the people who represent local government, the National Association of Counties, and Mayors.

Mr. Chairman, I am so pleased that the National Conference of Mayors has asked Mayor O'Malley to testify, because he comes with first-hand experience, and he will share with you really what it is like to represent a big city with a small wallet, and at the same time face the contributions that are necessary for homeland security. I come from local government. I am so sympathetic to all three of the people who testify. I was on the Baltimore City Council. The newspapers nicknamed us the Pothole Parliament.

Now, why did they call us that? Because our job was to fix potholes, but it was to educate our children, and keep school libraries open and hope alive. Now with homeland security they are asked to be the defenders against terrorism, and the stress is on first responders, the public health infrastructure, critical infrastructure like railroads and our port, putting not only great stress on their

personnel but indeed great stress on their wallets. So I am looking forward to hearing from both Mr. O'Malley, who will be unabashed in what he has to tell us about what he considers the unfunded mandate, but also from our local people, and from one pothole partner to another, we can say a very cordial welcome.

Chairman BYRD. Thank you, Senator. Mayor, please proceed.

STATEMENT OF HON. MARTIN O'MALLEY, MAYOR OF BALTIMORE, MARYLAND; AND CO-CHAIR, FEDERAL-LOCAL LAW ENFORCEMENT TASK FORCE, U.S. CONFERENCE OF MAYORS

Mr. O'MALLEY. Thank you, Mr. Chairman, thank you, Senator Mikulski, my fellow refugee from the Baltimore City Council.

Mr. Chairman, my name is Martin O'Malley, mayor of Baltimore City. I am here today on behalf of the U.S. Conference of Mayors, as you have mentioned, where I am delighted to be able to serve as co-chair of the Federal-Local Law Enforcement Task Force during these challenging times for our country.

I want to thank you and the other Senators for calling this hearing, as well as all the members of the committee for giving us the opportunity to discuss this very, very pressing and urgent topic facing our republic. Today we are fighting a different kind of war, and it is going to be fought on two fronts, one on the forward front, where we have the best technology, the best equipment, and no expense is spared, but for the first time in nearly 200 years, that second front is here at home, and it is in the streets of America's cities and our population centers, and to date that is where it is at and where we have seen the greatest loss of life, and yet we are doing very little thus far to provide for counterdefense in America's cities.

The fact is, local government is the front line of defense on the home front, and we desperately need your help. There are no Federal or State fire departments or paramedics, and while there are about 11,000 FBI agents, that compares to 650,000 local law enforcement agents throughout this country, and as we saw in New York, there is no time to bring in people and equipment when a terrorist strikes. For those critical first few hours, we are on our own, those critical first few hours when there is also the greatest opportunity to save lives.

In Baltimore, we have chosen to make the investment to make our city as safe as we possibly can. We are not waiting for Annapolis, we are not waiting for Washington, and Mr. Chairman, as a student of history, as a man who built the Liberty ships in our city, you know that in Baltimore if we had waited for the Federal Government back in 1812, we would all still be singing God Save the Queen.

So we have started now on this. We have started facing up to our responsibilities, even though we are facing some very, very tight budget concerns, but we have faith that our Federal and State governments will catch up to where our responsibilities lie.

We calculate that the prudent steps we have taken since September 11 improving our intelligence, improving our security, and improving our emergency response capabilities, have already cost us about $6.5 million in the city of Baltimore. When we go on alert, our police department still has to fight crime. The chemical attacks that have taken 6,000 of our fellow citizens' lives over the last 10 years was not anthrax, it was the chemical attacks of cocaine and

heroin, so rather than pulling officers away from their duties, we call the officers back, or we ask them to work 12-hour shifts, and through the end of the fiscal year we expect to spend an additional $4.4 million largely on police overtime, guarding critical areas of our infrastructure, guarding vulnerable points.

As a tradeoff to help pay for these unbudgeted costs, we have implemented tight spending controls across every other agency and city government. We have frozen hundreds of positions.

The fiscal year 2002 defense appropriations bill which the President signed in December included $20 billion for homeland security, and included in this bill was a total of $39 million for the State of Maryland to in part protect our Nation's capital. This money was provided solely to the State of Maryland and the two jurisdictions adjacent to Washington, D.C., yet not one dime of that has come to the largest city in our State, the city of Baltimore.

The Conference of Mayors, Mr. Chairman, released a survey finding that from September 11 through the end of 2002 America's cities will spend an additional $2.6 billion on new homeland security priorities, including equipment, overtime, and training. Mayors know the importance of public safety, and we are 100 percent committed to doing our part in defending the homeland in this war on terrorism, but we must forge a new Federal-local partnership to make sure that our domestic groups, our police, our fire-fighters, our paramedics, and other city employees have the resources and support they need to provide for our defense.

Mayors appreciate the administration proposing $3.5 billion for first responders, and we want to work with Congress to make sure dollars are provided in the most efficient and effective manner. To that end, it is our firm belief that funding must be provided directly to metropolitan areas, to cities' and counties' first responders, rather than route it through the States, with all the delay and all of the bureaucracy and redtape that that entails.

A recent Department of Justice Inspector General's report that the agency's domestic preparedness grant program has a 7- to 29-month lifetime—7- to 29-month lifetime between when funds are appropriated by Congress and when they're actually awarded to the States, and that does not even include the subsequent lag through the State and the local level. That is no way to win a war.

This is largely the result of delays in almost every State in developing a required comprehensive preparedness plan, plans that most cities already provided. In Maryland, these funds were delayed by nearly 3 years, with fiscal year 2000 funds only recently being released. With our Nation at war, if Congress wants to see its actions reflected in additional security now for our constituents in a timely manner, direct funding to large and medium sized cities and counties is the only prudent course of action.

We also have to ensure that the funding can be used not only to prepare for proximal attack, but also to prevent future attacks. Our police departments have to have access to funding, and officer deployments such as overtime should be specifically authorized to coincide with times of heightened alert. For example, Mayor's boards strongly supported the more detailed terrorist alert system unveiled by Governor Ridge, but these alerts will continue to require

more officers on the streets, in essence, national security being provided by local law enforcement.

That is why the Conference of Mayors strongly supports legislation sponsored by Senator Clinton, Senate bill 2038, and several other Senators to create a highly flexible $3.5 billion homeland security block grant. Homeland defense, currently, is nothing but another unfunded mandate and, sadly, from our perspective I do not believe we are a whole lot further along in forging the new relationship the protection of our country requires than we were on September 12.

You are asking cities to wage a new war against terrorism, and oftentimes it is almost implicit that we are being asked to pull bodies from fighting crime into homeland defense, and we cannot do that. As of last year, violent crime was estimated to be at a 20-year low, nationwide. Mayors strongly believe that major factors in crime reduction were the additional officers on the street, along with new technology, greatly assisted by the COPS program and the local law enforcement block grant program.

Over the past few years, Baltimore has achieved a 21-percent reduction in crime, and I can assure all of you that we would not have been able to do that without help from our Federal Government, but now as crime is starting to rise in many cities and States, we find it counterintuitive that OMB is proposing to cut COPS by 80 percent and eliminate the block grant by merging it into the State-funded Byrne grant program, or the State-directed Byrne grant program. This comes on top of the 25-percent reduction in the local block grant last year. We simply cannot fund homeland defense by defunding local law enforcement, and we strongly believe that one of the best ways to prevent terrorism is to have more officers on the streets armed with better technology.

We are already organized on the metropolitan level. We have mutual aid agreements with our fire departments and officer jurisdictions, mutual aid agreements when it comes to police protection, we coordinate all the time with regard to our water supplies and so many other things. We need the Federal Government to join us there at the metropolitan level where American citizens reside in greatest numbers.

I want to make one final point in conclusion. Although our Air Force is fighting thousands of miles away, this war is not primarily about Afghanistan or even Osama bin Laden or al Qaeda. It is about how strong we are as a Nation, and whether we can rise to this new challenge. We have to safeguard our Nation, but we also have to continue to invest in our people's protection and in our cities. This is not and cannot be an either-or situation, and clearly there is no easy answer, and I do not think that this Nation has ever faced a war in which we did not call upon our people to make greater sacrifice.

But we are up to this challenge. We are as up to it now as we were in the past, and we need your help. Now is the time for all parties, cities, States, and Federal Government, along with the private sector, to rise to this challenge. We have to think differently, we have to form tighter partnerships, and we have to do it down at the metropolitan level.

Thank you.

Chairman BYRD. Mayor, you also have some important points that you make in your prepared statement with reference to airport security, passenger and freight rail security, and without objection the entire statement will be included in the record.

Mr. O'MALLEY. Thank you, sir.

[The statement follows:]

PREPARED STATEMENT OF MARTIN O'MALLEY

Good afternoon. I am Martin O'Malley, Mayor of Baltimore, Maryland. I am here today on behalf of The U.S. Conference of Mayors, for which I am Co-Chair of the Federal-Local Law Enforcement Task Force.

I want to thank Chairman Byrd and Senator Stevens for calling today's hearing, as well as the entire Committee.

Thank you for the opportunity to join you today to discuss a topic critical to our nation's cities and to our nation: in protecting our people in the wake of the tragic events of September 11th, how do elected officials address unmet needs and how can the Federal government work more effectively with cities to assist in meeting these needs?

The New Paradigm For Homeland Security

Today, we are fighting a different kind of war—on two fronts. One front is in Afghanistan, where we have the best technology, the best equipment, the best intelligence being sent right to the front, and no expense is spared.

But for the first time in nearly 200 years, the second front is right here at home. And to date, it's where we've seen the greatest loss of life. Yet, we have insufficient equipment, too little training, and a lack of intelligence sharing with federal authorities—although, on this last point, we're working with Homeland Security Director Ridge and FBI Director Mueller to make it better. And currently, we have very little in the way of national funding targeted for homeland defense where it is truly needed—at the local government level.

Local government must be the first line of defense on the home front. It can't be a federal or state function. There are no federal or state Fire Departments or medics. There are about 11,000 FBI agents compared to 650,000 local police officers. And as we saw in New York, there is no time to bring people and equipment in from somewhere else when terror strikes. For those critical first hours—when there is the greatest opportunity to save lives—local governments are largely on their own.

Today, in the new world in which we live, every mayor has a choice to make: your city can be prepared or not; it can be a hard target or it can be a soft target; you can make a huge unanticipated investment now to keep your people safe, or you can cross your fingers, wait for help from a higher level of government, and hope for the best.

In Baltimore, we have chosen to make the investment. We are not waiting for Annapolis. We are not waiting for Washington. If our city had waited for advice on self-defense from Washington in the war of 1812, all of us would be singing "God Save the Queen."

Baltimore's Interim Homeland Security Response

Baltimore is a fairly typical city in terms of our vulnerability—but somewhat unique in terms of our greatness. I think what we are doing today provides a good illustration of what cities are being asked to do in our nation's defense. We are moving forward on three fronts:

On the Intelligence front:

—Recruited Richard Hunt, retired Chief of Criminal Intelligence for the FBI.

—Created and formalized a statewide security intelligence network, working with other law enforcement agencies.

—Engaged in ongoing dialogue with the FBI and Department of Justice to improve intelligence sharing.

—Met daily with Federal authorities to obtain intelligence.

—Created a web-based surveillance system to provide real time reporting from hospitals, ambulances, animal control, school attendance and over-the-counter medicine to track common symptoms in uncommon amounts—as well as hospital bed availability.

—Tested reservoirs and the water system several times daily.

Second, on the Security front, we have:

—Completed a citywide assessment of infrastructure vulnerabilities.

—Completed a deployment plan to secure and protect City's vulnerabilities, such as major buildings, water system, stadiums, major rail and interstate highway bridges and tunnels.
—Called daily security briefings with Police, Health, Fire, Public Works, Transportation and IT Departments and State officials almost every day.
—Bolstered police and security presence at City buildings.
—Arrested and charged people who make bomb threats.

Third, on the Emergency Response front:

—Recruited a civil preparedness expert, former NYPD Chief Louis Anemone to update our emergency preparedness blueprint, with four graduated levels of response.
—Recruited experts like the U.S. Army Soldier and Biological Chemical Command (SBCCOM) in Aberdeen at Aberdeen and the Center for Civilian Biodefense at Johns Hopkins University to advise the Security Council.
—Implemented a bio-terrorism plans with hospital CEO's.
—Met with local news directors to discuss City's ongoing preparedness and dissemination of information in the event of an emergency.
—Completed an assessment of personal protective equipment requirements for all emergency responders and submitted unified request for said additional equipment to MEMA.

Local Homeland Security: Extraordinary Costs

We calculate that the prudent steps we've taken since September 11th already have cost the city approximately $6.5 million. When we go on alert, our Police Department still has to fight crime. The chemical attack that has taken the most lives in Baltimore still is heroin and cocaine. So rather than pulling officers away from their duties, we call other officers back, or they work 12-hour shifts.

Through the end of the fiscal year, we expect to have to spend an additional $4.4 million—largely on police salaries. We consider it our patriotic duty to step up to the plate. But when we approved our budget for this fiscal year, we did not anticipate that our police, fire and emergency responders would double as local militia in a war on terrorism. We need to strengthen our supply lines from Washington.

In addition to the approximately $11 million I've mentioned, we also have a $3.5 million request pending with the Maryland Emergency Management Agency for personal protective equipment. Right now, our first responders are not fully equipped. And our water utility plans to spend an additional $24 million in capital funds to convert chlorine gas to bleach at all of our water and waste water facilities. As a tradeoff to help pay for these unbudgeted costs, we have implemented tight spending controls in virtually every program area except for public safety and criminal adjudication. We have frozen more than 250 vacant General Fund positions Citywide. This freeze affects everything from our ability to fully staff our recreation centers to our efforts at collecting mixed refuse and maintaining our roads and streetlights—all very important quality-of-life issues for the people of Baltimore and high priorities for me as Mayor. We have also put a hold on approximately $6 million worth of non-personnel spending Citywide for contractual services as well as the purchase of materials, supplies and equipment.

Aid from the Federal Government

Back in November, the State along with the big seven jurisdictions submitted a comprehensive funding request to Congress for such things as equipment, overtime costs, renovation of the backup emergency operations center and training.

As a result of this request, in the fiscal year 2002 Defense Appropriations bill, which President Bush signed in December, $20 billion was appropriated for homeland security. Included in this bill was a total of $39 million for the State of Maryland to in part, protect the Capitol. As indicated, the funding was only provided to the State of Maryland and the two jurisdictions adjacent to Washington, DC. The funds were distributed as follows:

—$8.5 million to Montgomery County for police and fire vehicles, bio-terrorism response, vaccines and reimbursement from 9/11,
—$7.9 million to Prince George's County for hazmat vehicles, vaccines and fire and police operations and equipment,
—$10.5 million for State Department of Health and Mental Hygiene for bio-terrorism response, vaccines, training and computer upgrades,
—$7 million to the Maryland State Police for inoperability and IT systems, computer upgrade and patchwork of crime watch list,
—$3.5 million for the Maryland State Police for bomb squad unit, bomb squad robots and a helicopter,

—$986,000 to the Maryland State Police for Baltimore Washington International Airport bomb and canine team,
—$508,000 to the Maryland State Police for field operation system,
—$9,000 to the Maryland State Police for crime lab equipment and training.

The Conference of Mayors released a survey which found that from September 11, 2001 through the end of 2002, cities will spend an additional $2.6 billion on new homeland security priorities including equipment, overtime and training.

Mayors know the importance of public safety and are 100 percent committed to the homeland war against terrorism. But we must forge a new federal-local partnership to make sure that our domestic troops—police, fire, emergency workers and other city employees—have the resources needed for this new challenge.

Let me touch on just a few points contained in our National Action Plan on Safety and Security.

Supporting Our First Responders

Mayors appreciate the Administration proposing $3.5 billion for first responders, and want to work with Congress to make sure that those dollars are provided in the most efficient and effective manner.

To that end, it is our belief that funding must be provided directly to city and county first responders, rather than all flowing through the states.

I know that this Committee heard from governors this morning, so I want to stress this point. I am very concerned that despite the best intentions of the Administration in developing its plan, the needs of the local first response community will not be met unless funding is provided directly to medium and larger sized cities and counties.

We must also ensure that the funding can be used to not only prepare for a possible attack, but to also help prevent future attacks. Our police departments must have access to the funding, and officer deployments such as overtime should be specifically authorized.

For example, mayors called for and support the more detailed terrorism alert system unveiled by Governor Ridge, but these alerts will continue to require more officers on the streets—in essence national security being provided by local law enforcement.

This is why the Conference of Mayors strongly supports legislation sponsored by Senator Clinton (S. 2038) and several other Senators to create a highly flexible $3.5 billion Homeland Security Block Grant.

I also want to thank Congress and the Administration for the recent infusion of new funding focused on building the nation's public health infrastructure. But we must remain vigilant in understanding that most of the capacity needs to respond to chemical and biological events are at the local level.

The Ongoing Fight Against Crime

While we wage the new war against terrorism, we must not retreat from the ongoing fight against crime.

As of last year, violent crime was estimated to be at a 20-year low nationwide. Mayors strongly believe that major factors in this crime reduction were additional officers on the streets, the deployment of new technology, and a new focus on community policing—all of which were greatly assisted by the COPS program and Local Law Enforcement Block Grant (LLEBG).

Over the past two years, Baltimore has seen a 24 percent reduction in crime which I can assure you would not have been possible without the help of these federal resources.

But crime is still a major issue in cities, and key indicators, such as the economy and return of more than 600,000 ex-convicts annually to our cities, have led some experts to predict an upswing in crime rates.

That is why we find it counterintuitive that OMB is proposing to cut COPS by 80 percent and eliminate the block grant by merging it into the state Byrne Grant program. This comes on top of a 25 percent reduction in the local block grant last year.

We simply cannot fund homeland defense by de-funding local law enforcement, and we strongly believe that one of the best ways to prevent terrorism is to have more officers on the streets armed with better technology.

Airport Security

We are pleased that many of our aviation security recommendations are being implemented by Congress and the Administration, in particular federalizing airport screeners, screening all checked baggage and the year-end requirement to have explosive detection systems in place.

I cannot stress enough the importance of honoring the language and timetables of the aviation security law. Installation of sophisticated explosive detection systems at all 429 commercial airports by December 31 is a top priority of the nation's mayors.

And, I want to urge Congress to appropriate funding for the reimbursement of security costs incurred by local government in meeting federal security mandates at our airports.

Transit Security

Second, with more than nine billion trips logged on the nation's public transit systems each year, securing these systems and protecting riders from potential terrorist activities must be a high priority.

To increase security while not compromising our ability to meet growing demand for public transit, we have called for new resources for security personnel; the deployment of new technologies; and infrastructure improvements including secure transit control facilities, fencing and barriers.

Passenger and Freight Rail Security

Third, The U.S. Conference of Mayors strongly supports Amtrak's fiscal year 2003 request of at least $1.2 billion. Eliminating long distance routes would have a devastating impact on the nation in normal times of travel; and much more so in the event of a national emergency as we saw on September 11.

Funding should also be supported to improve Amtrak's security.

Now, more than ever, we must strengthen our nation's passenger rail system, not dismantle it.

A New Federal Response is Needed

Fighting terrorism and safeguarding our citizens from terrorism always has been a national challenge. But now the paradigm has changed—our homeland is vulnerable. Without a dramatic shift in how we finance a portion of our homeland security, protecting our homeland will become an unfunded mandate on local governments.

Federal support today for local homeland security is a patchwork of programs. They are largely uncoordinated and provide no common standards for how states and localities should best use these funds. Even the programs that have the highest potential impact—like FEMA's FIRE Grant programs—meet only a fraction of local government needs. FEMA provided just $100 million last year, and is providing $360 million this year, despite nearly $3 billion in applications from fire departments in the first round of the program.

Local governments need stable funding for this effort. We also need a one-stop shop to turn to for assistance in gearing up for this war.

Conclusion

Finally, I would like to make one more point in conclusion. Although our armed forces are fighting thousands of miles from our shores, this war is not primarily about Afghanistan or Osama Bin Laden. It is about how strong we are as a nation—about what we are willing to do to maintain our way of life—which is being threatened in very real ways, as people have died going about their daily routines.

The people who flew airliners filled with innocent people into buildings filled with innocent people were not uneducated—they were not acting alone—and they were not unprepared to die trying to destroy our way of life.

They will not relent. So the question remains: what are we willing to do to protect our way of life? How will America rise to the challenge, and how will we become even stronger?

We must safeguard our nation. But we also must continue to invest in our people and our cities. This is not and cannot be an either or situation.

Clearly, there is no easy answer to how we fund the war on the homefront. Overcoming the overwhelming task can be accomplished. This country has done it before and can do it again.

Now is the time for all parties—cities, states, the federal government and our private sector partners—to rise to the challenge. And, we must succeed.

BIOGRAPHICAL SKETCH OF MARTIN O'MALLEY

On November 2, 1999, after an energetic, hard-fought campaign that captured the hopes and imaginations of families throughout the city, Martin O'Malley was elected as the youngest Mayor in Baltimore's history with an overwhelming 91 percent of the vote. Two months earlier, he garnered 53 percent of the vote in the Democratic primary, winning all six of Baltimore's City Council Districts and besting a 17-can-

didate field that included the sitting City Council President and a former City Councilman and School Board member, who were the campaign's early frontrunners.

Following through on his campaign themes of accountability, change and reform, Mayor O'Malley has made improving public safety, education, and economic development—downtown and in each of Baltimore's celebrated neighborhoods—the cornerstones of his covenant with the people of Baltimore. Within a week of taking office, he also kicked off an ambitious drive to make Baltimore America's cleanest city.

Prior to his election as Mayor, Martin O'Malley served on the Baltimore City Council from 1991 to 1999, and as an Assistant State's Attorney for the City of Baltimore from 1988 to 1990.

After winning election to a 3rd District City Council seat in 1991, the Mayor rapidly rose through the ranks to become Chairman of the Legislative Investigations Committee and Chairman of the Taxation and Finance Committee.

Mayor O'Malley, a graduate of Catholic University and the University of Maryland School of Law, is a member of the Maryland Bar Association.

Mayor Martin O'Malley and his wife Katie Curran O'Malley live in Baltimore's Beverly Hills community with their two daughters, Grace and Tara, and son William. They are members of St. Francis of Assisi Church.

CITY OF BALTIMORE SUMMARY OF EMERGENCY PREPAREDNESS COSTS FOR FISCAL YEAR 2002

(ENDING JUNE 30, 2002)

TABLE 1.—SUMMARY OF EMERGENCY PREPAREDNESS COSTS INCURRED BY CITY AGENCIES FROM SEPTEMBER 2001 THROUGH MARCH 2002

Agency	Personnel Expenses	Non-Personnel Expenses	Subtotal All Expenses
Police Department	$3,045,281	$51,306	$3,096,587
Fire Department	432,415	203,079	635,494
Health Department	383,463	162,858	546,321
Office of Transportation	45,027	5,011	50,039
Public Works—General Services	51,127	119,275	170,402
Bureau of Water and Waste Water	116,020	1,654,453	1,770,473
Circuit Court	.....	58,000	58,000
Sheriff's Office	158,548	.....	158,548
Mayor's Office of Information Technology	2,963	.....	2,963
TOTAL	4,234,844	2,253,982	6,488,826

Note: All figures presented here are preliminary and subject to change.

TABLE 2. SUMMARY OF ANTICIPATED REMAINING COSTS FOR EMERGENCY PREPAREDNESS IN FISCAL YEAR 2002

Agency	Personnel Expenses	Non-Personnel Expenses	Subtotal All Expenses
Police Department	$2,639,059	$379,234	$3,018,293
Fire Department	32,139	1,920	34,059
Health Department	94,500	256,250	350,750
Office of Transportation	.....	61,100	61,100
Public Works—General Services	.....	70,000	70,000
Bureau of Water and Waste Water	48,971	493,791	542,762
Circuit Court	.....	215,000	215,000
Sheriff's Office	75,355	.....	75,355
TOTAL	2,890,024	1,477,195	4,367,219

Note: All figures presented here are preliminary and subject to change.

CITY OF BALTIMORE AGENCY ACTIVITIES SINCE SEPTEMBER 11TH

(ENDING JUNE 30, 2002)

I. Police Department—General Fund

Actual expenses—$2,527,827.
Anticipated expenses—$2,815,393.
Activities/costs include:
—$2,527,827 spent in personnel costs—regular time, overtime and benefits—and non-personnel costs including consultant payments—$6,200 to Lou Anemone and $34,566 to Richard Hunt.
—$2,815,393 anticipated in personnel costs with an estimate that the City will spend $235,000 per pay period for 2 pay periods and another $1.77 million for one pay period, assuming there is another attack. There is also $383,744 for non-personnel costs such as plant traffic barriers and additional payments to the consultants.

II. Police Department—Water and Waste Water Fund

Actual expenses—$568,760.
Anticipated expenses—$202,900.
Activities/costs include:
—$578,760 spent on regular time, overtime and benefits.
—$202,900 anticipated future costs based on $50,000 per pay period times four pay periods.

III. Health Department

Actual expenses—$546,321.
Anticipated expenses—$350,750.
Activities/costs include:
—$546,321 spent consists of personnel costs—regular time, overtime and benefits—diverted to bioterrorism activities, including personnel sent to work at anthrax testing and clinic sites.
—$350,750 anticipated costs include minimal ongoing personnel expenses for clinics and bioterrorism response as well as funding to strengthen the bioterrorism surveillance network (add staff, more training for hospitals, web based reporting system).

IV. Fire Department

Actual expenses—$635,494.
Anticipated expenses—$34,059.
Activities/costs include:
—$635,494 spent for regular time, overtime and benefits for use of the fire boat in the Port and response to hazmat calls. Non-personnel costs relate to maintenance of the fire boat and Battalion truck responding to hazmat calls with an additional amount for equipment and supplies.
—$34,059 anticipated costs reflect decision to cease fireboat patrol. Costs are estimated based on weekly level of hazmat calls and maintenance.

V. Transportation Office

Actual expenses—$50,039.
Anticipated expenses—$61,000.
Activities/costs include:
—$50,039 spent consists of personnel—regular time, overtime and benefit—costs.
—$61,000 anticipated cost is for camera modification at the Emergency Operations Center and other City buildings (City Hall, Benton).

VI. Bureau of Water and Waste Water

Actual expenses—$1,770,474.
Anticipated expenses—$542,762.
Activities/costs include:
—$1,770,474 spent represents costs for increased security and monitoring, including sample testing of the water distribution system, storm center coverage and labor and materials for welding manholes closed.
—$542,762 anticipated costs consist of ongoing personnel based on the average costs for four-week period for water sampling and security and additional costs for fencing, cameras, barricades, electronic door lock monitors, front entrance security, card readers, traffic barriers, automated gates and security contract costs.

VII. Department of Public Works—General Services

Actual expenses—$170,402.
Anticipated expenses—$70,000.
Activities/costs include:
—$170,402 spent in personnel functions—regular time, overtime and benefits—for renovating the Emergency Operations Center as well as $10,000 in overtime costs as the Central Garage in the days following 9/11.
—$70,000 anticipated for installation of the ground source heat pump at the Emergency Operations Center.

VIII. Sheriff's Office

Actual expenses—$158,548.
Anticipated expenses—$75,355.
Activities/costs include:
—$158,548 spent in overtime salaries and wages, along with benefits.
—$75,355 anticipated personnel costs based on a $10,000 per pay period plus overtime and benefits.

IX. Circuit Court

Actual expenses—$58,000.
Anticipated expenses—$215,000.
Activities/costs include:
—$58,000 spent for video cameras in the judges chambers.
—$200,000 anticipated cost for new, more secure garage doors for Courthouse East.
—$15,000 anticipated for video cameras in the Family Court division.

X. Mayor's Office of Information Technology

Actual expenses—$2,963.
Anticipated expenses—$0.
Activities/costs include:
—$2,963 spent for personnel overtime and benefits.

Chairman BYRD. Now, Mayor Michael Guido.

STATEMENT OF HON. MICHAEL GUIDO, MAYOR OF DEARBORN, MICHIGAN; AND CO-CHAIR, WORKING GROUP ON HOMELAND SECURITY, NATIONAL LEAGUE OF CITIES

Mr. GUIDO. Thank you very much, sir, Mr. Chairman, distinguished members of the committee. My name is Michael Guido. I am mayor of the city of Dearborn, and I co-chair the Task Force on Homeland Security for the National League of Cities.

The National League of Cities is the Nation's oldest and largest association representing municipal governments in Washington, D.C. NLC's membership includes more than 135,000 local elected officials in 18,000 big and small cities, representing 225 million Americans. The National League of Cities is pleased to have this opportunity to share its view on the administration's budget proposal, as well as the fiscal year 2003 appropriations process for homeland security programs.

Since the September 11 terrorist attacks, cities across America have heightened security for infrastructure, for events, and for transportation. They have assumed responsibility for counterterrorism in partnership with Federal law enforcement agencies, and revamped emergency preparedness plans. Cities have also responded to anthrax threats and incidents. They have also purchased new equipment and have shouldered significant costs in overtime pay.

According to a recent survey of NLC members, cities could spend more than $2 billion this year to cover unbudgeted homeland security needs. For the city of Dearborn, we have spent more than

$500,000 on overtime costs, training, and other related expenses stemming from the terrorist attacks.

The lessons that we learned from September 11 indicate the need for better coordination among all levels of government. In Dearborn, we thought that it was in our community's best interest to create a homeland security position, called the community preparedness officer, within our police department. Among his duties, this officer coordinates information along with the State and Federal agencies.

The municipal governments have supported the creation of the White House Office of Homeland Security, and the proposals to increase FEMA's capacity to help State and local governments prepare, plan, and train.

Mr. Chairman, we applaud your willingness to improve funding, coordination, and information-sharing, actions which hopefully will prevent such catastrophic acts of terrorism in the future. In order to achieve this objective, however, we realize that there must be significant improvements made at and among all levels of government. In this regard, I would like to discuss both long and short-term municipal priorities for domestic preparedness that the National League of Cities believes should be addressed.

Funding is needed now to assist in planning to cover overtime expenses of our first responders and to improve emergency communications systems. We strongly urge you to appropriate funding for these immediate needs through supplemental appropriations for fiscal year 2002. If local governments have access to resources for these purposes, we will be in a much better position to maximize the use of proposed funding such as the Homeland Security Block Grant Act, or first responder initiative, in fiscal year 2003.

Coordination is essential as States develop and submit their emergency preparedness plans to FEMA, and as the jurisdictions orchestrate mutual aid agreements, proper funding for emergency management is critical.

It is also important to manage threats of bioterrorism. We realize that States recently received the first round of grants for bioterrorism preparedness, and we know that a House-Senate conference committee is meeting to finalize the Bioterrorism Preparedness Act. However, we have concerns about how much of this funding will actually reach county and municipal levels. More direct funding to local governments and certain performance guidelines are needed. In most situations, cities are the first responders, and they may be on the scene for at least 6 hours before outside resources arrive.

In Dearborn, when we had an anthrax scare at our post office, our hazmat team responded, our police department responded, our fire department responded. We had no one from the Postal Service respond at all. We secured the scene and found out that it was a hoax. There was no help from the State police, and no one of any other agency helped us in that particular incident.

Having the proper training, the equipment, communications, and planning place is extremely crucial for local governments. As you know, all levels of government are experiencing significant budget constraints. Homeland security is one of the most serious factors affecting municipal budgets. Deficits at the State level, coupled

with the uncertainty of exactly how much cities will receive through the proposed first responder initiative, will certainly impact our budget. These circumstances could be made worse with the severe budget cuts and restructuring plans the administration is proposing for two crucial programs, community-oriented policing services, the COPS program, and the local law enforcement block grant. Programs like these should not be jeopardized, because they directly impact homeland security and local public safety.

The National League of Cities advocates direct block grants file funding to cities for first responder preparedness. We believe the administration's proposed 25 percent in-kind match in the first responder initiative may discourage some cities from requesting funds. NLC believes a Federal agency with the capacity to administer a block grant for counterterrorism, such as Senate bill 2038, the Homeland Security Block Grant Act, is needed. This agency would ideally function as both a grants management center and as an information clearinghouse on counterterrorism resources.

Mr. Chairman, the National League of Cities strongly advocates direct funding to cities, but it is our understanding that the proposed first responder initiative would allocate 75 percent of the $3.5 billion program to local governments through States based upon population. If this program is funded, we urge you to waive the 25-percent matching funds requirement. We also would like you to ensure, through statutory language in the appropriations bill, that the States forward the 75 percent to cities and counties within the 30-day period after receiving the grants.

Another point we want to emphasize involves our grave concerns about the lack of a coordinated emergency communications system. Because emergency responders do not share common broadcast frequencies, lives are at risk. Different jurisdictions use different broadcast frequencies, and incompatible equipment. Within my own city, the police and the fire departments have very limited capacity to communicate with each other because they use different frequencies.

We believe that this situation is unacceptable. Cities need funding for the creation of a seamless energy communications network linking all public safety entities.

Mr. Chairman, allow me to tell you about our interactions with the new Office of Homeland Security as it has been established. NLC's leadership, members, and staff, have met with the Office of Homeland Security on multiple occasions to discuss the priorities that I have outlined. We have expressed our support for the office's monumental task of overseeing the coordination of domestic security activities and, in return, Director Tom Ridge and his staff have been accessible to NLC's staff and members. NLC has supported the Homeland Security Advisory System on March 12 and, additionally, the National League of Cities has supported the Preparedness Against Domestic Terrorism Act, which would provide congressional oversight for a national council or agency for counterterrorism.

We continue to support this goal to ensure accountability as well as effective coordination among all levels of government. We understand that this committee is not directly responsible for sanctioning programs or operations. However, the NLC urges Congress to au-

thorize the Office of Homeland Security as a Cabinet-level agency with its own budget authority and congressional oversight. We want the agency to have the authority to direct all Federal spending and activities related to terrorism prevention and response.

In closing, I would like to reiterate that our counterterrorism plan must provide a significant increase in direct funding to local governments. Again, the National League of Cities appreciates this opportunity to discuss its homeland security priorities with you, and we look forward to working with you to achieve these goals throughout the appropriations process.

I am happy to answer any questions at the appropriate time. Thank you, Mr. Chairman.

[The statement follows:]

PREPARED STATEMENT OF MICHAEL A. GUIDO

Chairman Byrd and members of the Appropriations Committee. I am Mayor Michael Guido of Dearborn, Michigan, co-chair of the National League of Cities' (NLC) task force on homeland security and a member of the League's Board of Directors.

The National League of Cities is the nation's oldest and largest association representing municipal interests in Washington, DC. NLC's membership includes more than 135,000 local elected officials and 18,000 cities and towns representing 225 million Americans throughout the United States. Our member cities range in population from the nation's largest cities of New York and Los Angeles to its smallest towns and villages.

The National League of Cities is pleased to have this opportunity to share its views on the Administration's budget proposal and the fiscal year 2003 appropriations process for homeland security programs.

Since the September 11 terrorist attacks, cities and towns across America have strengthened security for physical infrastructure, events management and transportation. They have significantly increased surveillance activities, assumed responsibilities for counterterrorism in partnership with federal law enforcement agencies, revamped emergency preparedness plans, responded to anthrax threats and incidents, purchased new equipment and have shouldered significant costs in overtime pay for first responders. According to a recent survey of NLC member cities, could spend more than $2 billion this year to cover unbudgeted homeland security needs.

The lessons we learned, from both the tragic bombing of the Murrah Building in Oklahoma City in 1995 to the terrorist attacks on the World Trade Center and the Pentagon, indicate the need for better coordination among all levels of government in order to achieve an effective state of national domestic preparedness. From the creation of the White House Office of Homeland Security to the proposals to increase FEMA's capacity to help state and local governments prepare, plan and train, and the recently enacted PATRIOT Act—municipal governments support these actions and applaud your willingness at the federal level to improve funding, coordination and information sharing, preparedness levels and training so that we can hopefully prevent such catastrophic acts of terrorism in the future. Mr. Chairman, to achieve this objective, however, we realize that there must be significant improvements made at and among all levels of government. In this regard, I would like to discuss both long- and short-term municipal priorities for domestic preparedness that NLC believes should be addressed.

Funding is needed now to assist in planning, to cover overtime expenses of our first responders, and to improve emergency communications systems. We strongly urge you to appropriate funding for these immediate needs through supplemental appropriations for fiscal year 2002. If local governments have access to resources for these purposes, we will be in a much better position to maximize the use of proposed funding such as the Homeland Security Block Grant Act or First Responder Initiative in fiscal year 2003.

Planning and coordination are essential as states develop and submit their emergency preparedness plans to FEMA. However, it is our experience that many cities have not been engaged in developing these state response plans in the past, and we hope this will not be the case this time.

As jurisdictions orchestrate mutual aid agreements to facilitate disaster response in an expedited and cost-effective manner, proper funding for emergency management and planning is critical along with resources to strengthen coordination be-

tween local first responders and public health systems to manage threats of bioterrorism.

We realize that states recently received the first round of grants for bioterrorism preparedness and that a House-Senate conference committee is meeting to finalize the Bioterrorism Preparedness Act, which would provide funds for drinking water vulnerability assessments and emergency preparedness plans and upgrades. These measures are indeed essential; however, we do have concerns about how much of this funding will actually reach county and municipal levels. More direct funding to local governments and certain performance guidelines are needed.

For example, the Office of Management and Budget's Annual Report to Congress on Combating Terrorism, submitted May 18, 2000, reported that local governments received less than four percent of the total federal budget of over $9 billion for counterterrorism in fiscal year 2000. We hope that this will not be the case after September 11.

Cities need direct federal funding for preparedness and must be recognized as the focal point for all disaster mitigation and recovery activities in any strategic counterterrorism plan. In most situations it is local first responders who are managing the emergency response and recovery operations for a disaster for at least six hours before outside resources arrive. Having the proper training, equipment, communications, and planning in place for crisis and consequence management is extremely crucial for local governments.

As you know, all levels of government are experiencing significant budget constraints. Homeland security is undoubtedly one of the most serious factors affecting uncertain municipal budgets with decreased revenues and increased expenditures. Unlike the federal government, cities cannot operate at a deficit. Deficits at the state level, coupled with the uncertainly of exactly how much funding cities will receive through the proposed First Responder Initiative for homeland security and related programs, will certainly impact local revenue shortages. These circumstances could be exacerbated even more with the severe budget cuts and restructuring plans that the Administration has proposed for existing programs in fiscal year 2003 such as Community Oriented Policing Services (COPS) and the Local Law Enforcement Block Grant—two programs that directly impact homeland security and local public safety. These and other existing programs should not be jeopardized.

Cities provide the most efficient means for building effective homeland security. Each has unique security needs and emergency response networks, and spending decisions must be controlled by local governments rather than by states.

In this regard, NLC advocates direct block-grant style funding to cities for homeland security, and is concerned that the Administration's proposed 25 percent in-kind match in its First Responder Initiative may discourage some cities from requesting funds for first-responder preparedness.

NLC believes a federal agency with the capacity to administer a block grant for counterterrorism, such as S. 2038, the Homeland Security Block Grant Act, is needed. This agency would ideally function as both a grants management center and as a clearinghouse in providing a composite list of all federal grants, training programs, and technical assistance available to local governments for counterterrorism, which are located in more than 40 federal agencies. The administering agency should have the capability to educate local jurisdictions about successful examples of regional planning and mutual aid agreements, vulnerability assessments, information sharing, model procedures, terrorism consequence plans, and other relevant guidance.

It is our goal that better coordination at the federal level and direct assistance to local governments will enable us to avoid duplication of effort, gain greater clarification about the types of federal counterterrorism programs available to assist local governments, and ultimately improve early detection, warning, and response capabilities against the use of weapons of mass destruction.

Mr. Chairman, although NLC strongly advocates direct funding to cities and towns for domestic preparedness, it is our understanding that the proposed First Responder Initiative would allocate 75 percent of the $3.5 billion program to local governments through their respective states, based upon population guidelines. If this program is funded, we urge you to waive the 25 percent matching funds requirement and include statutory language in the appropriations bill that would ensure that the states forward the 75 percent to cities and counties within 30 days of receiving the grant. This would be important to reassure cities and towns that have failed to receive adequate funding through state block grants in the past, and it would help ensure that smaller jurisdictions are not overlooked and receive proper assistance.

Another point we want to emphasize involves our grave concerns about the lack of interoperability capabilities among first responders and emergency communica-

tions systems. In the wake of the Oklahoma City bombing, first responders resorted to runners who relayed critical information to various command centers throughout the city because they could not communicate with federal, state, and local authorities using the existing communications systems. These same problems were experienced during the response activities for September 11. Because emergency responders don't share common broadcast frequencies, lives are at risk. Law enforcement, fire departments, and emergency medical systems need to rely on instant radio communications. But different jurisdictions use different broadcast frequencies and incompatible equipment.

This is unacceptable. Cities need the immediate allocation of proper spectrum channels for public safety and the necessary funding for deployment of interoperable equipment to create a seamless emergency communications network that would efficiently link all public safety entities in times of emergency.

Mr. Chairman, I believe you have also inquired about the level of contact that the new Office of Homeland Security has established with cities. NLC's leadership, members, and staff have met with the Office of Homeland Security on multiple occasions to discuss the priorities outlined above and express support for its monumental task of overseeing the coordination of domestic security activities. Director Tom Ridge and his staff have been accessible to NLC and have offered direct support to several cities regarding information and planning requests. NLC has supported the recent Homeland Security Advisory System announced on March 12. This is a welcome first step in helping the federal and local levels communicate effectively on homeland security, providing more clarification about what to prepare for during a level of alert with guidelines for local officials and first responders so they can best direct their resources and receive critical information for preparedness that would otherwise remain classified. We are reviewing the details of the announcement and corresponding Presidential Decision Directive, and look forward to providing feedback about the alert levels.

Additionally, NLC has supported the Preparedness Against Domestic Terrorism Act, which would provide congressional oversight for a national council or agency for counterterrorism. Our policy continues to support this goal to ensure effective coordination among all levels of government as well as accountability. We do understand that this Committee is not directly responsible for sanctioning programs or operations.

However, with the need for a federal agency with the capacity to administer a block grant as mentioned earlier in my testimony, NLC urges Congress to authorize the Office of Homeland Security as a Cabinet-level agency with its own budget authority and congressional oversight, and the authority to direct all federal spending and activities related to terrorism prevention and response.

In closing I would like to reiterate that any strategic counterterrorism plan must provide a significant increase in direct funding to local governments for preparedness and response activities, including training, threat and vulnerability assessments, effective emergency communications systems and public health systems, and critical infrastructure protection. Again, NLC appreciates this opportunity to discuss its municipal priorities for homeland security, and looks forward to working with you to achieve these goals throughout the appropriations process. I am happy to answer any questions at the appropriate time.

Thank you.

Addenda:

—NLC Resolution for a National Strategic Counter-Terrorism Plan; and

—NLC survey report on Homeland Security In America's Cities and Towns: Critical Issues, Responses, and Costs.

BIOGRAPHICAL SKETCH OF MICHAEL A. GUIDO

Michael A. Guido has been the Mayor of his hometown since Jan. 1, 1986. He's now serving his fifth term in office after winning reelection in the year 2001 with 80 percent of the vote.

The son of Italian immigrants to America who adopted the hometown of automotive pioneer Henry Ford as their own, Mayor Guido is a lifelong city resident and a product of Dearborn Public Schools (Fordson High School, class of 1972).

Early on, the Mayor recognized and developed a deep appreciation for Dearborn's enviable way of life. This appreciation fueled a passion in him for serving the citizens of this special city and a deep commitment to helping it prosper.

In 1977, at the age of 23, he became the youngest person ever elected to the Dearborn City Council, serving two four-year terms until becoming the youngest Mayor in the city's history. Today, more than 16 years later, he still claims that being the mayor of his hometown is the greatest job and greatest honor anyone could have.

Since day one, Mayor Guido has based his administration on values of public service, accountability and accessibility. He's remained true to Dearborn's tradition of quality public services, while blending this commitment with a focus on successfully implementing innovative new programs, facilities and technologies that deliver those services more effectively and efficiently. The Mayor's vision and leadership have strengthened the city's neighborhoods, bolstered its downtown business districts and catalyzed continued growth in Dearborn's industrial, manufacturing and technology sectors.

And he's done it all with a track record of fiscal responsibility. The city's operating tax rate has remained the same or been cut in each of the last 12 years, and Mayor Guido has balanced every city budget he's been responsible for.

Here are a few of Dearborn's many success stories that Mayor Guido's helped to forge:

—The city's overall crime rate has dropped by 33 percent since 1990 alone. Some crimes have declined even more: burglary, for example, is down by 44 percent since he took office.

—Advanced Life Support (ALS) technology has been installed in emergency medical rescue vehicles, shortening the time it takes to bring potentially lifesaving treatment to victims of car accidents or medical emergencies. In the year 2001 alone, emergency responders used ALS to extend the lives of almost 2,000 people in critical need.

—The total assessed value of all property in the city has increased by two and one half times what it was when the Mayor took office: from $1.84 billion to an all-time high of more than $4.46 billion in the year 2001. New construction has averaged more than $155 million a year for each of the last 16 years.

—New neighborhoods and retail centers have been built—two examples are Georgetown Commons ($23 million) and West Village ($11 million)—thanks to Mayor's Guido's leadership in working with private sector developers to make them happen.

—The year 2001 marked the grand opening of Dearborn's Ford Community & Performing Arts Center, North America's largest municipally-owned community recreation and cultural complex. The $43 million facility is five times the size of the city's former Civic Center.

Throughout his life, a key priority for Mayor Guido has been helping to make Dearborn an even greater place to live by serving as an active member and supporter of the city's many community service organizations. Many of these organizations have expressed their appreciation for his decades of dedicated service. Some of the honors he has received are: Optimist Club of Dearborn Key Award, Dearborn Exchange Club Distinguished Service Award, Michigan Jaycee Outstanding Young Man of Michigan Award, Outstanding Young Man of America Award, Rotary International Paul Harris Fellowship, Henry Ford Community College Community Service Award, Detroit College of Business Outstanding Community Service Award and the University of Michigan-Dearborn Distinguished Leadership Award.

The Mayor's leadership and track record of success have contributed to his emergence as a national leader helping to shape the public policies affecting America's urban centers.

Mayor Guido has served as a member of the Board of Directors of the National League of Cities (NLC) since the year 2000. In the wake of the attacks on America of September 11, 2001, he was asked to co-chair the NLC's Homeland Security Committee with Acting Mayor Mary Poss of Dallas, Texas.

Mayor Guido serves as a member of the governing executive committee of the United States Conference of Mayors, and chairs one of the Conference's 10 standing committees (Urban Economic Policy Committee), and the Conference's telecommunications subcommittee.

He is a past president of the Michigan Association of Mayors, and a past president and past member of the Board of Directors of the Michigan Municipal League (MML). For his dedicated service, the League in 2001 awarded Mayor Guido its highest distinction by naming him an MML Honorary Life Member. He also serves as a member of Federal Communications Commission's Local & State Government Advisory Committee and as a member of the Amtrak Mayors' Advisory Council.

Mayor Guido earned his Bachelor of Arts degree from Wayne State University, and is a graduate of the Mayor's Leadership Institute at Harvard University's Kennedy School of Government. Born on July 3, 1954, he and his wife, Kari, have two sons: Michael, Jr., and Anthony.

NATIONAL LEAGUE OF CITIES RESOLUTION #2002–41

NATIONAL STRATEGIC COUNTER-TERRORISM PLAN

WHEREAS, the terrorist attacks in America on September 11, 2001, caused massive casualties and major damage to infrastructure critical to national defense and the economy; and

WHEREAS, the police, firefighters, and medical services personnel in New York, Virginia, and Pennsylvania responded immediately to the attacks on the World Trade Center, the Pentagon, and in Pennsylvania, risking their lives to rescue victims and perform recovery operations; and

WHEREAS, many cities throughout the world sent public safety personnel to assist local first responders in the aftermath of the attacks; and

WHEREAS, Americans have a diminished sense of security and physical safety because of the nature of the recent attacks and subsequent potential threats that have been identified; and

WHEREAS, terrorist activities can involve both conventional devices and weapons of mass destruction, such as chemical, nuclear, and biological agents or cyber terrorism that could potentially affect numerous communities; and

WHEREAS, local governments and states do not receive the federal funding and resources needed for domestic terrorism preparedness and are currently seeking significant federal guidance and resources for training, equipment, and information to properly prepare for terrorist attacks, including nontraditional methods of rescue; and

WHEREAS, many emergency medical response systems are ill-prepared to respond to large-scale public health emergencies resulting from terrorist use of biological and chemical agents because of the absence of a clear strategic national plan; and

WHEREAS, EMS and other local emergency medical response teams and procedures are in place, but not all response personnel are trained to identify lethal toxins or to properly treat citizens exposed to biological agents using appropriate isolation and decontamination equipment, and appropriate medical treatment; and

WHEREAS, our nation's defense must be coordinated among all levels of government with proper safeguards against threats to critical infrastructure and institutions, such as telecommunications and information networks, banking and financial systems, power grids, energy systems, transportation networks, water distribution systems, medical and health systems, schools and other educational facilities and emergency response services; and

WHEREAS, the federal government has failed to provide adequate security for the transport of hazardous materials and weapons.

NOW, THEREFORE BE IT RESOLVED that the National League of Cities salutes the heroism of the first responders to the attacks on September 11, and recognizes that local officials and first responders are on the front line of defense against terrorism and must be prepared; and

BE IT FURTHER RESOLVED that the National League of Cities calls on Congress to authorize and oversee a Cabinet-level agency, with specific appropriations, to fully implement, in consultation and partnership with all levels of government, a coordinated national preparedness and response plan, ensuring:

—that prevention and mitigation are the highest priorities of our nation's defense;

—local government will be the focal point for all disaster mitigation and recovery activities;

—a significant increase in funding to local governments for preparedness and response including processes to resolve equity issues in disaster relief efforts;

—the restructuring of airport security, as stated in the NLC Resolution on National Aviation Security;

—special resources devoted to any facilities and densely populated areas that have the potential to be terrorist targets;

—agricultural counterterrorism and food safety efforts are sufficiently funded;

—strict standards and enforcement for the transport of hazardous materials and weapons;

—procedures for sharing sensitive intelligence with local governments, as needed, without jeopardizing national security;

—the development of a comprehensive evaluation of risk factors for potential terrorist targets;

—specialized training and resources, including rapid test methods for public safety, health officials, and hospital personnel to properly identify and treat any threats to public health resulting from terrorists' use of biological, chemical, and nuclear weapons of mass destruction;

—local and regional coordination of emergency room readiness and response, with special response devoted to biological threats and access to antidotes; and

—the resolution of barriers to communication both technical and practical.

BE IT FURTHER RESOLVED that the National League of Cities calls on the telecommunications industry to fully develop and fund wireless emergency locater services and tracking systems, and lead efforts to resolve interoperability problems that affect emergency communications systems throughout the nation.

Adopted on December 8, 2001, National League of Cities' Annual Business Meeting, Atlanta, Georgia.

HOMELAND SECURITY IN AMERICA'S CITIES AND TOWNS

CRITICAL ISSUES, RESPONSES, AND COSTS

". . . Since Sept. 11, cities and counties have rapidly and somewhat awkwardly adapted. Police departments are behaving like intelligence agencies, interviewing foreigners and surveying the infrastructure for weaknesses that might be exploited by the enemy. Local governments are appointing liaisons to neighboring agencies—like diplomats who negotiate regional treaties in the event of an attack. Hazardous material teams have become front-line soldiers, responding to the smallest hints of bioterrorism.

"The new security and public health costs—defense budgets in practice if not in name—are expected to total as much as $4 billion for state governments and $3 billion for localities by the end of this year. These obligations have left city councils and county supervisors facing a dilemma once reserved for those in Congress: If we spend more money on defense, where do we cut? 'If you're a city or a town, you can't wait for the federal government, you can't wait for Tom Ridge,' says University of Wisconsin professor Donald F. Kettl, referring to Bush's recently appointed director of homeland security. 'If you're the mayor of Appleton, you're the real Tom Ridge anyway.'

"To interview 5,000 young Middle Eastern men about terrorism, the Justice Department relied on police departments around the country. Security updates on city halls, courthouses, water and electric plants are taking place. Across the nation, the cost of vigilance is mounting.

"Localities can't expect direct help from states, either. Thirty-six states face a combined shortfall of $40 billion; a figure that the National Governors Assn. predicts could reach $50 billion, or 10 percent of all state revenues, by early next year. That picture is far bleaker than during the 1990 recession . . ." (Excerpt from the Los Angeles Times, December 27, 2001, Home Edition)

1. Cities, particularly smaller cities, report an increased emphasis on regional approaches to homeland security—by "regional," we mean increased cooperation with other cities, towns, counties, etc., as well as with private sector groups, nonprofits, and civic organizations.

Silsbee, TX (pop. 6,400)

The Emergency Management team is county wide and includes about 60 people from industry, police, fire, schools, EMT, and city representatives. It meets about every 2 months and has thus far revised the emergency awareness handbook to include more information on terrorist preparedness.

Jupiter, FL (pop. 39,000)

After a post office in Jupiter received a suspicious package in October, the city decided to step up its terrorist preparedness through cooperation with other cities, levels of government, and agencies. Fire Department Lt. Peter Allen said, "The fire department has been training and preparing for events such as these for some time now. We are working closely with surrounding departments as well as county, state and federal agencies to maintain the highest level of preparation." In addition, the city takes part in a state effort. Fire-Rescue Chief James Weinand is Palm Beach County's representative to Gov. Jeb Bush's Domestic Terrorism Task Force, so the department receives constant up-to-date information on threats and suspected terrorist activities in the state.

Foley, AL (pop. 7,600)

The agreement between the city and the U.S. Navy base within the city has been changed to create a joint jurisdiction over the base between the Navy and the city's police department. In the past, the arrangement was proprietary. There has been no specific resolution that has designated funds, but the mayor estimates that a minimum of $100,000 has been spent for police officer overtime.

Terrell, TX (pop. 14,000)

City department heads from the administration, finance, public works, police, fire, utility, and municipal development meet with area entities to discuss their emergency plans of action, to make sure they are able to work with one another in case of an emergency. In addition, this committee plans to meet with representatives from the following entities: Public Schools, State Hospital, County, Public Hospital, Mark Hardin (FBO), Red Cross, Department of Public Safety, Major Industries (Madix, Vistawall), and shelter owners to ensure sustainable cooperation. Also, department heads are working with local entities to ensure that they will have an ample number of supplies, as well as a number of locations to purchase supplies in case of an emergency.

Boston, MA (pop. 589,000)

The Boston Police Bomb Squad has done security training with businesses, hospitals, and universities encouraging them to have a plan in place to deal with emergency situations, and to contact 911 about any threat or perceived threat.

Los Angeles, CA (pop. 3,700,000)

The City Attorney's Office will be partnering with the Building Owners and Management Association, Staples Center, leading public safety officials and private sector leaders to commission a study of security and emergency measures that are currently in place in the city. The study will also make recommendations on safety and security procedures for potential private sector terrorist targets in Los Angeles.

Minneapolis, MN (pop. 383,000)

Since Sept. 11, Minneapolis has and continues to collaborate and cooperate with federal, state and county law enforcement. Minneapolis' Chief of Police meets regularly to share and gather new information as it becomes available concerning the City of Minneapolis. Federal authorities assigned to this region have been providing continuous updates about any new information.

Bismarck, ND (pop. 56,000)

Bismarck has been the leader for the western half of the state, assisting with outreach, assuring businesses, citizens of domestic preparedness resources, and working with state and county emergency managers.

Various areas:

Five Pacific Northwest states and three Canadian provinces are putting together a joint plan for how to respond to an attack. So are the governors of North and South Carolina.

2. Cities and city officials are taking on roles they haven't played before, such as appointing "homeland security officers" in their city to coordinate security efforts. Some are assisting the Justice Department in the interviewing of individuals who may pose a risk, while others are increasing security at the U.S. borders with Mexico and Canada.

Appleton, WI (pop. 70,000)

Before Sept. 11, Appleton's police Lt. Rudy Nyman had served as "operations coordinator." He supervised traffic and towing, ran a "crime prevention through environmental design" initiative and organized special events, including the Largest Flag Day Parade in America. But in early October, he was told to form plans for defending Appleton from terrorist attack. The mayor now introduces Nyman as "chief of homeland security." Nyman's first task was defining potential targets. He worked his way past the obvious targets, such as large gathering places, and gradually added railroad facilities, highways and most government buildings. So far the list has more than 100 sites.

Chula Vista, CA (pop. 174,000)

The city immediately heightened security at the Mexican border.

Jupiter, FL (pop. 39,000)

Plain-clothed officers have been ordered to wear their uniforms and drive marked cars to increase visibility on the streets. The sheriff's office is also restructuring the tactical and special weapons units to deal with the increased terrorist threat, including the creation of two 10-member emergency response teams. The new teams will be on duty seven days a week to respond to emergencies.

Arlington, TX (pop. 333,000)

In Fort Worth, police have conducted assessments of all department buildings. Arlington's police and fire departments are in the process of conducting inspections of

some 150 city-owned structures and buildings. Arlington Police Deputy Chief Michael Ikner, who is overseeing the project, said patrol sergeants have been charged with the task of assessing facilities in their beats. He said the project will take several weeks to complete. A cost estimate is not yet available.

3. There is a need for additional training for all cities. Larger cities seem to have already had some form of anti-terrorism training, usually through FEMA (see San Jose report below). However, the smaller cities report that they have not had this type of training and it is too costly for them to obtain on their own. For smaller cities, most of the additional public safety costs are coming in the form of overtime for police and fire personnel. This is true for larger cities, however many of them are also reporting increases/improvements in infrastructure and/or equipment.

San Jose, CA (pop. 895,000)

As one of the nation's 27 largest cities, San Jose was approached in 1997 to take part in a federal preparedness program. Receiving federal funds and classified intelligence information on credible terrorist threat scenarios, the city was asked to devise a response plan to everything from anthrax attacks on bridges and water systems. Under the guidance of Frances Edwards-Winslow, Director, Office of Emergency Services, San Jose was the first city to complete the Pentagon's training program for terrorism preparedness in 1998 and fully coordinate community emergency services. The federal government has presented San Jose's terrorism response plan as a national model for 120 other cities designing similar civil defense protocols. Listed on several secure federal Web sites, the plan has inspired scores of calls from areas that want to emulate San Jose. This program cost $1.4 million in federal funds and millions more from of its own funds.

Orlando, FL (pop. 186,000)

The City Council approved a $2.5 million installment on the city's security plan that includes funding for its new Urban Search and Rescue truck, equipment and team.

Tempe, AZ (pop. 159,000)

The city has concentrated on enhancing security measures such as increasing security personnel, installing advanced security alarms, improving communication strategies in the case of an emergency plan and developing new mail handling procedures. The estimated cost of these changes is approximately $200,000. Additionally, enhanced security measures are taken at all public events at a cost of approximately $50,000 per event.

Arlington, VA (pop. 190,000)

The county board has appropriated $280,000 to the Arlington Fire and Police Departments for the purchase of chemical, biological and radiological detection and decontamination equipment.

Foley, AL (pop. 7,600)

The agreement between the city and the U.S. Navy base within the city has been changed to create a joint jurisdiction over the base between the Navy and the city's police department. In the past, the arrangement was proprietary. There has been no specific resolution that has designated funds, but the mayor estimates that a minimum of $100,000 has been spent for police officer overtime.

4. To the extent that the federal government steps in to help fund increased security measures in cities, city officials are stressing that this support needs to be an ongoing, dedicated stream of money—not a 2-year or 3-year federal program that cities are later expected support through their existing tax bases.

Silsbee, TX (pop. 6,400)

The small population of this city tax contributions do not allow an adequate tax base for heavy expenditures on security preparedness. Mayor Dean Robinson noted too that it is important to keep in mind that even if federal programs were allocated to small cities, their tax base would not allow for maintenance of these programs without continued federal support.

5. Cities are heavily involved in increasing their hazardous materials preparations, largely as a result of the anthrax scare. Examples of cities dealing with drastically increased numbers of "suspicious white powder" threats are common, and the costs of dealing with these threats can be large. Cities also report increases costs of obtaining the protective suits for dealing with biohazards, which can also be quite expensive.

Various cities

For years, about the only new expense on city and county public safety budgets was for police cars and fire engines. Since the terrorist attacks of Sept. 11, a new but necessary item has appeared: biohazard suits. Local governments are expected to foot the bill for their biohazard suits. The suits can range from as little as $60 to $70 for used suits, to top-of-the-line models ranging from $500, to more than $2,000 each for high-tech suits with a special breathing apparatus.

Los Angeles, CA (pop. 3,700,000)

City council adopted legislation suggested by its Threat Preparedness Task Force to improve its' anti-terrorism readiness. Some of the new developments include:

—Purchase of 1,700 emergency masks for the LAPD and 1,300 for the LAFD and four additional bomb detection technicians and canines for the LAPD's Bomb Squad at a cost of $1 million.

—The permanent assignment of LAPD and LAFD representatives to the L.A. County Operational Area Terrorism Early Warning Group (TEW).

—Additional 516 Hazmat suits and equipment for the LAPD, including bio-detection equipment costing $351,000 to increase hazardous materials detection capabilities by the LAPD and LAFD.

—Motion (not approved to date) for $2.3 million to expand the LAFD's urban search and rescue unit by 12 people and hire 10 more security officers.

—Motion (not approved to date) for $140,000 for four vehicles for the LAPD's hazmat unit.

Appleton, WI (pop. 70,000)

With federal officials urging citizens to call 911 when anthrax contamination is suspected, area police officers and sheriffs have collected as many as 30 bags of suspicious powder a week and sent them to a state lab for testing. Cost to taxpayers? $1,000 per bag.

Riverdale, GA (pop. 12,000)

In addition to the purchase of biohazard suits, city fire officials said they faced an added cost of acquiring a storage trailer for them. The two suits on order are $1,200 each, but an additional $7,000 was part of the bill to securely and safely store the suits.

Fayette County, GA (part of Atlanta metro area)

A potential threat at a local post office resulted in the team's spending about $3,000 to determine no threat existed. Afterward, the team spent several weeks responding to an average of a half-dozen similar calls a week. The county has some disposable biohazard suits costing around $600 each.

Durham, NC (pop. 187,000)

In late October Durham voted to use federal grant money on new police equipment, namely bioterrorism suits, as opposed to adding additional police officers. The grant will provide almost $100,000 for 96 biohazard suits and 280 state-of-the-art gas masks. The grant will also allow for over $150,000 in crime prevention equipment and $1 million to buy land for a substation and other police operations.

Columbus, OH (pop. 711,000)

The city has already spent $320,000 in overtime related to calls for anthrax scares and reports of suspicious packages.

Jupiter, FL (pop. 39,000)

The Jupiter Town Council approved $12,500 to be spent on 98 helmets, gas masks and protective shields for officers who might have to respond to the scene of an attack.

6. Some cities, particularly the larger cities, report that they have conducted or are engaged in public education efforts about how to deal with terrorist threats and emergencies. Examples include the use of city websites to distribute information and campaigns to distribute leaflets/pamphlets with directions for how to react in the case of an emergency.

Arlington, VA (pop. 190,000)

Soon after the terrorist attacks, the county organized a community forum on emergency preparedness and bioterrorism in which county officials met with the public to answer questions about public safety, health, schools and other topics. They also provided a twelve-page home guide to emergency preparedness in seven languages which can be accessed on their website.

Boston, MA (pop. 589,000), Denver, CO (pop. 555,000), and Minneapolis, MN (pop. 383,000)

Cities that have made educational pamphlets, useful emergency links, fact sheets, etc. available their website.

Olympia, WA (pop. 43,000)

The city website was restructured to allow people to gain easy access to information pertaining to security and community preparedness. In addition, a pamphlet about mail handling was distributed to all homeowner associations (approx. 40) and all downtown business associations (approx. 120) to then copy and distribute to their clientele. The cost associated with this activity included payment for staff time and mailing expenditures. People of the city interested in further information could also attend a community preparedness class. All city employees received a mail handling class.

7. Many cities mentioned stepping up security around airports, water and electric supplies, and in some cases, nuclear power plants. Various cities also mentioned stepped up security measures around port facilities.

Manitowoc County, WI (city of Manitowoc pop. 34,000)

The sheriff's office is spending $2,000 a day in overtime to provide 24-hour protection for the Point Beach nuclear power plant.

Watertown, SD (pop. 20,000)

The city immediately moved to protect its water facilities, which include a water filtration plant and a 6,000-acre lake. In an effort to prevent water contamination, the city will most likely will turn to a regional approach of water testing, working with the state to centralize the testing process and procedures, and coordinating this effort among local governments.

Bismarck, ND (pop. 56,000) and Hickory, NC (pop. 37,000)

Insured and/or increased water supply security.

Carlisle Borough, PA (pop. 18,000)

Implemented a very detailed security plan for their water plant which ultimately will cost the rate payers a substantial sum in order to fully realize.

Fort Lauderdale, FL (pop. 152,000)

In addition to enhanced security at city buildings, the city secured their water treatment plants, water tanks and well fields, wastewater treatment facilities, and executive/general aviation airport. The total estimate for the period of Sept. 11-Nov. 20, including these measures and others was almost $327,000.

Worcester, MA (pop. 173,000)

City Manager Thomas Hoover stated that the cost of increased security at Worcester Regional Airport since September 11 has been averaging $30,000 to $35,000 per week. Police patrols were increased around and near what were determined to be high-risk targets, such as high-rise buildings, public utilities, the Worcester Centrum Centre and other facilities that draw crowds, and religious institutions. Police has watched the Muslim mosque on Laurel Street and businesses owned by Arab-Americans closely, the city manager said. Total costs for new security measures are not yet available.

Kodiak, AK (pop. 6,000), Fort Lauderdale, FL (pop. 152,000), Savannah, GA (pop. 132,000) and Portland, ME (pop. 64,000)

Increased security at port facilities.

Terrell, TX (pop. 14,000)

The city has established a comprehensive plan of action since the events of September 11. Included are provisions for increased protection at water plants. At City Lake Pump Station at Elmo these include: (1) Three locked gates along drive to plant; (2) Buildings remain locked at all times; (3) Intruder alarm monitored by Water Plant computer; (4) Radio telemetry used to operate pumps and to show pump station status and; (5) Radio communication link continuously monitored by Water Plant computer.

8. In addition to looking at overall safety concerns, many cities have concentrated on the response of health specialists in the case of an emergency, as well as the planning and coordination of medical supplies and equipment.

Allentown, PA (pop. 107,000)

If Allentown is the site of a bioterrorism attack, city health officials said, a small army will receive and distribute a shipment of medical supplies that could protect and treat about 375,000 people. The shipment, known as a "push pack," is part of the National Pharmaceutical Stockpile, which provides antibiotics, antidotes, intravenous lines, ventilators and vaccines to disaster sites anywhere in the nation within 12 hours.

Each push pack is more than 100 containers regularly restocked by the U.S. Centers for Disease Control and Prevention in Atlanta. Collectively, they weigh more than 50 tons, consume more than 5,000 square feet of floor space and hold supplies valued at more than $3 million. For security reasons, the eight stockpile locations and designated receiving areas are not disclosed, he said, but the emergency management people who need to respond know where they are. It is estimated that the more than 200 sites within the county will be sufficient to serve as mass casualty sites. These would include schools, community halls and churches, in which to break down and dispense medical supplies to those exposed but not sick.

9. Some cities are encountering new expenditures and pursuing new ways of raising revenues.

Vancouver, WA (pop. 144,000)

The Vancouver city council met with representatives from the Southwest Washington Health District, which resulted in a proposal of a $127,000 program to improve detection, response and communication in the event of a future terrorist attack involving anthrax, smallpox or other infectious agent. The health district has asked Vancouver to provide $50,879, or 40 percent of the cost. The Southwest Washington Medical Center board of trustees voted to provide $127,000 to cover first-year expenses, so Vancouver will consider providing dollars beginning in 2003.

Columbus, OH (pop. 711,000)

The City Council is expected to approve a smaller budget than the previous year for the first time in memory and will only be providing an increase to the Department of Public Safety. All others will be cut, says Mayor Michael Coleman. Coleman said Columbus plans to spend $1.5 million for additional security in city buildings, plus training people in workplace safety, preparing for public-health emergencies, updating response plans in city buildings and holding drills with schools and hospitals and other communities. Also in the safety budget will be two new police classes with 80 officers and a class of 25 firefighters.

The city also will buy a police helicopter for $1.1 million, replacing an old one. It will spend $848,000 on a radio system to ensure that Columbus police and firefighters are on the same frequency and are able to communicate not only with each other, but with more than 100 other emergency and government agencies, including suburban communities and the Franklin County Sheriff's Office, said Assistant Public Safety Director Barb Seckler. Health Commissioner William C. Myers said the Metropolitan Medical Response System has stocked up on antibiotics in case of a biological attack. That includes Cipro in case anthrax is detected. He also said six trailers have been positioned throughout the county to decontaminate people in a biological or chemical attack.

Kansas City, MO (pop. 442,000)

Two ordinances were introduced that would ask Kansas City voters in February for a quarter-cent sales tax increase for police and a 5-cent-per-pack cigarette tax increase for bioterrorism response. If approved, the proposal would raise about $276 million to upgrade police facilities and hire 130 to 150 additional officers. However, the plan wouldn't raise all the $110.8 million police were seeking for building; it would generate $85 million to $90 million for capital improvements. The cigarette tax ordinance, introduced by Councilman Ed Ford, would raise about $1.5 million annually for the Fire Department's hazardous materials team and for other emergency preparedness activities. The quarter-cent sales tax increase would cost a family of four with an annual income of $50,000 about $30 a year. The cigarette tax would rise from 10 cents per pack to 15 cents per pack.

Seattle, WA (pop. 563,000)

Seattle police Chief Gil Kerlikowske said that since Sept. 11, his department has identified several measures needed to beef up his agency's domestic security preparedness, including the purchase of bomb-sniffing dogs.

To cover such costs, King County Executive Ron Sims proposed a one-time, 1.2 percent property tax increase as part of his 2002 budget plan. The revenues would help to create a reserve fund to cover countywide domestic-security costs, such as unexpected police, court, jail and public-health costs arising from the international

situation. The monies would also help pay salaries of county employees in the military reserves who are called to active duty. Property taxes would increase between $3 and $4 per $100,000 of assessed value.

However, the proposal was blocked by a voter-approved initiative barring governments from increasing base property-tax collections by more than 1 percent a year unless voters approve more.

On the bright side, the county's council did agree to spend $162,000 to hire a consultant and a one-year city employee who will study the city's preparedness for emergencies and recommend changes.

Sims plans to revisit domestic-security funding issues early next year, and will likely try to redirect money from other programs or win federal grants. In the meantime, financing domestic security will mean reprioritizing existing resources. About $450,000 for gas masks, biohazard moon suits and other equipment and training was included in the budget however with slipping tax revenues and a troubled economy, difficult choices are being made.

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Chairman BYRD. Thank you, Mayor Guido.

Commissioner Gonzalez.

Senator DOMENICI. Mr. Chairman.

Chairman BYRD. The Senator from New Mexico.

Senator DOMENICI. Might I just introduce the speaker?

Chairman BYRD. Please do that, yes.

Senator DOMENICI. Mr. Chairman and fellow Senators, this is Javier Gonzales from the City of Santa Fe. It would be enough to have that behind his name. We would welcome him. But in addition, the county commissioners of our country have elected him as their chairman of all the county commissioners in the United States.

That is a pretty robust group over the last 15 or 20 years. They have had to do more and more work that looks and feels like being a city, and we have a good county that works with the city. We have a pretty good arrangement in these United States, and I was

just so pleased that he got a chance to get up here that I wanted to introduce all of you to this very, very successful young man in a city where it is very difficult to be a successful politician. He seems to thrive in it, and I am sure he will represent the county commissioners well.

Thank you, Mr. Chairman.

Chairman BYRD. Thank you. Commissioner, you are in the front seat in the front row now, with that kind of an introduction.

Senator DOMENICI. I noticed Mayor Guido did have the agendas attached to his statement. Would you place those in the record, too, please?

Chairman BYRD. Yes, indeed. They will be placed in the record.

STATEMENT OF HON. JAVIER GONZALES, COMMISSIONER, SANTA FE COUNTY, NEW MEXICO; AND PRESIDENT, NATIONAL ASSOCIATION OF COUNTIES

Mr. GONZALES. Mr. Chairman, thank you for your kind words about our community. Member Stevens, I, too, had the privilege of touring your State with my peers. We toured the Alaska National Wildlife Refuge in Prudhoe Bay, and your State is beautiful, and Senator Domenici, thank you for your enormous contribution to our State as a citizen in New Mexico, I will forever be grateful for what you have done and certainly what you will do for us in the future, so thank you.

Thank you for inviting me, Mr. Chairman, to testify on an issue of paramount importance to counties across the country, securing our homeland against the threat of terrorism.

As you are aware, counties are first responders to terrorist attacks, natural disasters, and other major emergencies. County public health, law enforcement, fire, and emergency management personnel have major responsibilities for planning preparedness, response and recovery actions. Counties also own, operate, and security key aspects of the Nation's infrastructure such as airports, transit systems, water supplies, courts, schools, and hospitals. Elected county officials like myself, along with our emergency managers, provide the essential regional leadership, planning, and coordination function in preventing, preparing for, and managing our community's response to emergency events.

In the wake of the terrorist attacks of September 11, 7 months ago today, I appointed a NACO Task Force on Homeland Security. The task force, comprised of 45 top county officials from across the country, was formed to provide a forum for county officials to advise the Federal Government about the roles and concerns and financial needs of counties regarding homeland security as we increase prevention and security measures in our communities. NACO's task force met three times, and I would like to share the problem statements and policy recommendations from those meetings with you as summarized in an eight-page publication, First Responders Counties Secure America, which, Mr. Chairman, I offer for the record.

Let us discuss public health. In the public health area, there are two major problems, the need to rebuild critical elements of our Nation's public health system, and the restoration of the State-local infrastructure. County officials are calling on the Congress to provide adequate funding for bioterrorism preparedness, and to pro-

vide a modest down-payment in restoring essential elements of the Nation's public health system. NACO believes that an appropriation of a minimum of $1.8 billion is needed to implement the law fully and effectively, with at least $940 million dedicated to rebuilding and maintaining local and State public health infrastructures, including increasing the capacity of local public health departments to respond to disease outbreaks, including bioterrorism events.

State and local plans are due April 15, and Mr. Chairman, I can report to date, based on information NACO has received from our affiliate organization, the National Association of County and City Health Officials, that the record of collaboration between States and counties is mixed, adding to the need for a strong local public health capacity. After we review the State plans, we will have a much clearer sense of the extent States will be addressing local needs, particularly sustainable staffing and training at the local level.

Now, as regional governments, counties are in the unique position to provide the leadership, planning, and coordination function needed to prevent, prepare for, and manage the response to bioterrorism events. NACO recently conducted a survey of county health departments, and the results of that survey show that less than 10 percent—less than 10 percent—of the county health departments in the country are fully prepared to respond to a bioterrorism crisis in their communities. Of the counties with populations about 250,000, none said that they are fully prepared, 21 percent of the counties say that they are not prepared at all to handle a bioterrorism crisis at all.

Most of the counties in this category are the small, rural counties. For a chemical warfare crisis, only 5 percent say they are fully prepared, and 43 percent say they are not prepared at all. County public health departments have had considerable experience in responding to infectious disease outbreaks, but we have a long way to go in terms of developing the capacities we need to detect and respond to acts of bioterrorism accurately and quickly, yet every dollar we spend on bioterrorism will yield huge dividends in terms of strengthening the communities' public health system in such critical areas of surveillance, communications, data management, and in creating systems for mobilizing the community.

I would now like to discuss a local antiterrorism block grant. NACO's Task Force on Homeland Security called on the Congress to enact a $3.5 billion local antiterrorism block grant. Under the task force's recommendations, Mr. Chairman, the funds should flow directly, as stated previously, from the Federal Government to local governments, with funding and priority decisions being made using a county-facilitated collaborative effort within the existing all-hazards emergency management planning process.

NACO's concept of the block grant would enable local governments to enhance regional planning and coordination by preventing, preparing for, and managing an area-wide response to terrorism. The block grant should enable counties to greatly expand the implementation of emergency management plans, improve capacity to respond to a whole range of emergencies, fight fires, in-

crease law enforcement intelligence of terrorist activities, and raise security levels for key local facilities.

Counties are, by their nature, regional governments, and are often engaged in county-wide and multicounty solutions. In fashioning highly specialized responses to terrorist activities, multicounty plans, teams, and interagency agreements need to be developed and implemented. Thousands of municipalities already contract with their county for a variety of regionalized services, and look to the county for leadership in expanding emergency capacities.

In placing greater responsibility in FEMA, President Bush has proposed to spend $3.5 billion in fiscal year 2003 to dramatically enhance the homeland security response capabilities of America's first responders. The administration's plan will provide $2 billion to State and local governments to pool resources and equipment to prevent a terrorist attack.

In addition to committing $2 billion for equipment, the White House plan would allocate approximately $1.1 billion to train firefighters, police officers, and emergency medical technicians to respond and operate in a chemical or biological environment. It would also designate about $245 million to support a coordinated, regular exercise program to improve response capabilities, practice mutual aid, and assess operational improvements and efficiencies.

The White House strategy is similar to NACO's approach in that it places major emphasis on elevating the existing emergency management system and in connecting comprehensive planning to funding levels. We are pleased to see that the supplemental appropriations bill has requested $327 million for planning and management, and that Governor Ridge has requested the plans before funding decisions are made. Without sophisticated planning and management systems to provide the foundation for the wise expenditure of block funds, how can we intelligently purchase equipment or adequately train emergency management personnel?

At the heart of this new system of regional collaboration is the need for highly sophisticated planning and management building upon the existing integrated emergency management system. It has been conservatively estimated that it would take an investment of $500 million at a minimum to staff and develop the kind of advance planning and management systems that is required. The supplemental request of $327 million is a good first start, but more is needed.

In summary, Mr. Chairman, NACO believes that an appropriation of a minimum of $1.8 billion is needed to improve our public health system, with at least $940 million dedicated to building and maintaining local and State public health infrastructures, and it needs to be a continuing funding priority in the out-years. We also need a local antiterrorism block grant along the lines of the President's $3.5 billion first responders initiative to meet the long-term needs of local and State governments. This should be a priority.

Mr. Chairman, prevention must be a key objective. NACO's Task Force on Homeland Security has called for the creation of a new and highly sophisticated planning and management system at the city, county, and multicounty level to strengthen the existing IEMS

system, which has been poorly funded for years. This is why we call for an additional $500 million for this effort.

Let me leave you with these important thoughts. Mr. Chairman, we are pleased that local governments will be full participants in supporting our homeland security, but I want to draw your attention to some concerns local governments have experienced in the past. It is critical that funding provided by this committee get to intended recipients as soon as possible. The Office of Homeland Security has suggested that 75 percent of the money proposed in the first responders initiative go to local governments. This is appropriate, and we believe that FEMA has the knowledge and expertise to give funding to the local governments in a timely fashion so that it can be used in the most flexible manner possible for the purposes intended. That is, of course, if the States do not intervene by delaying their decisionmaking responsibilities, attempt to use the funding for purposes other than those intended by appropriators, or attempt to leverage some of the funds for their own purposes. It must be made clear through this process that funds appropriated for homeland security at the local level are not considered offsets for other existing commitments from the States to local governments, such as revenue-sharing.

I only mention this, Mr. Chairman, because of the dire budget situations in many States, and I certainly am not pointing the finger at any State in particular, but these types of situations have occurred in the past.

I hope we have been able to offer the committee some important information about local government needs for homeland security. Thank you, Mr. Chairman.

[The statement follows:]

PREPARED STATEMENT OF JAVIER GONZALES

Chairman Byrd, Ranking Member Stevens and members of the committee, thank you for inviting me to testify on an issue of paramount importance to counties across the country—securing our homeland against the threat of terrorism.

My name is Javier Gonzales, and I am an elected County Commissioner from Santa Fe County, New Mexico. I currently serve as President of the National Association of Counties.[1]

As you are now surely aware, counties are the first responders to terrorist attacks, natural disasters and other major emergencies. County public health, law enforcement, fire, and emergency management personnel are responsible for on-the-ground response and recovery action.

Counties also own, operate and secure key aspects of the nation's infrastructure, such as airports, transit systems, water supplies, ports, schools and hospitals. Elected county officials, like myself, along with our emergency managers, provide the essential regional leadership, planning and coordination function in preventing, preparing for and managing our communities' response to emergency events.

What are the problems?

In the wake of the terrorist attacks of September 11, seven months ago today, I appointed a NACo Task Force on Homeland Security. The task force, comprised of 45 top county officials from across the country, was formed to provide a forum for county officials to advise the federal government about the roles and concerns and

[1] NACo is the only national organization representing county government in the United States. Through its membership, urban, suburban and rural counties join together to build effective, responsive county government. The goals of the organization are to: improve county government; serve as the national spokesman for county government; serve as a liaison between the nation's counties and other levels of government; achieve public understanding of the role of counties in the federal system.

financial needs of counties regarding homeland security as we increase—prevention and security measures in our communities.

NACo's task force met three times and I would like to share the problem statements and policy recommendations from those meetings with you as summarized in the 8-page publication—"First Responders: Counties Secure America", which I offer for the record.

Public Health

Let me highlight our major problems and recommendations. In the public health area, there are two major problems: The need to rebuild critical elements of our nation's public health system; and the restoration of the state-local infrastructure.

County officials are calling on the Congress to provide adequate funding for the bioterrorism preparedness and provide a modest down payment in restoring essential elements of the nation's public health system. NACo believes that an appropriation of a minimum of $1.8 billion is needed to implement the law fully and effectively, with at least $940 million dedicated to building and maintaining local and state public health infrastructures, including increasing the capacity of local public health departments to respond to disease outbreaks, including bio-terrorism events.

The second point relates to information dissemination via the Health Alert Network. NACo believes that the Centers for Disease Control-Public Health Practice Program—the CDC office that best understands local dynamics, should continue to coordinate and communicate with county health departments, and that there should be a focus on improving the Health Alert Network and on assistance with technological upgrades for county health departments.

The President's budget for fiscal year 2003 includes $940 million to continue the Centers for Disease Control and Prevention (CDC) program to improve state and local public health capacities to address bio-terrorism and other public health threats. This program, which builds on prior years' funding for the Health Alert Network and bio-terrorism preparedness, was vastly increased when Congress added $865 million to it last December. Continuation funding is essential to allow state and local public health agencies to establish permanently improved public health systems and infrastructures, including new staff and training.

Importantly, the funding levels established in fiscal year 2003 for this program will weigh heavily on the potential for future funding. Continued, sustained funding will help establish this program as a permanent aspect of the federal budget, rather than a one-time quick fix.

The $940 million is a very modest down payment on what needs to be a sustained long-term effort. It will also enable us to carefully assess long-term needs.

State and local plans are due April 15. Mr. Chairman, I can report today based on information NACo has received from our affiliate organization, the National Association of County and City Health Officials, that the record of collaboration between states and counties is mixed—adding to the need for a strong local public health capacity. After we review the state plans we will have a much clearer sense of the extent states will be addressing local needs, particularly sustainable staffing and training at the local level.

As regional governments, counties are in the unique position to provide the leadership, planning and coordination function needed to prevent, prepare for and manage the response to bio-terrorism events.

NACo recently conducted a survey of county health departments. The results of that survey show that less than 10 percent of the county health departments in the country are fully prepared to respond to a bio-terrorism crisis in their communities. Of the counties with populations above 250,000, none said they are fully prepared.

Twenty-one percent of the counties say they are not prepared at all to handle a bio-terrorism crisis. Most of the counties in this category are the small, rural counties.

For a chemical warfare crisis, only 5 percent say they are fully prepared and 43 percent say they are not prepared at all.

The greatest obstacle to becoming prepared is funding. Forty-two percent listed funding as the greatest problem that would prevent an appropriate and timely response. Insufficiently trained medical staff and insufficiently trained administrative staff, both at 40 percent, followed funding as other obstacles. A conversation with a county health director in Iowa, who participated in the survey, reveals how drastic the situation is. He has no staff. He has no funds. And he has no supplies.

The health director was asked to come up with an emergency response plan. If he were faced with a major public health incident, he said, his three-point plan would go something like this. Call for help. Hope someone comes. Stack the bodies in the gymnasium.

County public health departments have had considerable experience in responding to infectious disease outbreaks but we have a long way to go in terms of developing the capacities we need to detect and respond to acts of bio-terrorism as quickly as possible.

Yet every dollar we spend on bio-terrorism will yield huge dividends in terms of strengthening the community's public health system in such critical areas as surveillance, communications, data management and in creating systems for mobilizing the community.

Justice Appropriations

In the Justice Department budget proposal for fiscal year 2003, the Administration has called for the elimination of the State Criminal Alien Assistance Program ($565 million) proposed the consolidation of the Byrne Memorial Block Grant with the Local Law Enforcement Block Grant (for a cut of $195 million in funds) as well as the complete elimination of the hiring section of the COPS program ($574 million).

Mr. Chairman, the merit and timing of these proposed eliminations and funding cutbacks which total close to $1.5 billion is a concern to NACo and its membership, given the sharp rise in county spending since September 11. This increase in expenditures is the direct result of the heightened state of readiness that local public safety agencies have been required to maintain.

Mr. Chairman, as of December 18, 2001, California State Association of Counties were projecting additional expenditures of $91.5 million for anti-terrorism by the end of the current fiscal year. In addition, the California survey projected additional funding needs of $310 million for one-time expenditures and an additional $209 million to meet additional annual funding needs.

Unmet Needs

The Need for a Local Anti-Terrorism Block Grant

NACo's Task Force on Homeland Security called on Congress to enact a $3.5 billion local anti-terrorism block grant. Under the task forces recommendations the "funds should flow directly from the federal government to local governments, with funding and priority decisions being made using a county facilitated collaborative effort within the existing "all hazards" emergency management planning process."

NACo's concept of the block grant would enable local governments to enhance regional planning and coordination by preventing, preparing for and managing an area-wide response to terrorism. The block grant should enable counties to greatly expand the implementation of emergency management plans, improve capacity to respond to a whole range of emergencies, fight fires, increase law enforcement intelligence of terrorist activities, and raise security levels for key local facilities. A NACo survey conducted late last year showed that 94 percent of all counties have emergency plans to deal with disasters, but that only 49 percent have plans in place to deal with terrorist activities.

Counties are, by their nature, regional governments, and are often engaged in countywide and multi-county solutions. In fashioning highly specialized responses to terrorism activities, multi-county plans, teams and interagency agreements need to be developed and implemented. Thousands of municipalities already contract with their county for a variety of regionalized services, and look to the county for leadership in expanding emergency capacities.

In placing greater responsibility in FEMA, President Bush has proposed to spend $3.5 billion in fiscal year 2003 to dramatically enhance the Homeland Security response capabilities of America's first responders. The Administration's plan would provide $2 billion to state and local governments to pool resources and equipment to prevent a terrorist attack.

In addition to committing $2 billion for equipment, the White House plan would allocate approximately $1.1 billion to train firefighters, police officers and emergency medical technicians to respond and operate in a chemical or biological environment. It would also designate about 245 million to support a coordinated, regular exercise program to improve response capabilities, practice mutual aid, and assess operational improvements and deficiencies.

The White House strategy is similar to NACo's approach in that it places major emphasis on elevating the existing emergency management system and in connecting comprehensive planning to funding levels. We were pleased to see that the supplemental appropriations bill has requested $327 million for planning and management and that Governor Ridge has requested the plans before funding decisions are made.

Without sophisticated planning and management systems to provide the foundation for the wise expenditure of block grant funds, how can we intelligently purchase equipment or adequately train emergency management personnel.

Transportation

The President's budget requested $4.8 billion for the new Transportation Security Administration (TSA) in fiscal year 2003. Of this amount, $2.2 billion is estimated to be derived from the new aviation security fees; $124 million is to be transferred from the FAA for explosives detection systems; and $2.5 billion is to be appropriated from the general fund. The Department of Transportation is still developing detailed cost estimates for the TSA. However, it is becoming clear that additional funds will likely be required in fiscal year 2002 and the Department of Transportation at a hearing before Congress recently requested the same.

NACo strongly supports TSA and we urge this agency to begin a dialogue with county officials who are responsible for the various transportation modes. In addition, we would continue to encourage that all efforts are made to ensure that security needs are met and that coordination is taking place with local transportation and law enforcement officials.

Airports

Mr. Chairman, the Airport Improvement Program (AIP) must be fully funded for fiscal year 2003. NACo supports increasing the AIP to its authorized funding level of $3.4 billion as the first step in bridging the investment gap confronting our nation's airports. The AIP Program should continue to permit security related cost as an eligible expenditure.

Also, NACo urges Congress to not just focus on our large metropolitan airports when considering enhanced airport security. Many of the smaller airports in our communities need to be reviewed in regard to their capacity to effectively and safely operate as well.

Ports and Highways

Finally, many counties also have a direct role in managing our nation's ports and highways. As a result, NACo would also urge the federal government to assist us in our efforts to secure these modes of transportation as well. With more than 25,000 miles of navigable channels and over 350 ports, our Nation's maritime system presents one of our greatest security challenges.

Additional Responsibilities

The critical job facing counties now is to prepare, prevent and minimize. They must prepare emergency response plans, work with other levels of government to prevent future attacks and develop methods for minimizing the effects of new attacks.

Mr. Chairman, for many years, thousands of municipalities have contracted with counties for specialized and regionalized services, including such preventative purposes as DNA testing, regional laboratories, advanced law enforcement training, record keeping, communications, regional intelligence systems and the like. The events of September 11 have demonstrated the importance of regional collaboration in preventing terrorist attacks.

At the heart of this new system of regional collaboration is the need for highly sophisticated planning and management building upon the existing Integrated Emergency Management System.

It has been conservatively estimated that it would take an investment of $500 million at a minimum to staff and develop the kind of advanced planning and management systems that is required. The Supplemental request of $327 is a good first start. But more is needed.

To quote the International Association of Emergency Managers, "Principles of a National Homeland Security Program"

"Regrettably, while this system [IEMS] represents the single best capability for implementation of a national homeland security strategy at all levels of government, the state and local element of that system has been significantly under-funded for decades.

"Funding programs such as FEMA's State and Local Assistance (SLA) and Emergency Management Assistance (EMA) programs have consistently only been available to a minority of the agencies needing support and have only been funded at a fraction of the authorized amount. As a result, local agencies are consistently understaffed (often part-time or even volunteer positions). They are often buried deep in the organizational structure of local governments, which make it difficult for them to accomplish jurisdiction-wide coordination and planning. Their function

is often not understood by senior local officials and is often confused with that of emergency response agencies, making it virtually impossible to gain the support necessary to provide a full service, integrated program."

Summary

First, NACo believes that an appropriation of a minimum of $1.8 billion is needed to improve our public health system, with at least $940 million dedicated to building and maintaining local and state public health infrastructures, including increasing the capacity of local public health departments to respond to disease outbreaks, including bio-terrorism events.

Next, NACo's Task Force on Homeland Security called on Congress to enact a $3.5 billion local anti-terrorism block grant. Under the task forces recommendations the "funds should flow directly from the federal government to local governments, with funding and priority decisions being made using a county facilitated collaborative effort within the existing "all hazards" emergency management planning process."

The emergency management system in the United States is largely organized at the county level under the "all hazards" Integrated Emergency Management System.

Third, in the aftermath of 9–11, the weaknesses of IEMS system at the local level have become apparent in terms of preventing acts of terrorism from occurring and in responding to terrorist attacks when they do occur.

Mr. Chairman, prevention must be our number one objective. NACo's Task Force on Homeland Security has called for the creation of a new and highly sophisticated planning and management system at the city-county and multi-county level to strengthen the existing IEMS system, which has been poorly funded for years.

It has been estimated that such a system may cost conservatively as much as $500 million to put together. The creation of such a system should be among our highest priorities for without this foundation we are in a weak position to purchase equipment and/or to determine our training needs.

This concludes my statement and I would be happy to respond to any questions you or the committee may have.

BIOGRAPHICAL SKETCH OF JAVIER GONZALES

Javier M. Gonzales was elected President-elect of the National Association of Counties (NACo) at the organization's 65th Annual Conference on July 18, 2000. His election to the position puts him in line to become the youngest NACo President ever, as well as the first Hispanic to serve in that position.

In the early 1990's, Gonzales co-founded La Voz Broadcasting, Inc., which is New Mexico's largest Spanish language radio station. He serves as the corporation's Chief Financial Officer. Initially elected to serve on the Santa Fe County Board of Commissioners in November 1994, Santa Fe County voters re-elected Gonzales to serve a second consecutive term in 1998.

His commitment and dedication to public service is a family tradition. His father, George Gonzales, also served as a Santa Fe County Commissioner and later was elected mayor of the City of Santa Fe in the 1960's. As a public servant, Javier Gonzales continues the tradition as a dedicated and committed county leader.

In 1999, Gonzales was appointed by Interior Secretary Bruce Babbit to serve on the National Parks System Advisory Board which advises the Secretary of the Interior on parks-related issues. Gonzales was selected to the Board to bring his perspective as a locally elected official and as a small businessman.

Gonzales is particularly interested in addressing management issues in the parks and finding new methods to attract non-traditional users to our national parks. He is a graduate of New Mexico State University, and is a lifelong resident of Santa Fe County, New Mexico.

FIRST RESPONDERS—COUNTIES SECURE AMERICA

POLICY RECOMMENDATIONS OF THE NATIONAL ASSOCIATION OF COUNTIES' HOMELAND SECURITY TASK FORCE

JANUARY 2002.

Counties have a significant role to play in our new national strategy for homeland security—we are the public's first defense.

Counties are the first responders to terrorist attacks, natural disasters and other major emergencies. It is county public health, law enforcement, fire, emergency medical, and other public safety personnel, who are responsible for on-the-ground

response and recovery action. Counties own, operate and secure key aspects of the nation's infrastructure, such as airports, transit systems, water supplies, schools and hospitals. And, elected county officials and county emergency managers provide the essential regional leadership, planning and coordination in preventing, preparing for and managing the response to emergency events.

Recognizing the important roles and responsibilities of counties, I appointed a Homeland Security Task Force of the National Association of Counties (NACo) in the wake of the terrorist attacks of September 11. This task force has brought together a wide range of county policy leaders to explore our roles, and to work with the White House Office of Homeland Security and other federal officials.

The Homeland Security Task Force has met twice, on October 26 and November 28, and adopted a Policy Plan to Secure the People of America's Counties. The policy plan addresses the key responsibilities counties have in the areas of emergency planning, law enforcement, public health and infrastructure security, and outlines how the federal government can best assist and strengthen its partnership with first responders in securing the homeland. It outlines four legislative priorities of NACo for 2002:

—Authorization of a minimum $3 billion local anti-terrorism block grant to fund comprehensive emergency planning and preparedness;
—Assistance to counties to improve public health infrastructure and bioterrorism preparedness;
—Assistance to improve the security of county-owned infrastructures, such as buildings, airports, transit systems, and water supplies; and
—Passage of legislation to improve communications interoperability and release public safety spectrum.

Since the task force's formation in September, NACo also has:

October 2001.—Released a Survey of Emergency Preparedness of the Nation's Counties, which found that 95 percent of counties have emergency response plans.

November 2001.—Sponsored a Homeland Security Technology Demonstration, bringing county officials together with major technology companies to learn how technology can be utilized to achieve enhanced security.

December 2001.—Testified before the Senate Governmental Affairs Committee on the local role in homeland security, calling for the authorization of a minimum $3 billion local anti-terrorism block grant.

January 2002.—Met with the White House Office of Homeland Security to urge the formation of a state and local advisory committee to Governor Ridge.

As president of NACo, it has been my honor to serve as chairman of our Homeland Security Task Force. While the task force will complete its work early this year, I know that counties will continue to step up to serve as the nation's first line of defense.

What follows in this document is the full text of NACo's 20-point Policy Plan to Secure the People of America's Counties. I hope you find it informative. For additional information, please feel free to contact the NACo Legislative Affairs staff at (202) 393–6226 or visit our web site at http://www.naco.org.

Sincerely,

JAVIER GONZALES,
President, National Association of Counties; Commissioner, Santa Fe County, N.M.

HOMELAND SECURITY LEGISLATIVE PRIORITIES

AUTHORIZE A LOCAL ANTI-TERRORISM BLOCK GRANT

Congress should enact a new local anti-terrorism block grant at a minimum of $3 billion to comprehensively fund county and municipal law enforcement and public safety agencies and programs.

Improve Public Health Infrastructure:

Improve public health infrastructure to increase counties' bio-chemical terrorism preparedness and response capability.

Improve Security for Infrastructure:

Support legislation and funding aimed at improving security for county-owned infrastructure, including buildings, airports, transit systems, highways, ports and water resources and facilities.

Improve Public Safety and Emergency Management Communications:

Increase interoperability for both voice and data, release additional spectrum in the 700 MHz band for public safety and emergency management use, and eliminate interference problems in public safety communications.

POLICY AGENDA TO SECURE THE PEOPLE OF AMERICA'S COUNTIES

Counties are the first responders to terrorist attacks, natural disasters and other major emergencies. County public health, law enforcement, fire, emergency medical, and other public safety personnel, are responsible for on-the-ground response and recovery action. Counties also own, operate and secure key aspects of the nation's infrastructure, such as airports, transit systems, water supplies, schools and hospitals. Finally, elected county officials and county emergency managers provide the essential regional planning and coordination function in preventing, preparing for and managing the response to emergency events.

County officials believe it is critically important that emergency preparedness plans be coordinated and rehearsed among local, state, and federal levels, as well as coordinated across the various federal agencies and state agencies with a role in emergency response. Similarly, counties have unique responsibilities for effectively coordinating the plans and response actions of their law enforcement, public safety, public health, and other departments that assist in response action.

With regard to the federal response in the event of a public health or other emergency, county officials strongly believe that the federal government should quickly identify the controlling federal authority and chain of command at the scene, and that all federal agencies diligently follow the lead of the controlling federal authority. The controlling federal agency must serve—to counties, the public, and other parties participating in the response—as a single point of entry and source of information.

With regard to coordination among levels of government, the National Association of Counties has formally requested that Homeland Security Director Tom Ridge create an official State and Local Advisory Committee to the White House Office of Homeland Security. The committee, comprised of elected officials from state, county and city governments, would provide input and assistance to federal homeland security activities and facilitate coordination among levels of government.

Additionally, the 45-member NACo Homeland Security Task Force at its first meeting Oct. 26 recommended a number of policy actions to secure America's counties. These recommendations are outlined on the following pages. Many of them are intended to assist President George W. Bush and the Congress as they make investments in local programs to improve homeland security. Already, counties across the country are raising and redirecting local funds to secure their communities, demonstrating commitment at the county level to this national goal.

Public Health

1. Fund the Public Health Threats and Emergencies Act

Congress should provide adequate funding for the Public Health Threats and Emergencies Act. An appropriation of a minimum of $1.8 billion is needed to implement the law fully and effectively, with at least $835 million dedicated to building and maintaining local and state public health preparedness and infrastructure.

2. Improve the Health Alert Network

The Centers for Disease Control-Public Health Practice Program, the CDC office that best understands local dynamics, should continue to coordinate and communicate with county health departments, including a focus on improving the Health Alert Network and on assistance with technological upgrades for county health departments.

3. Ensure an Adequate Supply of Vaccines and Antibiotics

The federal government should ensure an adequate supply of appropriate antibiotics, vaccines and other relevant medications and medical supplies, to be made available to counties and other local communities in a timely manner as part of the stockpiled push packages administered by the CDC.

4. Develop a National Policy to Prioritize Medical Treatment

The federal government should develop a national policy to prioritize, in the case of a public health emergency, who gets treated first under what circumstances when demand for treatment exceeds supply.

5. Train Health Personnel

Public and private sector health personnel should receive adequate training to manage public health emergencies, in cooperation with federal, state and local governments. While specific training relative to bioterrorism is needed, general competency building in public health is also needed to assure that the workforce is fully prepared.

6. Ensure that Adequate Medical Surge Capacity Exists

The federal government, in cooperation with state and local governments, should ensure that the medical surge capacity needs associated with events of mass casualties can be met, particularly in communities that serve as regional medical centers.

Local Law Enforcement & Intelligence

7. Authorize a Local Anti-Terrorism Block Grant

Congress should enact a new local anti-terrorism block grant at a minimum of $3 billion to comprehensively fund county and municipal law enforcement and public safety agencies and programs. Funds should flow directly from the federal government to local governments, and funding decisions under the block grant should be made countywide as an outgrowth of the existing "all hazards" emergency management planning process.

8. Include Counties in Anti-Terrorism Task Forces

The Justice Department should expand the composition of its newly-created law enforcement Anti-Terrorism Task Forces to specifically include elected representatives of county and other general purpose local governments. Security clearance should be provided to county officials for intelligence information commensurate with their responsibilities.

9. Balance Heightened Border Security with Economic Activity

Improve border security operations to enhance the nation's ability to restrict the movement of weapons, weapons components or potential terrorists into the country and eliminate their ability to operate within our borders, in such a way that heightened security does not impede with the ability to continue active crossborder commerce.

Infrastructure Security

10. Reimburse Counties for Airport Security Costs

Congress should enact an airline security bill immediately, to provide county-owned and operated airports with federal reimbursement for additional costs of security measures mandated by the federal government. In addition, the federal government should assist airports in financing security measures by allowing flexibility with the Airport Improvement Program, Passenger Facility Charges, and tax exempt bonds.

11. Assist Ports and Transit Systems in Financing Security Measures

The federal government and state governments should provide assistance to counties for securing ports, transit systems, commuter rail and freight rail systems.

12. Help Localities Secure Public Utilities and a Safe Water Supply

Congress should authorize funds for drinking water systems and other public utilities, large and small, to conduct physical vulnerability assessments and emergency planning.

Additional research should be conducted into the threats to water and sewer systems and other public utilities and the development of methods and technologies to prevent and respond to attacks.

13. Include Security in Infrastructure Development

The federal government and state governments should evaluate threats and consider security as a criterion in the funding and development of new infrastructure, including physical infrastructure (such as transportation, schools, flood control and water systems) and cyber infrastructure. Security measures associated with the development of infrastructure should be eligible for federal funds.

14. Reimburse Counties for Costs Incurred on Behalf of the Federal Government

The federal government should reimburse counties for the local public safety and law enforcement costs associated with requests to provide security to federal installations and federally-owned infrastructure within their jurisdictions, and for the federal use of county facilities and other federally-mandated expenses incurred during an emergency.

15. Assist Counties to Develop Evacuation Capacity

Support assistance to counties for the evaluation of transportation and other infrastructure systems and evacuation planning, including developing capacity at the local level to facilitate evacuations.

Emergency Planning and Public Safety

16. Train County Officials to Prepare for and Respond to Acts of Terror

Federal, state and local governments should collaborate to train first responders to respond to acts of terror, utilizing and expanding upon existing training facilities and opportunities to their fullest extent. Curricula also should be established for the specific purpose of training elected county officials and other representatives of general purpose local governments. A standard, core set of competencies should be developed.

17. Assist Public Safety Communications Interoperability and Interference Issues

The federal government should assist counties to provide the broadest possible interoperability between public safety agencies across voice, data and geo-data and wireless technologies. The federal government also should assist counties in obtaining additional spectrum as soon as possible to address interoperability and dead zone problems created by congestion and interference with commercial services. In the event of a disaster or terrorist attack, all first responders should have access to a common set of frequencies that can be used to communicate between agencies. To make this effective, particularly if the federal government chooses to use the 700 MHz band and digital communications, financial assistance should be provided to ensure that counties can afford to use these new technologies.

18. Establish a Public Communication Network

A communication network capable of delivering information in a timely manner between the federal government, state and local governments, and the general public should be established.

19. Urge the Release of Federal Research to Assist Counties

The federal government should make its research and information available to counties at the earliest possible time—including declassifying such information as appropriate—to facilitate their use by counties to prepare for and respond to acts of terrorism and other emergencies.

20. Provide Immunity to Encourage Mutual Aid and Support

The federal government and state governments, where applicable, should provide legal immunity from civil liability for counties and other local governments responding collaboratively to emergencies outside their primary jurisdiction.

For more information, contact the NACo Legislative Affairs staff at 202/393–6226.

Revised by Homeland Security Task Force 11/28/01.

Revised and approved by NACo Board of Directors 11/30/01.

A SURVEY OF EMERGENCY PREPAREDNESS OF THE NATIONS COUNTIES . . . AN EXECUTIVE SUMMARY

America's 3,066 counties vary in geographic shape, size, population and in the services they provide, but the one thing that unites them is that they are responsible for emergency management planning, and very often are the "first responders" to disasters such as those on September 11. Whether it is a fire, flood or horrific crash, counties across the nation are prepared to respond to virtually any emergency situation.

Ninety-four percent of all counties surveyed have disaster plans in place that include all aspects of disaster mitigation and search and rescue operations.

Counties have addressed the possibility of terrorist actions. Large urban counties long considered possible targets for violence have specific plans to deal with terrorist threats. The results show that all of the counties with a population greater than 1 million had terrorist response plans prior to September 11. Eighty percent of those counties also have specific plans to deal with chemical warfare.

Counties with populations below 10,000, the mostly rural areas of the country, reported the fewest number of terror response plans, with 22 percent having specific emergency plans to deal with terrorist activities. Twenty-nine percent of counties with a population of 50,000 or less have plans for chemical warfare. As our nation comes to grips with the threat of terrorism that not only spreads through bombs and planes, but by letters and airborne germs, we need to work to prepare all areas of our country.

Counties have a history of working together to protect the nation's communities. Counties, through mutual aid agreements, can marshal resources faster than state and federal deployments because of their proximity to the events. One hundred percent of counties with population of 500,000 to 1 million have mutual aid agreements for fire and law enforcement back up. Eighty-seven percent of all counties surveyed

have mutual aid agreements for fire crews, 77 percent have agreements for emergency medical services, and 75 percent have agreements for law enforcement.

Counties are "first responders." As we all witnessed, New York City (which is also a county) firefighters and police were the first emergency workers at the World Trade Center. At the Pentagon, Arlington County (VA) police and fire search and rescue workers were the first at the scene, joined by Fairfax County Fire and Search and Rescue among others. Within a few hours, county fire, and search and rescue workers from as far away as Santa Fe County, New Mexico, arrived at the scene. In Pennsylvania, it was the Somerset County emergency services team that dealt with the crash of United Flight 93.

Counties bear the burden of preparing emergency response plans with limited help from state and federal governments. Only 38 percent of counties surveyed reported receipt of federal funds for emergency plans. Merely 550 counties received state funds for planning and more than 85 percent have used local funds.

Counties are the first line of defense and recovery from terrorist attacks and disasters. They have a proven track record of preparing for and implementing, the necessary steps to keep the public safe and secure. These are challenging times, where the unthinkable has been witnessed on televisions in our homes, and the threat of further terror looms large. Counties stand ready to meet the challenge.

HOMELAND SECURITY TASK FORCE MEMBERS

Chair

Javier Gonzales, Commissioner, Santa Fe County, NM.

Members

Alfonso Amaro, County Supervisor, Yuba County, CA.
Alfred C. Anderson, County Treasurer, Roanoke County, VA.
Patrice Bataglia, Commissioner, Dakota County, MN.
Hank Blackwell, Fire Marshall, Santa Fe County, NM.
John Brackney, County Commissioner, Chair, Arapahoe County, CO.
James E. Cadue, Commissioner, Monroe County, IA.
Joe Chekouras, Communication Specialist, Lake County, IL.
Ronald Christensen, Supervisor, Gila County, AZ.
Wayne K. Curry, County Executive, Prince George's County, MD.
Dewey Desler, Deputy County Administrator, Whatcom County, WA.
Robert Eckels, County Judge, Harris County, TX.
John Foard, Commissioner, Boise County, ID.
Anthony Giancola, Executive Director, NACE, DC.
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Angela N. Harper, Deputy County Manager, Henrico County, VA.
Chris Hart, County Commissioner, Hillsborough County, FL.
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QUESTIONING BY CHAIRMAN ROBERT C. BYRD

Chairman BYRD. Thank you, Commissioner Gonzales. The questioning will now begin, and Senators will have 7 minutes each in which to present their questions and get their answers.

Mayor O'Malley, while the Federal Government is charged with protecting U.S. ports, local governments and private sector companies are responsible for protecting individual port facilities. With my support, $93 million was included in the fiscal year 2002 defense appropriations bill for grants to U.S. seaports to protect those facilities. The President included funds in his budget for U.S. Customs and the Coast Guard, I am advised that not one dime for the grant program that was established last year for U.S. seaports. Can you clarify the role of local government and private sector business in protecting port facilities, and explain the need of local governments for such a grant program, and is there sufficient coordination among the various Federal, State, and local entities and the private sector?

Mr. O'MALLEY. That is a big question, Mr. Chairman. It is a pressing need, and I applaud you for putting the dollars into it. We have created a much better working relationship, a lot better coordination with Coast Guard and Customs in the last few months, and none of that necessarily involved money. It is just a matter of tearing down the barriers of the past and sharing information on a more timely basis. It is my understanding we have applied for some of those dollars.

Port security is a real mixed bag. We found ourselves spending a lot of police overtime, putting uniforms out there in times of heightened alert, which is not the best way to secure a big old chemical facility on a waterfront, or the other sorts of things that are adjacent to ports and come in and out of ports. We have made that application. I am not sure what the time line is. I do not believe we have seen any money for it as of yet.

We have been trying at the State level to get some legislation passed to require, for example, the railroad companies that often store chemicals right out in the open on tracks for days at a time with absolutely no perimeter security to create some better perimeter security and fencing and surveillance. Everybody seems to be looking the other way, though.

We are all trying to rush back to that warm place where we were at September 10, and it doesn't seem to me that the private sector is in any hurry to step up to their responsibilities, or to tack on these costs to the cost of doing business, but I thank you for pushing that through. When a dime reaches Baltimore, I will let the committee know, and we have made application.

Chairman BYRD. Now, you have led right into my next question. Do you have concerns about the ways in which Federal funding to address your city's new responsibilities for homeland security will

be funneled to Baltimore, and along with that, how much difference does it make to you, or to cities generally nationwide, if the funding comes first to the States, or is made available directly to cities?

Mr. O'MALLEY. Mr. Chairman, I think this is a point that we are all in unanimity on. I mean, the model that we had in the past of trying to prepare FEMA to respond after there has been a hurricane, or after a tornado, is fine for hurricanes and for tornadoes. It is not fine when we are under attack, and when everybody is waiting for another attack to come, and we have to assume, in our responsibilities in Government, that a second attack will be coming. It would be imprudent and irresponsible not to act that way.

I really want to urge the committee to try to drive forward a different way of looking at this. This is not responding to a tornado or a hurricane. This is building up the security, the intelligence-gathering capabilities of your metropolitan areas, this is about doing the vulnerability assessments, and doing those things on the front end that discourage an attack, or maybe even alert us that an attack is coming, and for us to follow that model where it goes to the States is really antiquated, outdated, and is not serving our public well.

To answer your question, Mr. Chairman, if we can all be sure that there is not another attack coming between now and whenever the State or emergency management agencies and FEMA figure it out, then it might not be as big a problem, except to our budgets, but God help us all if there is a second attack and we are all scratching our heads and wondering, you know, golly, that Federal-to-State system worked really well back in the twenties and thirties, but it is not getting the money there.

I would submit to you that because of this threat we need to forge a much closer relationship between the Federal funding that goes directly to metropolitan areas. We can handle it. We all meet as metropolitan areas already, and all of these gentlemen will tell you that as well, whether it is on our water systems, or our school systems—I mean, we have the lines in place right now. Unfortunately, there is this intercept called State government, and it acts much more as an intercept.

The reason why some of those appropriated dollars back in 2000 have not reached us yet is because there is not the urgency felt throughout an entire State about turning those plans in. You know, in other words, the Federal Government does not want to release the funds to the State governments until all of the counties cooperate and put forward an emergency management emergency preparedness plan. Well, in Baltimore with the port, with the rails, with the highways, with the airport, with all of that infrastructure running through that huge population, we turned ours around lickety-split, and we got it right in there.

In more rural counties that really was not on the top of their to-do list, so we need to join much more closely the Federal Government directly to the metropolitan areas, and we are not worried about—we think you should require certain things, that all of us have vulnerability assessments done, that we know where the critical infrastructure is, that we have plans that respond to the heightened areas of alert.

It is not that we are afraid of the accountability. We will tell you where every dime goes. But what concerns us all greatly is that we are going to be 3 years before we see the dollars that you all have been appropriating over these last couple of months.

Chairman BYRD. Mayor Guido, the National League of Cities has called for more Federal support for hometown security. What are the priorities, and what needs to be done immediately, and who will coordinate, if the States do not? Who will coordinate statewide if the States do not?

Mr. GUIDO. Well, I understand that my Governor, John Engler, was here this morning to talk about these issues and how the State would interface with the Federal Government and with the cities, but the National League of Cities' position and the U.S. Conference of Mayors and the National Association of Counties believe that the direct accountability and direct funding to cities can work and has worked in programs such as the community development block grant program for many years in this Nation.

Also, we feel that in terms of priority, Mr. Chairman, that the full funding for the First Responders Act is very key, that the metropolitan medical strike team program, bioterrorism, administered through HHS, is very important to us as well. Community policing, the COPS program I mentioned during my testimony is very important to us, the full funding for that in the local law enforcement block grant. We believe that those programs that have been developed over the years and, of course, the new responder initiative are important to cities, and cities have the capabilities to administer those dollars and make sure they get to where they are needed.

Everyone has that mental image of September 11, when they were watching television, when they saw the fire trucks pulling off, and the police officers. They were the ones that were responding, and the 9–1–1 calls come to city hall and the police department. They do not go to our State capital, so we ask you for your trust, Mr. Chairman.

Chairman BYRD. Senator Stevens.

QUESTIONING BY SENATOR TED STEVENS

Senator STEVENS. Gentlemen, this morning, it would not surprise you, that the Governors asked for just the opposite of what you have just requested, and it does seem to me that there are some instances where there are overlapping local governments, counties which have cities within them. How are we going to assure that the moneys are distributed fairly within a State, unless the State is involved?

Mr. O'MALLEY. That assumes that they are distributed, Senator, fairly within the States with the States already involved. In other words, sir, you look at what you all did with TANF funding and the welfare-to-work, and those dollars went to the States, they fell to their bottom lines, and instead of reinvesting them and making the top-notch work force that we could with this country, they were spread around like so much suburban port for pet capital programs. That is what happened with TANF, because it went to the States. It did not go to the cities that had the incentive to make the dollars count and to do what they need to do.

Senator STEVENS. As I understand the proposal, 75 percent must go to local governments, that it is up to the States to make the distribution within each State. That is the proposal that is in the budget, as I understand it.

Mr. O'MALLEY. And the eventually I think is the understood there, Senator, and that is what worries us. Eventually it will probably go to their local governments, and I would submit to you that if Congress required that there be metropolitan councils in the top most populated areas of the Nation, we could put that together instantly with our partners. We could come up with the plans. We could submit to you the detailed vulnerability assessments and all of those things.

I think there is a role for the States to play as a backstop, if you will, for the less-populated counties, to make sure that they get the training that they need, and again emphasis, that they need, but if we continue to go this route where things go to the State first, you are going to see all of the same supplanting issues that we saw with welfare-to-work, you are going to see years and months of delay, and you are not going to rush these dollars to the front to defend the American people in our population centers.

Mr. GONZALES. Mr. Chairman.

Chairman BYRD. Yes, sir.

Mr. GONZALES. I was just going to say, Senator Stevens, that right now counties and cities through local hazardous management plans, actually conduct a lot of the work that could receive these Federal dollars. Our focus is always about making sure that when that attack takes place, and we have been told by the President and Director Ridge that it is going to happen, that our fire officials, that police responders, that our public health agencies are fully prepared and capable of protecting the American public.

The best way of making sure that that protection takes place is to directly fund those agencies and not let any of that money get lost in State bureaucracies, as Mayor O'Malley indicated, or the politics of a State, and I think from our standpoint we are hearing from our fire chiefs and from our police chiefs and our public health agency saying we are ready to protect our communities, we are ready to do our part in homeland security by gathering intelligence, interpreting it, sharing it with the FBI and the appropriate authorities, but we need to make sure we get these resources in hand so that we can work collectively, and I assure you, oftentimes you may see the cities and the counties are at odds.

When it comes to the issue of homeland security, you are going to see enormous collaboration taking place, not only between cities within counties, but multicounty jurisdictions, but it is the old adage that we believe that at the local level we can best determine how to fulfill the needs of our communities, and that is the same issue with homeland security.

Senator STEVENS. Well, do not shoot the questioner, but it does seem to me that your proposal is that every city, every county in the country should be prepared to have a terrorist event sometime within the next year, and we should be prepared to meet that. Now, that is not within the scope of the risk. There is serious risk that we are going to have terrorist events, and we do not know exactly where they are going to happen, but I think we can get some

risk assessments where intelligent people think that will take place.

But why should we use Federal taxpayers' money to make every city and every county in the country ready for a terrorist event, when the number of terrorist events is going to be very limited, if any?

Mr. GUIDO. Your point, Senator, is very well taken, and believe it or not, Governor Engler and I get along famously, and we do talk to each other and we do interact with each other.

I think the point we are making is, we believe, as you are saying, that there needs to be regional cooperation. Every city cannot be fully equipped for every event that could happen. We understand that. We know that.

Senator STEVENS. But who is going to make that determination, FEMA, or your Governor? I say I would rather have it made in the State than have it made in Washington. Do you disagree with that?

Mr. GUIDO. No, we agree that there is that element of local control. We were just hoping that we would bypass the State capital.

Senator STEVENS. Well, I do not know how you make the decision State-by-State unless it really funnels through the State, unless you let FEMA make the decision for you.

Mr. O'MALLEY. Mr. Chairman, can I try? The CDBG dollars, the community development block grant funds go directly to the cities, Senator, and I think that as urgent as those dollars are needed, these dollars are needed more urgently.

Senator STEVENS. Well, I agree, in most instances CDBG grants are analyzed here in the Congress, and we spread them out, but as a practical matter, what you are saying to us is, every city should be prepared to meet terrorism now, as though that kind of event is going to happen in every one of the 80,000 cities.

Mr. O'MALLEY. I think that every Senator—Senator, I think what we are saying is, every city needs to be as prepared as we can possibly be, and I think our National Government, based upon the population centers of this Nation, needs to urgently drive those dollars to those population centers.

Senator STEVENS. Let me just be another advocate, and that is for that Federal taxpayer. We are going to expand the Federal taxpayer's expense for homeland security and defense at a fairly enormous rate in the next years.

Mr. O'MALLEY. Well, sir, we have already——

Senator STEVENS. Just a second here.

Mr. O'MALLEY. Yes, sir.

Senator STEVENS. Are you going to expand the contribution to the cities and counties, or are we going to pick up that expense that is going to take place.

Mr. O'MALLEY. Sir, we have already picked up that expense, and frankly, sir, it is being borne by the people in this country that have the least ability to pay for it. It is being borne by taxpayers in America's cities, many of whom are poorer than people who live in the suburban areas, and right now what this country is doing is asking those who can least afford to pay for it, to pay for it.

We are closing schools, we are closing libraries, we are trying to keep after-school centers open, and we are doing it because we are

funding overtime costs for our police to protect things that the Federal Government has not stepped up——

Senator STEVENS. I do not buy that. We are not in that kind of thing. We are not asking you to do it all. We are just saying, why should the Federal taxpayer do it all?

Mr. O'MALLEY. I think we need to do it together, sir, because we are Americans, and I think that is what is required right now.

Mr. GUIDO. Mr. Chairman, I think that the proposal does include a match, which we do not really agree with, but you know, we understand that we have to come to the table with something, and as Mayor O'Malley mentioned we have to date borne 100 percent of the cost for this preparedness.

Senator STEVENS. I have got some areas in my State that do not have any tax base at all. The 25-percent match is just impossible in many rural areas of the country, and that is why it is unfortunate the way—we have got to look at that, too, mayor.

Mr. GONZALES. I agree. Can I just say two points real quick, Mr. Chairman, Member Stevens, that in this all-hazards management plan, a part of the planning that we are calling for, we would be doing assessments at the local and the regional level to assess how vulnerable we are to a threat, so that all that assessment, all that planning is going to be done prior to spending any money, so we prudently spend any type of block grant that is coming down.

You are correct, not every community is vulnerable as the next. In New Mexico we have several Federal installations, the Los Alamos Laboratory, the Sandia Laboratory, we are a border State—I anticipate that our State could be potentially very vulnerable. That may be different from another State, but what we are calling on is for the use of these monies to be going toward pre-planning activities, and during those planning activities we will be able to identify the threats and the assessments that are facing communities.

In addition, the 25-percent match is also a soft match so that a lot of our rural counties who do not have the hard cash to pay for this will be able to use in-kind services towards meeting these block grant needs.

Senator STEVENS. I agree with that approach.

Thank you very much.

Chairman BYRD. Thank you, Senator.

Senator Mikulski.

QUESTIONING BY SENATOR BARBARA A. MIKULSKI

Senator MIKULSKI. Thank you very much.

Mayors, I can see listening to you why your constituents elect you. You are compelling advocates for them, and Mayor Guido and Commissioner Gonzales, I know that both of you also have a family heritage of community service. I noted that both of your fathers also held elective office, so you come with a lot of experience to the table, in addition to my own Mayor O'Malley.

So I am learning a lot. Mayor O'Malley has been a great teacher, but Mayor O'Malley, I want to go to a question to you about funding, and then Mayor Guido to you and to Mayor O'Malley about double value.

Mr. Mayor, when we talk about the city, about the Federal Government helping cities, or communities, right now we are doing individual programs, a type of fire grant program, which is to help first responders have the right equipment, protect the protector as well as the right equipment. Then we are talking about the homeland security block grant program, which would be 70-plus percent coming to the local governments, 30 to the States.

From your perspective, what would be the best way to be able to fund local communities, keep it at individual grants, like first responders, the police grants, or do you think a block grant, or do you think you need both?

Mr. O'MALLEY. We are playing stump the mayor here.

Senator, I think the notion of having specific programs as far as the equipment goes and the preparedness things are not bad ideas provided they can be done quickly.

With regard to block grants, the biggest cost we have incurred is police overtime costs at these heightened states of alert, and I know there is kind of a cultural aversion here to ever getting involved in that thicket of funding police overtime, but those are the homeland defense soldiers, you know. It is our officers that are out there. I would defer to my colleagues' thoughts on that issue.

I think some of these things with regard to equipment and capital expenditures probably are best done on a programmatic basis, but we do need direct block grant funding when it comes to these overtime costs associated with large events. We have several in every city. Whether it is Superbowls or whatever they might be, every city has its own events, and we need that flexibility on the policing front, because this is a huge unbudgeted cost that we have not prepared for.

Senator MIKULSKI. But that is not a block grant. That is a police overtime bill.

How about you, Mayor Guido, or Commissioner Gonzales, and if you could—because I think Senator Stevens raises very important issues. Number 1, those communities are the greatest strength, but when we are talking about the bucks to be spent, I am of the belief, and I wonder if you share it, that this could be a double benefit.

In other words, when we provide the firefighter with better equipment, whether it is a chemical fire in Baltimore by accident, or by malevolent attack, that firefighter is ready to deal with it. But he is also, or she is ready, to deal with all the other fire incidents that come up in the Baltimore area, the same way with public health and that rather tattered infrastructure.

Mayor Guido, what about you? You are from Dearborn, you are next to Detroit, you face a lot of the responsibilities.

Mr. GUIDO. Yes, and first let me congratulate you on giving everybody the correct Italian pronunciation of my name. The people in Dearborn say Guido. As long as they vote for me, I go with the flow. I have been Mike Guido for a long time.

Senator MIKULSKI. Well, when I go to Richmond, Mayor O'Malley is there and they call me McCloskey, but it is all right.

Mr. GUIDO. Thank you very much. We understand that when we are equipping fire and police officers it is not just standing by the station waiting for that terrorist attack, and they have regular work to do, and so the benefits, the residual benefits of funding

where we are buying this equipment can be implemented for regular day-to-day tasks, and I think that your point is well-taken, that on a broad scale when we are preparing for homeland defense it could be a myriad of issues and incidences that we would respond to, so when we talk about the COPS program, it was a one-page application, very simple, it worked, crime dropped substantially, the money went directly to the city, it was something that we had worked on with Members of the House and Senate, over the years it passed, and it was implemented in the cities.

The same with the block grant program. We are responsible for audits and for implementing those dollars, and when Senator Levin or Senator Stabenow or Congressman Dingell or my Congressman come back home, we can point to things that we have done with those dollars directly for the cities, and we share those issues with them and those successes with them, and we are saying here that we can do the same thing with homeland security dollars.

Mr. GONZALES. Senator, I just want to say on two things, you bet it is a double benefit, but in particular on the public health area, where we see enormous deficiencies that exist in that area, if at a minimum we upgrade our public health systems so we can treat our indigent and poor people and mid-level income people with a good level of care, that is a good thing that jointly the Federal Government and local governments can do.

In New Mexico, Senator Domenici has been a huge champion in fighting black tar heroin, and even with all the money he has been able to bring home to New Mexico, we continue to have those issues. With money like this, we will be able to enhance those systems of treating people in Northern New Mexico just because we have a better, stronger public health system that is preparing for, potentially, if we have some type of terrorist attack against Los Alamos Laboratories, where this issue exists.

Senator MIKULSKI. Well, thank you.

Mr. Chairman, thank you.

Chairman BYRD. Thank you, Senator. Senator Domenici.

QUESTIONING BY SENATOR PETE V. DOMENICI

Senator DOMENICI. Thank you very much, Mr. Chairman. I stayed this morning for quite a while, but I could not, under the circumstances, wait my turn, and so I thank you for the opportunity to speak for a moment this afternoon.

I would like to call to your attention and to your staff's attention existing law that provides the framework and the money for 120 first responder cities in America right now. We may not even know that we have got that, and we have, your city, Baltimore, has received a substantial amount of money, and has had your officers trained as first responders.

You also might find it interesting that that same law, called Nunn-Lugar-Domenici, adopted on the floor of the Senate as an amendment, so you know we worked on it for a long time, provided for a White House appointee of the President to become the czar of the program, and President Clinton would never appoint him.

As a consequence, this money floundered until one of these subcommittees of appropriation, I believe Senator Gregg's subcommittee, decided we had to get it done, and at this point we

spend half of it through the Department of Justice, who took over a piece of it, and we spend another big portion of it through the Department of Defense, but I think it would be interesting for us to know as a committee how the 120 cities got selected, and how the money got distributed to them under this bill, because it totaled over $260 million. It is not peanuts.

Also, it does not provide for follow-on, so there is an issue right off that we ought to look at. The cities that have been prepared cannot expect to be kept current, but if they have done it right, they bring their law enforcement, their communications, their hospitals, their doctors, their policemen into a plan.

New York had one, so you see, it does not stop everything, but it was there, and it was pretty effective, from what I understand, to get people working on it.

So I think that some footprints have preceded us in terms of how we would distribute the money.

I would also say to the distinguished mayor, and he wants to speak, and I will recognize him, or you will, Mr. Chairman, in a moment, but I just wanted to say he is wrong in his definition of community development block grants.

Chairman BYRD. Which mayor are you talking about?

Senator DOMENICI. The mayor of Baltimore. That is a combination program, where 25 percent of it is run by the Federal Government, and 75 percent of it is doled out pursuant to a formula, so it is a hybrid, and this is not something in drafting legislation that we are neophytes at. We spent the whole period of time—when Lyndon Johnson had his Great Society, we spent billions of dollars and had figured out who gets it. Some of it was formulated, some of it was competitive. If you had an urban renewal grant, you did it by competition, then the question was, how much politics was involved in that.

So I just recall that for your staff and ours, and certainly Ted Stevens and his staff would be aware of what has transpired.

Chairman BYRD. Thank you, Senator.

Senator DOMENICI. Then I would like to make a couple of points about this first responder law. I think you have been very concerned about who is going to run this program, and we have been talking here, you know, are we going to run it through a whole batch of United States agencies who just happen to have the money, or are we going to run it all through FEMA, or are we going to run it through a new grant program that we set up? I assume these are tough issues for us to do in a 3- or 4-week period.

Some of it is not going to be done so well, because we are not going to know enough, but I believe the President's approach for starters is pretty good. We will have to look at it carefully as a result of all the evidence we gather, but at least they have gone through and taken a lot of evidence as to what is going on out there, and even if you use our committee for another seven or eight hearings, you know what we are going to get, we are going to get a good 30 minutes of facts as the rest of the meeting takes on its normal course.

I would like to ask that the mayor of Baltimore, first, for all your talent which you display here in front of us, and what I read about you, I do not think you know everything about managing cities or

States, or the relationship of cities to States. I mean, I am not even going to ask you how long you have been at it, because I do not want you to tell us how short a time you have been at it, which might indicate that I know a little bit about you.

I was a mayor of a city before I came here. We happened to have the whole Great Society then, so our city became a huge, successful grantmanship city, and we were so good at it that we got lots of things, and we got them direct from the Federal Government, but now I have a question, as we proceed with this, who is going to tell us the best formula for distributing this? Is it because a State has a certain population they are going to get a bigger piece, or what about a State like—I will just give you one, New Mexico.

It has 1,700,000 people, but it has two of America's nuclear laboratories, both of which have 8,000 scientists and engineers, and plenty of things that the enemy would like to fool around with, plus the only underground disposal facility for nuclear waste—although it is low-level transuranic, it is there, it is the only one—plus a lot of other things.

I think there was a recent account that maybe half the nuclear weapons that the United States has might be in the mountain there. That is a newspaper story of a couple of weeks ago.

So they deserve a little bit different attention, it seems to me, than Nebraska—that just comes to my mind—with huge, huge portions of it in agriculture with only a few communities.

So I think these are issues that I cannot answer today, and I regret to say that I do not think these gentlemen can answer them, either.

Chairman BYRD. They can help us, though.

Senator DOMENICI. They can help us, so now, you wanted to speak, Mr. Mayor.

Mr. O'MALLEY. I wanted to thank you, Senator. The funding that you got to us—we were 1 of the 120 that received it—that was in the first round.

Now, in the first round funding, a lot of cities through that bill, which might be the better prototype—and I do not claim to know a whole lot about anything, which is why I am in elective office—but that first round funding, sir, came directly to cities, and you helped us a great deal, because our fire department, because we were able to apply for it, we got the training right away. That was one of the reasons we were able to handle that chemical fire in the CSX tunnel as well as we did, was because of that funding.

Now, after that first round, though, for some reason—I do not know if it was—I think it was legislation sent it directly to the States, and those were the dollars appropriated back in fiscal year 2000 that still have yet to reach us now, so that very example that you give I think is a good one. You all had it right when you were doing it in those first round things because it was getting directly to us. For some reason now it has been kicking around in States for 3 years.

As of September 12, 46 of our Nation's 50 States had yet to submit their comprehensive plans for accessing those dollars that you all had appropriated a few years ago, so that might very well be the best case study for how we go about skinning this cat.

Senator DOMENICI. Thank you, Mr. Chairman.

Chairman BYRD. Thank you, Senator. Thank you, mayor.
Senator Landrieu.

QUESTIONING BY SENATOR MARY L. LANDRIEU

Senator LANDRIEU. Thank you, Mr. Chairman, and let me commend you for calling this very important hearing. I was able to be here this morning just for a brief time, and I had another hearing that I was actually chairing that had been scheduled for quite sometime, but I wanted to be here as much of the day as possible to support our chairman and our ranking member in this effort, because I just think it is critical.

Let me say, before Senator Domenici leaves, and I am sorry Senator Stevens left, I do understand their frustration, and I want to honor the work that they do in so many areas trying to distribute resources to local, State, and Federal agencies. But I would want to suggest for consideration that we may be in a completely new world here, I was very moved by the testimony, Mr. Chairman, of Ashton Carter this morning, the doctor from Harvard. I do not know if you mayors were able to hear him, but I want to support very much the positions that you all have laid forward this afternoon. Based on the testimony that he presented this morning, Mr. Chairman, which is that truly we are in a totally different position.

Maybe not since the Civil War, since we fought on our own territory, do we have to completely rethink our whole strategy of national defense and national security. For over 100 or more years we have always thought we just had to support these efforts and fight a war somewhere else, but we are truly, Mr. Chairman, fighting this war on our own territory. We have never hesitated, as a Federal Government, not in any war we have ever fought, to give people on the front line everything they need to win. It is what America does. We do it better than anyone else, and I do not know of one period, except maybe in Vietnam where we were very confused and not clear about what we were doing, did we hold back. But in World War I, and World War II, we gave the front line everything we needed.

These cities are the front line. Afghanistan is not the only front line. The Mideast is not the only front line. These cities that, Mr. Chairman you know so well, are the front line, and so we have to rethink. This is not just a new Government program. This is not charity to local governments. This is national defense writ anew, and I thought the testimony this morning was compelling, and it was urgent, and when you couple it with the new weapons that are available, when you couple it with the mind-set of these terrorists, when you couple it with the strength of these weapons, it is frightening to me what local officials have to bear up under every day, knowing what could happen in their city.

And I want to repeat for the record, when people dial 9–1–1, they do not get a Governor, they do not get a Congressman. They get a mayor. They get their local police and their local firefighters, and I do not want this committee, I hope, to lose sight of that, and to think about the fact that we have to support the front line.

Secondly, I want to go strongly on record as discouraging us from suggesting in any of our legislation any local funding matches unless they are absolutely necessary. And Mr. Chairman, you know,

because you represent a relatively poor State of West Virginia—I represent a relatively poor State of Louisiana, some of my vulnerable target-rich areas are very poor. They could not put up 5 percent of the match if you asked them, so by requiring any match requirement, you have basically shut them out of any protection. And what you end up having is what the mayor of Baltimore is trying to say, the perverse program where you have the poorer people of the country substituting wealthier counties getting the money because the poor counties and the poor cities cannot get it because they cannot put up the match.

So first of all I suggest that we rethink the whole paradigm, recognize them as the front line, which you have done almost better than anyone here, Mr. Chairman, and I want to commend you for that, and your valiant efforts that the chairman has put forward on this effort. There is no one to his measure in this Congress on this particular issue.

And to also really ask this committee to be very clear about what happens when there is a 25-percent match, and let me just say, because this is a pet peeve—my staff knows this, and I want to just get another minute on this.

If we are going to have a match, then we should have a differential match. The poorer counties should put up maybe 10 percent—the second highest, you know, the middle third should put up maybe 10 percent, or zero for the poor, 10 for the next, and 20 percent, so you have a differential match if we have one at all, but to ask everyone to give 25 percent just gives the richer counties and richer cities the ability to get the money, and leaves the poorest people completely out. That is not fair.

My question would be, after all of that, to say I support you in almost every aspect of what you testified for. Could you both or all three explain, and just briefly, how you get your best practices so we can be sure that the money that I am hoping that we can get to you directly, quickly, ahead of time so you can be ready, so that we do not melt-down, you know and cause general panic, which would completely do what the terrorists want us to do, and hold up under great attack. How do you get your best practices, so you can be sure you are not duplicating among counties and cities? What is going on now, if each of you would just answer briefly for a minute.

Mr. GUIDO. Thank you, Mr. Chairman, Senator Landrieu for your comments. Right now, amongst counties and cities across the country we have an all-hazards management plan, and in that planning process it requires that a level of coordination amongst multiple cities and multiple counties take place. That is what needs to happen at a bare minimum as we go forward. Cities cannot do it individually, and counties cannot do this individually, it has to be a collaborative effort.

I appreciate your focus on rural communities and poorer communities. Two-thirds of the American population reside in rural counties. Those counties need to make sure that they have adequate protection as well. Those counties are committed to working collaboratively and ensuring that they protect their communities just as much as the urban communities that are doing it, but counties

and cities recognize that they are not going to do it individually. They are going to do it from a regional standpoint.

And in that regional standpoint, we will be able to address some of the concerns that Senator Stevens is talking about, threat assessment, how vulnerable are we, where do we put our money, and we know at a minimum we need to be able to tie our communications systems together, we need to tie our databases together, we need to have a mechanism where we can evaluate information and respond to it, and that is not going to take us doing it individually, but collectively, so I can commit to you today, at least what we know from our organization, those best practices, our communities know that they need to work in a collaborative nature to be able to respond effectively to any type of homeland security threats.

Senator LANDRIEU. Mr. Mayor.

Mr. O'MALLEY. Senator, as briefly as I can, we are very lucky in Baltimore that we have located in our city the Johns Hopkins Center for the Study of Civilian Biodefense, so we really followed their lead and advice when we set up our own biosurveillance network. We had Johns Hopkins Hospital to step up as a leader to help all the other hospitals with bioterrorism plans, and that biosurveillance network goes on, that surveillance system is up and running every day. Our health commissioner gets those numbers and passes them on to the State.

On the security front, we are lucky to have recruited a police commissioner out of New York City, Commissioner Norris, who had a lot of training up there with regard to this, and we hired a couple of specialists, one a retired FBI intelligence person to help us put together a metropolitan intelligence network, if you will, that coordinates all of our partners in that information-sharing process as well as INS, Customs, and all those other folks.

We also recruited a gentleman named Lou Anamone, most recently, I think, a deputy commissioner I think for operations in New York, to do a professional vulnerability assessment of the critical infrastructure of the chemical companies and those things, and with regard to the response functions of the fire department

Senator LANDRIEU. Let me just ask you on that, did you pay for that yourself——

Mr. O'MALLEY. Yes, ma'am.

Senator LANDRIEU [continuing]. Or did you use some of our money? So you used your own money to do your risk assessment.

Mr. O'MALLEY. Yes, we used our own money to do that.

The fire department, they are professional people there, and as I mentioned earlier, thanks to help from the Federal Government, they availed themselves of the chemical preparedness, and also folks up the road from us at the Aberdeen Proving Ground have worked very hard and helped us get prepared on that score, so we just kind of gathered together the best experts we could find, followed their advice, and I am glad to say that whenever these news agencies do ratings among cities, we always score high amongst the most prepared.

Senator LANDRIEU. I know my time is up, but I do not want to take Senator Dorgan's time, so if you could just submit that for the record in writing, the question, mayor, and let me just close with this. I chair a subcommittee on Armed Services, involving Special

Operations, and one of the great things we did, Mr. Chairman, on Special Ops, was to basically give them a pool of money that Special Ops could just go to directly and draw down when they had to make a battlefield, when they had to win the battle.

We may need to think of the same sort of thing for cities that are on the front line of these attacks. And I do not know how it would exactly be set up, but again that is just an example of out-of-the-box kind of thinking, and it is why we are winning the war in Afghanistan, because of that funding mechanism that has been very helpful that was developed over several years here in the District of Columbia.

Thank you.

Chairman BYRD. Thank you, Senator, for good questions and an excellent statement.

Senator Dorgan.

QUESTIONING BY SENATOR BYRON L. DORGAN

Senator DORGAN. Mr. Chairman, thank you very much.

Let me ask the mayors and the commissioner, at what point will you say, following substantial work, that we are prepared? Is there a checklist? I mean, Mayor O'Malley, when will you say, we are prepared?

Mr. O'MALLEY. When there is long-term sustained funding for some of the health efforts in the biosurveillance networks as well as the epidemiologists, and those folks that have to respond, when there is some funding mechanism in place for us to be able to fund the police overtime costs associated with heightened states of alert without having to do it entirely, 100 percent with local funds, and you know, when our police, when our fire department has the equipment that they need to handle two simultaneous events, rather than just one accident, which is what we have the capability to do now. Then I would consider us pretty well prepared.

Mr. GUIDO. Mr. Chairman, Senator, I would say that along those lines, I would just reiterate, we need to integrate our databases, our methods of sharing information so that we can integrate our communications systems, so when we respond to any types of events we are doing it in a coordinated effort. We need to be able to establish regional relationships just as we saw on September 11. Thirteen counties responded to the accident in Somerset County. Those counties had practiced, they rehearsed, but they had the equipment in place, they were all in the same level when they were responding, and while unfortunately they could not save lives, they came pretty close, as close as they could, considering what had occurred.

So I would say we need to get to the point where we have these regional relationships, where we have the equipment in place, where we are sharing methods of gathering intelligence, analyzing it, and using it to minimize the risk and the threat to our communities. I do not know if we will ever get fully prepared, but there is a lot we can do.

Senator DORGAN. Well, commissioner, on that point I think that even prior to September 11, one would have, for purposes of dealing with other emergencies in cities and counties, wanted to have

a communications system that is seamless and that works between a county and a city and some other jurisdiction.

Senator Domenici was asking, I think, some pertinent questions. How do you get to that point? Who coordinates the requirement to get to that point, because you have a county government over here, they like this communications system, they go to this vendor and they create their communications system based on their set of needs, and they have a city over here, they have exactly the same needs, they have someone else in charge, they like a different vendor, they create a different communications system.

Who drives this to the conclusion that you ought to have commonality—notwithstanding just September 11, but the normal kinds of emergency functions for which you are required to be a first responder?

Mr. GONZALES. I would submit to you, Senator, that we do it at the local level, that we need to do that.

Senator DORGAN. But you are saying you need to. I understand that.

Mr. GONZALES. Granted, I would say in the past we have not done as well as we could have. In fact, when you consider Los Angeles County, there is 80-plus cities that are within Los Angeles, all the different communications systems and different methods of gathering information. We need to move to a new way of thinking about—as Senator Landrieu indicated, we are in a new day. We are responding to potential threats that could affect our communities, which means that this collaboration needs to happen at the local level, and I believe at the local level mayors, county officials, and public health officials know that we all need to be on the same page.

Senator DORGAN. I accept that, but I am wondering how it is going to be—how are you going to force the issue, because I am guessing last July if you were a local government and deciding on a communications system, you would have had the same need with respect to emergencies. In Minot, North Dakota recently we had a couple of cars on a train derail and release anhydrous ammonia, a very serious problem. So all of these needs have existed prior to September 11.

September 11 has clearly changed the circumstances. I understand that, but I am just trying to see who is going to force this? Who is the coordinating force that requires this to happen?

Mr. GUIDO. Let me just mention about the communication issue, because it is very important, and this Friday a task force on interoperability will have its first session here in Washington, and I will be one of the members of the task force, but we will be developing policy at a Federal level for States and local government to set aside spectrum for emergency communications, and September 11 only just created the urgency, I would say, for establishing that.

It has been something everybody has thought of and talked about, but there has never really been this coordinated effort, but this will be a Federal policy that will be implemented on a national level, and certainly will need the support of the Senate and the House and the FCC in taking that spectrum and setting it aside for public safety.

Senator DORGAN. Well, you understand the import of my question. I am just trying to understand how this happens. Does it emerge, or is there some driving force that requires this to happen? If so, what is that force?

Mr. O'MALLEY. I would submit to you, Senator, that I think that the Federal Government, that the dollars that the Federal Government could devote to this also have the requirement that the States come up with plans that make it really work, so you do not get into the issue of, well, this county commissioner wants it to go to his brother-in-law, and somebody else wants it to go to this contractor. I think you can set that up as part of the prerequisite for that—your question is a good one. I mean, without a Cabinet Secretary, Cabinet-level person for homeland defense really driving this with authority, it is difficult.

Senator DORGAN. So you are asking for strings.

Mr. O'MALLEY. Yes, sir. I think there needs to be. I mean, when you talk about the issue of interoperability, I understand Maryland has got some dollars for that. We already have it in Baltimore where our fire and police invested a lot of money in it a while back, because of precisely what you were saying. We knew we needed that anyway, but expanding that to the whole metropolitan area, I think yes, put the strings on and force us to do what security demands.

Senator DORGAN. Let me ask about the Office of Homeland Security. Can the three of you tell me of your connection with it? What kind of communications have you had, where have those communications taken place, and essentially, without disclosing anything that would be confidential, what have the communications been?

Mr. GUIDO. Mr. Chairman, we have been very pleased with our interaction with the Office of Homeland Security. I would take 20 seconds just to go back real quick. We are responsible for implementing it. We are responsible for driving the integration of these issues. We need to do that, through the conduction of emergency management plans be able to draw the road map where we will be able to integrate our systems.

So back to the issue of the Homeland Security Office. Governor Ridge has offered many invitations that we have accepted to advise and to be a part of how they developed their security threats and what ways they can best communicate with local government officials so we can adequately prepare our communities for any issue that may come their way and, in fact, on April 25 we have been invited to come back to sit down with the Governor and do a review of these threat assessments and determine what we can do to establish a more coordinated effort between his office and local governments in terms of disseminating information, providing feedback to him so hopefully he can do his job for the President.

Senator DORGAN. Yes, I guess I am asking in a more specific way. Governor Ridge has been charged by the President to be the head of Homeland Security. We are not quite clear whether this is an operational role or an advisory role. It is not quite clear to me exactly what that role is. He does not head an agency, although he has requested, I believe, in the White House budget request $24 million for his office.

I am trying to understand—and this is not an implied criticism of anything or anybody—I am just trying to understand where we are, what kind of coordination exists, how that coordination relates to your role.

Mayor Guido, tell me about your city and your role with respect to the Office of Homeland Security at this point. Is there an operational role from that office to yours?

Mr. GUIDO. Well, we certainly had the opportunity to meet with Governor Ridge and his staff, and they have been both open and very cooperative.

I think what we are trying to do is establish policies and procedures, protocols for responding to a terrorist event or other emergencies that would be on a local level, and I think that Governor Ridge has been very open to our suggestions for how to prepare for those things, and I think that over the course of the next several months we will probably have some planning in place. That is the charge that I have for the national League of Cities, is to develop some kind of template that cities can apply for homeland security.

Senator DORGAN. Would Governor Ridge, for example, from the national Office of Homeland Security, be developing a template for communications that he would say to your city and your county, here is the way you have to develop a communications system that allows you to communicate with one another?

Mr. GUIDO. Well, I think overall that would be the optimum goal, that every city in this country is prepared and has a specific way to deal with these issues, and I think that ultimately it would be incumbent on the Director of Homeland Security, Governor Ridge, to provide the types of measures that we need to implement.

Senator DORGAN. Mayor O'Malley.

Mr. O'MALLEY. Yes, the Conference of Mayors believes that position should be an operational one rather than just an advisory one. The Governor very kindly met with us back at the White House a few months ago and included us on a conference call when they came up months later with these heightened states of alert, but I think, Senator, you hit the nail on the head. I think as we struggle with this, I think Governor Ridge is a very decent man who is trying as best he can to take an advisory role and make it operational without having that defined in a budget.

Senator DORGAN. Mr. Chairman, I think my time has expired, but I ask these questions only because I think the question of how we do what we do is very important. At the end stage I think you all have described what you think we need to have done here, and I certainly agree with that, and you all are the first responders, there is no question about that.

When something awful happens in this country, the men and women in your fire departments, emergency response, police forces are going to be the first responders, and we need to help you prepare them for that, but also there needs to be, it seems to me, some kind of operational role here for a national homeland defense system that says to you in New Mexico, and you in Maryland, and the counties and cities, you have got to have compatible systems, and you have got to have plans and approaches that allow all of us to work together in a seamless way to respond to these issues, so I

appreciate your answers. I think they are very helpful as we think through these.

Mr. Chairman, once again, this is an excellent panel and I think contributes to this discussion in a very significant way. Thank you.

Chairman BYRD. Thank you, Senator Dorgan.

Senator Inouye.

QUESTIONING BY SENATOR DANIEL K. INOUYE

Senator INOUYE. Thank you, Mr. Chairman. I am sorry I had to absent myself. I had some other emergencies.

The Director of Homeland Security has to coordinate agencies and subagencies from 81 different groups, and I suppose in that sense he is a very important Director. When you have problems on homeland security, who do you think of calling, the Defense Department, or FEMA, who do you call?

Mr. GUIDO. That is a good question, Senator. I mean, I think right now, when the American people have concerns about homeland security they are calling their fire and police officials.

I think for local government, at least in our case, it is a wait-and-see who is going to have authority in providing the guidance. You know, is it going to be FEMA in the end that is going to distribute the money and provide guidance on how it can be spent, is it the Governors, is it the Office of Homeland Security, and so I think from our standpoint we are hopeful that it is a single agency, that the money that comes down will come down as flexible as possible, and as quickly as possible, but right now, it is at least on my part it is a wait-and-see as to what the Federal Government, where this issue of distribution of funds and criteria on how they are going to be spent, where it is going to be coming out of.

Senator INOUYE. So as long as you can get it from 81 different agencies——

Mr. GUIDO. Yes, and consider many of our rural communities, who have to go to 840 different agencies just to ask for all the funds that are available for them, so we are hoping that we can get that consolidated for one point of distribution.

Senator INOUYE. Mayor O'Malley.

Mr. O'MALLEY. I was hoping you would skip me. Right now, we call the people who have proven themselves the experts in the advice category. We really have nobody to call for money. I mean, we can jump up and down to our local emergency management people and maybe to—whether it is DOJ or Defense Department, it always seems so confusing to remember who is in charge of which program.

On September 12, the person I found that gave me the best advice was your former colleague, U.S. Senator Gary Hart, who with Senator Rudman chaired the Commission on Security Needs in the 21st Century, and the advice he gave me was advice we have continued to follow, which is to do the very best we can with the experts around us, because it will take our Federal Government a long time to catch up to this.

Senator INOUYE. Are you satisfied with the work of the Office of Homeland Security?

Mr. O'MALLEY. Senator, I think that Governor Ridge is trying very hard. Shortly before you came in, Senator Dorgan's question

asked, you know, if that were an advisory role or an operational role. I think it is an advisory role in search of operational powers, and he does not have those operational powers, and I think that it is difficult to ask a person to do things without giving him or her the power to do it, and we have not given him the power to do that yet, and nor has the President, apparently.

Mr. GUIDO. This is a relatively new phenomenon, Senator, as you know. I mean, we are reacting, and things are evolving on a daily basis, but the point is that we are the first responders if there were an emergency for any incident, and we are trying to put together plans that would make cities prepared for such an event, and who do we call if we need assistance? Obviously, we rely on the Federal Government for help.

A lot of different agencies within the Federal Government will have money within their budget for homeland security, if you will, and I am assuming that cities will still have the opportunity to apply directly to those agencies or departments for grants for issues that may relate to homeland security or biohazards or other things that different departments deal with, but it is an evolving program, and there are really no specific answers at this time.

Senator INOUYE. Well, I thought it was very clear for anyone who watched the events unfold on September 11 that the forces you command were the front line troops, and as front line troops I think you should have the funds go directly to you instead of going up to the Supreme Commander and filter down, so we will do our best. I will do my best, and we are hoping some day the Director of Homeland Security will come and testify. We would like to know what his office is doing. But I am glad the mayors are here.

Thank you, Mr. Chairman.

Chairman BYRD. Thank you, Senator Inouye.

QUESTIONING BY CHAIRMAN ROBERT C. BYRD

Now, earlier, Commissioner Gonzales, my time of 7 minutes did not allow me to ask you a question. One of the National Association of Counties legislative priorities calls on the Congress to enact a new local antiterrorism block grant at a minimum of $3.5 billion, I believe, to comprehensively fund county and municipal law enforcement and public safety agencies and programs. Does the President's first responder initiative address this need?

Mr. GONZALES. Mr. Chairman, I believe it does, but our proposal is a little bit different from the President's, as it was indicated today. The President is proposing that the money go to the Governors, 25 percent will stay in the States, 75 percent move down to the local communities. Our proposal calls on the Federal Government to make a direct allocation to local communities. We feel at the local level we are best capable, through existing infrastructure, to be able to determine how the moneys will be spent.

We are extremely concerned that the Governors will use this money to either supplement other revenues that are due to local governments, or that they may use it to leverage other resources, or who knows what might happen, and they may use it for the right purposes, but I think for the people on the front lines—and I am talking beyond the policymakers. I am talking about the fire chiefs and the police officers, the public health officials. To them,

all they want to do is make sure they have access to the funds so that they can develop the coordinated effort to get access to the tools to properly care for their communities.

It may happen to the route that the President is proposing—I agree with Mayor O'Malley, our big concern is that that may take 2 or 3 years by the time it makes it down to the local communities, and it makes it very difficult to coordinate responses when that funding is coming down at different levels and at different times, and it is very sporadic, and so how do you promote regionalization when one county gets the money at one time of the year, another county gets it at a different time, and it is very inconsistent, so we are wanting to see if we can get past that and find a direct allocation in the most simple manner that is the most flexible.

Chairman BYRD. In the event of a bioterrorist attack, do county hospitals across the country have the capacity to treat a sudden surge of patients?

Mr. GONZALES. No, sir. No, sir, county hospitals do not have the capacity at this point to fully care for anyone who might impact some type of bioterrorism incident. We know that the majority of our county hospitals do not have the capacity, they are underfunded, they are undertrained, they are understaffed.

Senator, we heard from one emergency management official in Iowa who said he had a three-point plan, and he is coming from a rural county, and his three-point plan was to pick up the phone and call for help, the second point, hope somebody comes, and his third point was that he was going to stack the body bags in the gym.

That is the reality that exists in many rural communities and many county public health facilities. They do not have the adequate capacity to deal with caring for their communities. They certainly do not have the adequate capacity to deal with a bioterrorism impact on their communities.

Chairman BYRD. Mayor O'Malley.

Mr. O'MALLEY. I would agree with the commissioner. It depends on how sick people are. We certainly are better prepared now than we were just in terms of coordination and running scenarios and figuring out which hospital would be the quarantine hospital and things of that nature, but as far as having the thousands of respirators that one might need, no, sir, we are not nearly ready for that. In fact, we have done a very good job, for better or worse over the last 20 years, of reducing bed capacity in a lot of hospitals, so we still have a long way to go on that.

Also, there is more we could—one of your colleagues asked a question, what is another thing on the checklist, whether or not we are prepared. One of those things would be whether or not we administered the—whether we are able to prophylax your health responders, who in essence are just like your fire and police in the event of a bioterrorism attack.

Chairman BYRD. Mayor Guido.

Mr. GUIDO. Well, Senator, I think that we certainly want to coordinate our efforts with the local hospitals, and we have, but it is a shame that part of our plan is using the municipal ice arena as the temporary morgue. I mean, that is how it is written up in our plan.

There are many choices to be made here, and many decisions that have to be made that really rest on the shoulders of this committee and Members of the House, and we know that you have finite resources, and cities go through budget issues as well, and we know there are finite resources, but I want you to know that we are so grateful to be asked to the table to discuss what our needs are and to have the opportunity to explain to you our position, and that you would be so respectful to us in asking what our needs would be.

Chairman BYRD. Well, mayor, you are the people, you are the individuals who have the answers at the local level, the local municipal level, the local county level, and I want to personally thank you for your time here, and for the wisdom that you have shared for us as you have attempted, and done very well, to answer our questions, and your testimony will be very helpful to us. You have performed a real service. We have to have your help. We have to have your advice. We do not stand in your shoes. So thank you very much for coming here today, all of you.

Today represents the beginning of this committee's attempt to better understand the aftermath of the horror of 9/11. This Congress responded immediately to enact $40 billion within 3 days, $40 billion. That is a lot of money. That is $40 for every minute since Jesus Christ was born. That is quick action on the part of the People's Branch.

Congress responded immediately to enact $40 billion to address immediate needs after September 11. Now it is time to step back and take a more comprehensive look at how we deal with the long-term specter of terrorism that has come to visit our shores. This committee is trying to get a hold, just a feel, a sense—a sense—of what has worked, what has not, what will work at the different levels of Government. We are also trying to discern how to best allocate scarce dollars in the most intelligent way with an eye toward prevention and toward determining our most obvious vulnerabilities.

Several things have already emerged, Senator Inouye, which need to be addressed. The need for a coordinated response, with a smooth flow of intelligence data from the Federal to the State and local levels, appears to be essential. The need for sustainable programs to help the States plan for these new responsibilities seems to be critical.

The Office of Homeland Security, while doing its best to coordinate the needs, may not be structured in the best way to facilitate effective cooperation among the various Federal agencies and State and local entities. We are talking about people's lives here. We are talking about a nation's vulnerabilities.

Analyses of our most vulnerable infrastructures—and there are many different infrastructures in this country—are lacking, and information-sharing has been difficult. There may be a need for the Office of Homeland Security to evolve so that the Nation can more effectively deal with the long-term problem of homeland defense.

Our resources are finite. We cannot protect every highway and every bridge, perhaps. Throwing money at the problem will not afford our people the protection that they must have, that they deserve. The needs are huge. That is a good British word. They are

huge, and we must not approach these needs without an effective plan.

In my view, this committee is grappling with the most important challenge that we face as a nation in the foreseeable future. We have been confronted with foreign wars, wars on foreign fronts. I was born during the First World War, and I have seen several wars on foreign fronts, the Second World War, the Korean War, and the Vietnam War, the war in the Persian Gulf.

Now, the battlefield is not in some distant land, it is here, here in Baltimore, Mayor O'Malley, here in Dearborn, Mayor Guido, and here in Santa Fe, where the Spanish came more than 400 years ago.

Knowledge is power. Hopefully what we learn here can help us to make the most informed, most effective funding decisions possible, and I look forward to our hearings tomorrow. Tomorrow morning, we will hear from a panel of first responders. These are men and women who would be on the front lines in responding during future terrorist attacks, National Guardsmen and women, police officers, firefighters, public health personnel. We have already seen what these people are capable of doing to protect their fellow citizens in the face of disaster.

Tomorrow afternoon we will continue our hearings with a number of experts in the area of infrastructure security. We will be concerned with such critical matters as port security, nuclear plant security, the safety of our water supplies, all of which are absolutely essential to the security of our homeland.

I thank all of our witnesses for coming to Washington to share with the committee their insights and judgments. I thank the members of the committee who have attended the hearing, who have asked questions. I thank all members for their attendance and participation. I especially want to thank Senator Stevens for his very valuable contribution to the hearings, and at this point I want to thank the staffs on both sides of the aisle for the help that they have given, the contributions that they have made.

So now, hurrying to a close, tomorrow morning at 10 a.m. we will hear Mr. Thomas Von Essen, former New York City Fire Commissioner, representing the International Association of Fire Chiefs; Mr. Mike Crouse, chief of staff to the general president, the International Association of Firefighters; Mr. Philip Stittleburg, chairman, National Volunteer Fire Council, and volunteer fire chief for LaFarge, Wisconsin; Colonel Lonnie Westphal, chief of the Colorado State Patrol, representing the International Association of Chiefs of Police; General Richard Alexander, Director, National Guard Association; and Mr. Gary Cox, Director, Tulsa, Oklahoma City and County Health Department, but here in his capacity representing the National Association of County and City Health Officials.

At 2:00 tomorrow afternoon, former Senator Warren Rudman will be before the committee. He is the co-chairman of the U.S. Commission on National Security for the 21st Century.

Panel number 4, on infrastructure security, on port security, Admiral Richard M. Larrabee, retired Admiral, Director, Commerce Department, Port Authority of New York and New Jersey, former Rear Admiral, United States Coast Guard, and Dr. Stephen E.

Flynn, senior fellow, national security studies, Council on Foreign Relations, New York, New York.

On water infrastructure, Mr. John Griffin, general manager, Washington Suburban Sanitary Commission, Laurel, Maryland, representing the Association of Metropolitan Water Agencies; Mr. David Lochbaum, Union of Concerned Scientists, Cambridge, Massachusetts will testify concerning nuclear facilities security; Mr. Jeff Benjamin, vice president for licensing, Exelon Corporation, Chicago, Illinois, representing the Nuclear Energy Institute.

COMMITTEE RECESS

The committee is recessed for today.

[Whereupon, at 4:15 p.m., Wednesday, April 10, the committee was recessed, to reconvene at 10 a.m., Thursday, April 11.]

HOMELAND SECURITY

THURSDAY, APRIL 11, 2002

U.S. SENATE,
COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The committee met at 10 a.m., in room SH–216, Hart Senate Office Building, Hon. Robert C. Byrd (chairman) presiding.

Present: Senators Byrd, Inouye, Hollings, Leahy, Mikulski, Kohl, Murray, Dorgan, Feinstein, Johnson, Landrieu, Reed, Stevens, Specter, Domenici, Burns, Gregg, Bennett, and Campbell.

OPENING STATEMENT OF CHAIRMAN ROBERT C. BYRD

Chairman BYRD. The committee will come to order. The committee resumes its hearings which began yesterday on the Office of Home Security's budget, items that are in the supplemental appropriations request, and today we hear from people at the local level, the first responders, what they have to say about their needs.

Among the witnesses for today are these, who will testify this morning. Mr. Thomas Von Essen, former New York City Fire Commissioner, representing the International Association of Fire Chiefs. Mr. Mike Crouse, chief of staff to the general president, International Association of Fire Fighters. Mr. Philip Stittleburg, chairman, National Volunteer Fire Council, and Volunteer Fire Chief, LaFarge, Wisconsin. Colonel Lonnie Westphal, chief of the Colorado State Patrol, representing the International Association of Chiefs of Police. General Richard Alexander, Director, National Guard Association. Mr. Gary Cox, director, Tulsa, Oklahoma, City-County Health Department, representing the National Association of City and County Health Officials.

Now, before I call on my colleague, Mr. Stevens, let me suggest that your statements will be included in the record as though stated in their entirety, so where you can reduce your statements to your recommendation as to the committee's appropriations on what your needs are, and how you see the Office of Homeland Security, is it working with you, is it advising you, some of the proposals that have been made by the administration in its budget, how will these proposals affect your effort, your work and the work of the people you represent? These responses will be helpful.

We all know the good work that you do, the hard work that the people at the local level do, we know that they are the first people to arrive on the scene, and we want to hear from you, so with the understanding that we are fully aware of the services that you perform, the people at the local level perform, get right to the point,

if you can, with respect to the needs of the people we represent, and how can we best meet those needs?

If there are proposals in the President's budget that you agree with, let us hear. If there are proposals that you do not agree with, let us know. Let us know what you think are the good points and the not-so-good points, if there be some, as far as your observations of the Office of Homeland Security are concerned, so that when Mr. Ridge comes before this committee, and he has been invited to come by both my colleague, the former chairman of this committee, Senator Ted Stevens, and myself, he can respond to some of the concerns you have expressed. With that now, I will turn to my good friend and colleague, Senator Stevens, for whatever statement he wishes to make, and then we will proceed.

STATEMENT OF SENATOR TED STEVENS

Senator STEVENS. Thank you very much, Mr. Chairman. Sorry to be a tad late.

Chairman BYRD. Oh, that is all right.

Senator STEVENS. I had another meeting. I do welcome all of you gentlemen as witnesses. Our hearings yesterday gave us important insights into the challenges faced by the Governors and cities and counties as they prepare to prevent similar attacks occurring in their area that have occurred in New York and at the Pentagon.

We are now dealing with the front line people as far as I am concerned. You will be there. You have the responsibility to react first in such a crisis, and I hope you can give us a better understanding of the level of Federal cooperation that you will need to carry out the plans and provide the services first responders must give in the event of crisis.

I particularly appreciate your being here, General Alexander. I think the post 9/11 period has greatly increased the pressure on the people in your program, and we have worked very closely with you and your predecessors as a key partner in the effort to keep the National Guard prepared to respond to any crisis, and I am proud the way you did respond to the crisis past 9/11, and you deserve great credit for that.

Mr. Chairman, I look forward to this panel. I think it should be very interesting and informative. I appreciate your holding the hearings.

Chairman BYRD. Thank you, Senator Stevens. Throughout our efforts to prepare for these hearings, Senator Stevens and I worked shoulder-to-shoulder and all witnesses that have appeared before this committee, and those who are appearing today, have been discussed between the two of us and there has been no disagreement whatsoever. We have all agreed on the witnesses to be called, and I thank Senator Stevens for his cooperation and for his leadership. As former chairman of this committee, he is a leader, and I lean on him very heavily.

I want to thank the other members of the committee who are here this morning, Senators Johnson and Kohl and Senator Campbell, the Senator from Colorado——

Senator STEVENS. Senator Gregg.

Chairman BYRD [continuing]. And Senator Gregg. Thank you for being here already, early this morning, and there will be others who will come.

Now, Mr. Von Essen, would you please proceed?

STATEMENT OF THOMAS VON ESSEN, FORMER NEW YORK CITY FIRE COMMISSIONER, REPRESENTING THE INTERNATIONAL ASSOCIATION OF FIRE CHIEFS

Mr. VON ESSEN. Good morning, Mr. Chairman. My name is Thomas Von Essen, and I have served in the New York City Fire Department for over 30 years. I began my career as a firefighter in the South Bronx and retired earlier this year as commissioner of the FDNY. I also serve on the Terrorism Committee of the International Association of Fire Chiefs, on whose behalf I speak today.

First, I would like to thank you, Mr. Chairman and members of the committee, for your continued concern for firefighters and other first responders to terrorist incidents.

Mr. Chairman, many of my colleagues have testified before the Congress on the role of the fire and emergency service in responding to and mitigating acts of terrorism. Chief Fanning, responsible for FDNY's hazardous materials operations, testified before this committee 11 months ago. He said in part, if lives are to be saved and suffering reduced, it will be up to them to do it, that a terrorism incident, whatever the scale, firefighters and other responders will be there within minutes, some quite possibly becoming victims themselves. They will do what they have always done, act to protect the public they serve.

I would like to take this opportunity today to speak to the need to focus on the national preparedness effort in a manner that facilitates cooperation among and between all levels of government, and above all the need to focus on preparing this Nation's million-plus firefighters, who will be the first at the scene of any future terrorist attack against our homeland.

Though we in New York City enjoyed tremendous support from agencies at the State and Federal level last September, the brunt of the work fell upon and will always fall to local personnel. That is simply because, in a crisis, time is our enemy. Personnel that are dispatched by our existing 9–1–1 emergency system arrive on scene in minutes. Fire department personnel are strategically located in every community in this country for precisely this reason. There can be no substitute for a well-prepared fire department in a time of crisis.

Jack Fanning and 342 of our colleagues and friends at FDNY became victims last September. They were joined by scores of local police officers in a successful effort to evacuate over 25,000 people from the World Trade Center before its collapse took their lives and those of more than 2,500 civilians.

I would like to speak to some of the programs developed by Congress to assist the fire and emergency service. First, we are pleased with the administration's commitment to the support of firefighters, police officers, and other first responders as demonstrated in the $3.5 billion fiscal year 2003 budget request. Though the details of the administration's plan are not complete, what we have seen so far is encouraging. Our input has been sought by administration officials, including Homeland Security Director Tom Ridge

and Joe Allbaugh, Director of the Federal Emergency Management Agency, and I cannot say enough about the help we received last fall from Joe Allbaugh and all of FEMA. New York City needed help, and FEMA delivered.

Mr. Chairman, we want you to know that there was a great deal of confusion and disappointment in the fire service when the administration initially proposed eliminating in fiscal year 2003 grants provided under FEMA's assistance to firefighters program, commonly known as the Fire Act grants, that were established in law openly 18 months ago. The program has been funded by this committee at authorized levels for two consecutive years, has been received as an unqualified success by America's fire departments.

We want to thank you, Mr. Chairman, and your committee, for your support of the fire grant program. We also want you to know of our very positive experience with this program, and that we believe it should not be eliminated or folded into any new untested program. The Fire Act program is designed to assist us with training and equipment that is basic to fire fighting and all-hazard responsibility of local fire departments.

Enhancing the ability of firefighters to cope with a terrorist incident involving weapons of mass destruction can only begin after basic competency and capability has been achieved. After the administration's formal fiscal 2003 budget proposal eliminating the Fire Act grant program was submitted to Congress, both Director Ridge and Director Allbaugh told us they believe the Fire Act grant program should continue, and remain separate and apart from the proposed new terrorism preparedness block grant program. We agree, and hope you and Congress do, too.

Chairman BYRD. We hope Governor Ridge will come before the committee and tell us that.

Mr. VON ESSEN. I hope so too, Mr. Chairman. I have a whole section here about fire department staffing. By your request to shorten my presentation I will just say the primary objective of adding 75,000 U.S. firefighters is to raise the staffing level of fire departments throughout the country to four firefighters per unit. That is an important section, but I go into it in detail in my prepared testimony.

We have called for the development of a single comprehensive national strategy that addresses several key areas. There are a variety of Federal agencies that have lent us considerable expertise. Many have actively sought ours. We believe our national preparedness effort should be focused in a way that provides measurable preparedness goals to which we can all work. Without clearly defined goals, it is exceedingly difficult to measure progress and to define the end product, adequate preparedness.

We believe that a national strategy should be developed that focuses on building a comprehensive response capability that enhances where necessary existing assets of the local, State, and Federal levels of government. All communities are served by fire and police departments that will be dispatched to mitigate any terrorist incidents within minutes. We propose that whatever funding you and the committee deem appropriate for terrorism preparedness be tied to performance capability objectives that include interagency and interjurisdictional planning.

We in New York some years ago developed a system that allowed for joint planning by our local agencies. We included representatives from the State and from Federal agencies with appropriate responsibility. We also worked with outlying suburbs to include them in our planning process. We need measurable goals, and we need to adhere to them.

Terrorist incidents are primarily local events. The events of last September bear that out. The block grant program that the administration has proposed must address that reality. Funding that is provided by Congress to help enhance the abilities of local agencies must reach those very agencies and not get lost in the bureaucracy. The ramifications of an ill-prepared local community in the post September 11 world are too large.

Mr. Chairman, I want you to know that the support we received in New York last fall was profound, and we remain grateful for the assistance garnered by so many Federal agencies from Congress and, most of all, from the American people. We knew that we were not alone in our struggle or in our grief. However, I am compelled to end my testimony where I began. It is my life's experience that firefighters and other local first responders will act alone in the first critical hours of any emergencies, no matter how large or small. It is within that time frame that lives will be saved. I urge you not to forget this simple fact in your deliberations.

Thank you, Mr. Chairman, for allowing me the honor to testify. I am happy to answer any questions the committee might have.

Chairman BYRD. Thank you, Mr. Von Essen, for your fine statement. It will be included in the record in its entirety. Thank you for cutting it down. I hope that all of us will follow in the wake of your example.

[The statement follows:]

PREPARED STATEMENT OF THOMAS VON ESSEN

My name is Thomas Von Essen. I served the Fire Department of the City of New York (FDNY) for over thirty years. I began my career as a fire fighter in the South Bronx and retired earlier this year as Commissioner of FDNY. I also serve on the Terrorism Committee of the International Association of Fire Chiefs on whose behalf I speak today. First, I would like to thank you, Mr. Chairman, and members of the Committee, for your continued concern for fire fighters and other "first responders" to terrorist incidents.

Mr. Chairman, many of my colleagues have testified before the Congress on the role of the fire and emergency service in responding to, and mitigating, acts of terrorism. Indeed, Chief Jack Fanning, responsible for FDNY's Hazardous Materials Operations, testified before this Committee eleven months ago. He said, in part, "If lives are to be saved and suffering reduced, it will be up to them to do it. At a terrorism incident, whatever the scale, fire fighters and other responders will be there within minutes, some quite possibly becoming victims themselves. They will do what they have always done—act to protect the public they serve."

I would like to take this opportunity today to speak to the need to focus our national preparedness effort in a manner that facilitates cooperation among and between all levels of government, and above all, the need to focus on preparing this nation's million-plus fire fighters, who will be first at the scene of any future terrorist attack against our homeland. Though we in New York City enjoyed tremendous support from agencies at the state and federal level last September, the brunt of the work fell upon, and will always fall to, local personnel. That is simply because, in a crisis, time is our enemy. Personnel that are dispatched by our existing national 911 emergency system arrive on-scene in minutes. Fire department personnel are strategically located in every community in this country for precisely this reason. There can be no substitute for a well-prepared fire department in a time of crisis.

Jack Fanning and 342 of our colleagues and friends at FDNY became victims last September. They were joined by scores of local police officers in the successful effort to evacuate over 25,000 people from the World Trade Center before its collapse took their lives and those of more than 2,500 civilians.

I would like to speak to some of the programs developed by Congress to assist the fire and emergency service. First, we are pleased with the administration's commitment to the support of fire fighters, police officers and other "first responders" as demonstrated in the $3.5 billion fiscal year 2003 budget request. Though the details of the administration's plan are not complete, what we have seen so far is encouraging. Our input has been sought by administration officials, including Homeland Security Director Tom Ridge and Joe Allbaugh, Director of the Federal Emergency Management Agency (FEMA). I can not say enough about the help we received last fall from Joe Allbaugh and all of FEMA. New York City needed help and FEMA delivered.

Assistance to Firefighters Grant Program

Mr. Chairman, we want you to know that there was a great deal of confusion and disappointment in the fire service when the administration initially proposed eliminating, in fiscal year 2003, grants provided under FEMA's Assistance to Firefighters program, commonly known as FIRE Act grants, that were established in law only eighteen months ago. The program has been funded by this Committee at authorized levels for two consecutive years and has been received as an unqualified success by America's fire departments. We want to thank you, Mr. Chairman, and your Committee, for your support of the FIRE grant program. We also want you to know of our very positive experience with this program and that we believe it should not be eliminated or folded into any new, untested program.

The FIRE Act grant program is designed to assist us with training and equipment that is basic to fire fighting and the all hazard responsibility of local fire departments. Enhancing the ability of fire fighters to cope with a terrorist incident involving "weapons of mass destruction" can only begin after basic competency and capability has been achieved.

After the administration's formal fiscal year 2003 budget proposal, eliminating the FIRE Act grant program, was submitted to Congress, both Governor Ridge and Director Allbaugh told us they believe the FIRE Act grant program should continue and remain separate and apart from the proposed new terrorism preparedness block grant program. We agree and hope that you and Congress do, too.

Fire Department Staffing

The understaffing of fire departments is an issue that must be addressed. Whether a department is a career, volunteer or a combination, staffing is an immediate issue, especially in light of today's reality. Existing federal programs provide tools for equipment and training. No program provides for additional human resources for adequate response to terrorism. The IAFC requests that Congress establish a program to increase the number of fire fighters in the United States by 75,000.

The primary objective of adding 75,000 U.S. fire fighters is to raise the staffing level of fire departments throughout the country to four fire fighters per fire company. Proper safety practice, codified in federal administrative law by the Occupational Safety and Health Administration, requires fire fighters to operate in teams of at least two. Fire departments typically field three-person engine and ladder companies. Therefore, fire apparatus staffing of four yields two working teams, doubling the capacity of three-person units which can only form one operational team. A four-person response unit will yield a 100 percent increase in operational capacity compared with three-person companies. Raising staffing levels to four personnel is a large undertaking, but it is necessary.

Limited apparatus staffing reduces a fire department's ability to respond to major events, including a terrorist incident, where large amounts of resources are needed quickly and in quantity. Early intervention in the consequence of a terrorist event will increase the number of lives saved. Fire departments respond within three to five minutes and remain in place until an incident is resolved. No other consequence management resource can respond this quickly.

Senators Christopher Dodd and John Warner last fall crafted legislation, the Staffing for Adequate Fire and Emergency Response (SAFER) Act, which authorizes a program to provide local communities with assistance for additional fire department staffing. Their bill would require a local contribution of twenty-five percent of the cost of additional staffing for each of three years. It is designed as a one-time, three-year assistance program that is structured to require local financial support from the outset, thus avoiding the "balloon payment" that has resulted in an unmanageable burden upon local governments participating in other federally-sup-

ported public safety staffing initiatives. It is our hope that the Senate consider carefully this innovative approach to the staffing issue.

Strategic Considerations

Mr. Chairman, we in the fire service have been deeply involved in the terrorism preparedness issue for many years. We have worked closely with policy makers at all levels of government and we believe that significant progress has been made. However, there is much work that needs to be done.

We have called for the development of a single, comprehensive, national strategy that addresses several key areas. There are a variety of federal agencies that have lent us considerable expertise. Many have actively sought ours. We believe our national preparedness effort should be focused in a way that provides measurable preparedness goals to which we can all work. Without clearly defined goals, it is exceedingly difficult to measure progress and to define the end product, adequate preparedness.

We believe that a national strategy should be developed that focuses on building a comprehensive response capability that enhances, where necessary, existing assets at the local, state and federal levels of government. All communities are served by fire and police departments that will be dispatched to mitigate any terrorist incident within minutes. We propose that whatever funding you and the Committee deem appropriate for terrorism preparedness be tied to "performance capability objectives" that include interagency and inter-jurisdictional planning. We in New York some years ago developed a system that allowed for joint planning by our local agencies. We included representatives from the state and from federal agencies with appropriate responsibility. We also worked with outlying suburbs to include them in our planning process.

I would suggest that our efforts coincide with a national strategy that would facilitate and encourage both the interagency coordination I have discussed and the development of "performance objectives" that clearly define the tasks that first responding agencies need to perform in order to mitigate a terrorist incident. Institutionalizing this approach, in all fifty states, leaves plenty of room for experimentation and innovation by state and local officials. It provides for flexibility that would ensure better preparation among local first responders by focusing on those areas in which a particular community's level of preparedness is deficient when measured against these performance objectives. The plan also would provide a framework that avoids the one-size-fits-all approach that has to an extent been employed in the past. Such a plan would consider existing local, state, regional and federal response assets and require their inclusion in a local planning effort.

It is worth noting that on September 11th, fire companies from outside New York City were dispatched immediately to "backfill" many of our neighborhood fire stations so that communities would continue to receive fire protection, emergency medical and other services while FDNY was engaged at the World Trade Center. This well-executed mutual aid would not have been possible without extensive pre-planning. We call upon you and Congress to take whatever steps necessary to ensure this kind of cooperation between all communities before the next attack occurs.

We have also on many occasions outlined for Congress those categories of preparedness assistance that we believe are most important. They include personal protective equipment for fire fighters, equipment that facilitates the detection and monitoring of chemical, biological and radiological agents and appropriate training.

We have also discussed critical communications needs. Communications interoperability—the ability of responders from all agencies to communicate effectively is vital to command and control for effective incident management. The issue revolves around radio spectrum availability for public safety. This is an issue that Congress dealt with in 1997. What remains is for television stations to vacate channels allocated to public safety by the Federal Communications Commission.

Terrorist incidents are primarily local events. The events of last September bear that out. The block grant program that the administration has proposed must address that reality. Funding that is provided by Congress to help enhance the abilities of local agencies must reach those very agencies and not get lost in the bureaucracy. The ramifications of an ill-prepared local community in the post-September 11th world are too large.

Every agency has a role to play in mitigating a terrorist incident. It is imperative that agencies within a given community or region work together so as not to duplicate their capabilities while leaving some needs completely unaddressed. We believe that grant funding made available should be contingent upon inter-jurisdictional planning that carefully considers the preparedness goals I just spoke of.

Mr. Chairman, I want you to know that the support we received in New York last fall was profound and we remain grateful for the assistance garnered by so many

federal agencies, from Congress and most of all from the American people. We knew that we were not alone in our struggle or in our grief.

However, I am compelled to end my testimony where I began: It is my life's experience that fire fighters and other local "first responders" will act alone in the first critical hours of any emergency, no matter how large or small. It is within that timeframe that lives will be saved. I urge you not to forget this simple fact in your deliberations.

Thank you, Mr. Chairman, for allowing me the honor to testify. I am happy to answer any questions the Committee may have.

BIOGRAPHICAL SKETCH OF THOMAS VON ESSEN

Thomas Von Essen joined the New York City Fire Department (FDNY) in 1970 and was assigned to Ladder 42 in the South Bronx. He remained and served the South Bronx through the conflagrations of that decade.

Mr. Von Essen was elected president of the New York City Uniformed Firefighters' Association in 1993, and represented FDNY's 8,600 uniformed firefighters in that position. He was appointed Commissioner of FDNY on April 1, 1996. He is a member of the International Association of Fire Chiefs and has served its terrorism committee since 1998.

Mr. Von Essen retired in January, 2002, after over 30 years of service to FDNY. He currently resides in New York with his wife, Rita. He continues to work with former Mayor Giuliani in a consulting capacity.

Chairman BYRD. Mr. Crouse.

STATEMENT OF MIKE CROUSE, CHIEF OF STAFF TO THE GENERAL PRESIDENT, INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS

Mr. CROUSE. Thank you, Mr. Chairman, members of the committee. Good morning. My name is Michael Crouse, and I am the chief of staff of the International Association of Fire Fighters, here today representing the interests of our general president, Howard Schaitberger, and the 250,000 professional firefighters who are members of the IAFF.

Senators, for our organization September 11 changed everything. The 343 firefighters who made the ultimate sacrifice rescuing tens of thousands were our brothers. It is in tribute to them I come before you to ask your assistance in protecting our homeland, enhancing the safety of our Nation's firefighters, and ensuring that our Nation's fire service is prepared to respond to any and all future emergencies.

The first and foremost need of the fire service is adequate personnel. Across our Nation, two-thirds of our fire departments operate with staffing that does not meet minimum OSHA standards or safety fire ground operations. In order to come into compliance with the accepted industry standards, 75,000 new firefighters are needed today.

The second need of the fire service is equipment. An IAFF survey has found that a majority of the fire departments in our Nation lack even basic protective equipment, a fact that was underscored by the billions of dollars requested for equipment under the Fire Act grant program last year.

The third leg of our triad is training. Throughout the Nation, there are firefighters who essentially receive on-the-job training, endangering lives of both firefighters and the public. While basic fire fighting training is needed for many firefighters, almost all firefighters need additional training in hazmat and weapons of mass destruction response. September 11, Oklahoma City, and the anthrax mailings taught us that firefighters must be trained to recognize and safely respond to all threats.

As we evaluate the various number of homeland security proposals, the IAFF asks that you be guided by two principles. One, priority should be given to programs that have a proven track record of success. Two, money targeted to assist first responders must be used for first responders and not diverted to other purposes. First and foremost, funding must be provided to increase fire department staffing. The Safer Fire Fighters Act, which was introduced by Senators Dodd and Warner, and a new proposal from the Senate Commerce Committee, are designed to address staffing shortages in our Nation's fire departments. We urge this committee to provide adequate resources for these initiatives.

To address the need for equipment and training, we urge the committee to fully fund both the Fire Act and the administration's first responder proposals. Last year, Congress increased the authorized level for the Fire Act to $900 million per year. There is clearly the need to justify this funding, and we are confident that FEMA is capable of targeting the money to meet the most pressing needs of the fire service.

We also ask that the administration's first responder proposal be adequately funded. We fully endorse the program's emphasis on mutual aid response and interjurisdictional, interdiscipline training and exercises.

While we find much to laud in the first responder proposal, we have also some concerns. We oppose merging the Fire Act into the first responder program, and we are troubled by the administration's recommendation to allow the States to pay 25 percent of the funding off the top. Funding for first responders must be spent at the local level.

Finally we urge this committee to assure adequate funding for several existing firefighter training programs. These programs have successfully trained millions of firefighters, but since September 11 the demand for this training far outpaces the funding available to deliver it. We encourage this committee to fully fund existing training programs operated and administered by the Departments of Justice, Energy, Transportation, Health and Human Services, EPA, and other agencies.

Equally important as funding these diverse training programs is retaining their current structure. While we support designating FEMA as the lead terrorism response agency, we do not believe that all existing programs need to be housed in a single agency. The role of a lead agency should serve as an information clearinghouse to help local governments get the support they need when they need it.

Mr. Chairman, far too long our Nation's domestic defenders, our firefighters, your firefighters have been neglected. The firefighters of the IAFF will be ready when the next alarm sounds, but our ranks are thin. We ask for your support so the firefighters have adequate staffing, proper training, and the right equipment to do the job.

I thank you for this time to present the views of the Nation's professional firefighters, and I will be happy to answer any questions that you may have.

[The statement follows:]

PREPARED STATEMENT OF MICHAEL J. CROUSE

INTRODUCTION

Mr. Chairman. I thank you for the opportunity to appear before this committee today. My name is Michael J. Crouse, and I am the Chief of Staff for the General President of the International Association of Fire Fighters (IAFF). I am here today representing the views of our General President Harold Schaitberger and 252,000 professional firefighters who are members of the IAFF. I spent 17 years as a firefighter employed by the federal government protecting United States military installations. For 10 years I was the IAFF District Vice President representing all IAFF federal firefighters. In this capacity I was intimately involved with emergency preparedness at military facilities.

For the IAFF and its members, September 11th changed everything. The 343 firefighters, who made the ultimate sacrifice that day and rescued tens of thousands of civilians from the hellish carnage of the World Trade Center tragedy, are our brothers, as are the thousands of fire fighters who responded to the terrorist attacks in New York and at the Pentagon.

Since that day, our organization has dedicated itself to a single mission: building a living memorial to these fallen heroes. In tribute to them, I come before you to day to ask your assistance in protecting our homeland security, enhancing the safety of our nation's fire fighters, and ensuring that our nation's fire service is prepared to respond to any and all challenges we may face in the future.

For nearly 100 years, IAFF members have been protecting the citizens of our nation from all hazards. We are the first on the scene when there are incidents involving hazardous materials, we are the nation's primary providers of emergency medical care, and we are the ones who search for and rescue people who are trapped and in danger.

And now, in addition to these traditional responsibilities, we are also on the frontlines in the war against terrorism. While we all pray that the tragedies of last Fall will never be repeated, in a larger sense every day is September 11th for our nation's fire fighters. Every time the alarm goes off, we steel ourselves to the possibility that we are responding to the latest act of terror. In this first war of the 21st Century, the battle lines are drawn in our own communities and firefighters are, and will continue to be, our nation's first line of defense.

THE NEEDS

If we are to be successful in protecting America, fire departments must have adequate resources. Sadly, as of today, we do not. Far too many departments across the nation lack even the most basic levels of training, equipment and manpower. While the federal government has broad responsibilities in defending our nation against acts of terrorism, from the perspective of front line fire fighters, few roles are more important than ensuring local emergency responders have the staffing, equipment, and training they need to fulfill their mission.

Personnel

The first and foremost need of the fire service is adequate personnel. Across our nation, two-thirds of all fire departments—large and small—operate with inadequate staffing. In order to come into compliance with accepted industry standards, the International Association of Fire Chiefs has estimated that 75,000 new fire fighters are needed.

Far too many fire departments attempt to respond to emergency incidents with three or even two fire fighters on a piece of apparatus. Not only is this response below industry norms as identified by the National Fire Protection Association, but responding with two or three fire fighters doesn't even meet OSHA standards for safe fireground operations. Quite simply, attempting to respond to an emergency call with less than four fire fighters endangers the lives of those fire fighters, as well as the public they protect.

Congress would never allow our Army to engage in a war with two-thirds of its divisions understaffed. Incredibly, this is exactly what we are asking our local fire departments to do in this current war on our home soil.

Inadequate staffing also endangers our military assets and threatens national security. Few of the federal fire departments that protect domestic military installations comply with DOD's directives for minimum staffing levels. Base commanders are faced with an untenable choice between mandating overtime for a group of fire fighters who normally work 72 hours per week or ignoring DOD safety directives.

Equipment

The second need of the fire service is equipment. Recently, the IAFF, which represents more than 90 percent of all the professional fire departments in the nation, conducted a survey of our State Associations. Twenty-two states participated in the survey, representing 1364 fire departments.

Among the survey findings were:

—43 percent of fire departments are in need of additional turnout gear (i.e., coats, gloves, helmets, and boots).

—50 percent of fire departments are in need of additional respirators.

—70 percent of fire departments do not have adequate maintenance programs for their protective gear

—66 percent of fire departments are in need of better communications equipment.

Our bleak survey results were validated by the analysis of last year's FIRE Act data. Of the approximately 30,000 grant requests submitted last year for the six eligible categories, 27,384 were for the three categories of personal protective equipment, fire fighting equipment, and vehicles. The 27,384 grant requests in these three areas accounted for $2.71 billion. Less than 5 percent of those grant requests were awarded.

One of our members who served as a grant evaluator told me that he literally shed tears during the evaluation process when they were forced to deny requests to replace 15-year-old threadbare turnout coats that are shared by several fire fighters because there were many other departments in worse circumstances. It is a deplorable situation when fire fighters who possess barely functional equipment must consider themselves the lucky ones.

And beyond the need for basic equipment, there is a tremendous need for advanced hazmat equipment, in particular hazmat detecting equipment. As the IAFF has become increasingly involved in WMD emergency response, we have grown increasingly concerned that the greatest threat to our safety comes not from sophisticated nuclear devices launched by foreign nations, but from so-called "dirty bombs" that utilize a conventional explosion to release radioactive material. With minimal technical expertise, anyone with access to agricultural fertilizer could unleash an atomic nightmare on our soil.

In the event of such a dirty bomb detonation, calls to 9–1–1 will only report an explosion and fire. Fire fighters responding to the scene will be completely unaware of the radiological contamination dispersed miles beyond ground zero. For years we have been told that it is the job of the military, with their specialized training and sophisticated monitoring devices, to respond to such incidents. But the reality is that these military teams, as capable as they are, could be hours away. Meanwhile, the fire fighters are on the scene within minutes. It is vital that all first responders have monitoring devices and training to use them. When fire fighters are made aware of the radiological dangers, we can take the appropriate precautions to limit our exposure so that we can begin to conduct rescue and decontamination missions.

Training

The third leg of the triad is training. Far too many jurisdictions lack the funds to hire training instructors, purchase training equipment, or have access to training facilities. As a consequence, fire departments in these jurisdictions do not provide new fire fighters with the basic level of training identified by the National Fire Protection Association as necessary to perform the job safely and effectively. Throughout the nation, there are fire fighters who are essentially receive on-the-job training. This is a situation that endangers not only the lives of the new fire fighters, but their fellow fire fighters and the public that they are sworn to protect.

While basic fire fighter training is a need for many fire fighters, almost all fire fighters need additional training in hazmat and weapons of mass destruction (WMD) response and mitigation. A terrorist attack using biological, chemical or nuclear materials threatens our nation as never before. September 11th, Oklahoma City, and other terrorist acts have demonstrated that these madmen will employ appallingly unthinkable measures to achieve their goals.

In fact, just a few short weeks after September 11th, our nation experienced its first biological terrorism when anthrax was mailed targeting elected officials and the media. During those frantic days in October, thousands of frightened Americans called their local fire department to report suspicious white powder, quickly overwhelming the capability of all dedicated hazmat crews. As a result, it was left to frontline fire fighters who have never had any sort of biological response training to respond to these calls. It is now clear that all fire fighters need operations level WMD/hazardous materials response training.

SOLUTIONS

To address these critical needs of the fire service, the IAFF calls on this committee to provide adequate resources to both existing programs and proposed initiatives designed to provide funding to local fire departments. The IAFF believes that two principles should guide this committee as it decides the course of Homeland Security. One, priority should be given to programs that have a proven track record of success. Two, money targeted to assist first responders must be used for first responders and not for any other purposes.

First and foremost, funding must be provided to increase fire department staffing. Just as the federal government has provided funding to hire police officers and teachers to meet pressing local needs, it must now provide resources to assure adequate emergency response capabilities. In addition, funding must be provided to the Department of Defense earmarked for hiring additional fire fighters to protect military installations.

Legislation modeled after the highly successful COPS program was introduced last year by Senators Chris Dodd and John Warner to address the severe staffing shortage in our nation's fire departments. The SAFER Fire Fighters Act would provide funding directly to both paid and volunteer fire departments to hire additional personnel. In addition, we understand the Senate Commerce Committee is developing a comprehensive fire service proposal that will include a staffing component. Whichever vehicle is ultimately deemed most appropriate, we urge this committee to provide adequate funding to ensure that these programs are able to meet their objectives.

To address the need for equipment and training, we urge this committee to fully fund both the FIRE Act and the Administration's first responder proposal. The FIRE Act has proven especially successful, and we join with other fire service organizations in praising the Federal Emergency Management Agency in their administration of the program. We are of course aware, Mr. Chairman, of your leadership in securing the initial $100 million in fiscal year 2001, as well as the $360 million appropriated for fiscal year 2002. For this we are indebted to you.

Today we ask that you fulfill the promise made by Congress last year in reauthorizing the FIRE Act. Public Law 107–107 increased the authorized level for the FIRE Act to $900 million per year. There is clearly the need to justify fully funding the FIRE Act, and we are confident that FEMA is capable of assuring the money will be used to meet the most pressing Homeland Security needs.

We also ask that you provide adequate funding for a counterterrorism program, along the lines of the Administration's First Responder proposal. There is tremendous need for a program to provide terrorism-specific training and equipment to local emergency response agencies. Specifically, we fully endorse the program's emphasis on mutual aid response, and inter-jurisdictional, inter-discipline training and exercises. Far too often, emergency response operations are hindered because various responding agencies have little means to communicate and coordinate their efforts. Rather than resulting in enhanced public safety, the convergence of numerous emergency response agencies often results in chaos.

After the 1993 attack on the World Trade Center, evaluations conducted by emergency planning organizations identified lack of communication between police helicopters and the incident commander as a significant impediment to effective response. Tragically, this exact same lack of communication hindered our response on September 11th.

While we find much to laud in the Administration's First Responder proposal, we also have some concerns about the initiative as proposed. First, we disagree with the OMB proposal to merge the FIRE Act into the First Responder program. The FIRE Act and the First Responder proposal serve different purposes and one should not subsume the other. The FIRE Act funds the basic needs of fire departments, including basic personal protective gear, firefighting equipment, training, and apparatus. The President's First Responder proposal is for terrorism response, which is a specialized and advanced mission of the fire service. As a result, we urge this committee to retain the FIRE Act and the First Responder proposal as separate and distinct programs.

Additionally, we are concerned about the Administration's recommendation to designate 25 percent of the funding for use by state agencies. We recognize that states have a role in terrorism preparedness and response. However, we worry that without explicit instructions directing states to use the money for terrorism preparedness, states will divert a portion of the funds to offset their budget shortfalls. We urge the committee to establish safeguards so that funds intended for first responders are used for this purpose.

Finally, we urge this committee to assure adequate funding for several existing fire fighter training programs. The federal government currently provides funding to prepare first responders to meet a variety of specific threats. The Department of Transportation maintains a training program for emergency response to incidents involving hazardous cargo on our nation's highways and railways; the Department of Energy provides specialized training for fire fighters who protect nuclear weapons installations; the Environmental Protection Agency funds training for fire fighters who respond to incidents at Superfund sites; and, perhaps most significantly, the Department of Justice operates the nation's premier program to train emergency responders in the unique threats posed by weapons of mass destruction.

The IAFF is involved in many of these training programs. It was more than 15 years ago that IAFF recognized the need for a more effective way to train fire fighters, and we decided to develop a hazardous materials training program based on the simple premise that the best people to train fire fighters are fire fighters and the best place to train fire fighters is in their own communities. To make this concept a reality, we recruited a highly dedicated cadre of certified fire service instructors who are also front line fire fighters with hazardous material expertise. And we developed a curriculum designed so that it can be adapted to incorporate the unique challenges facing each community.

Perhaps most importantly, our partnerships with federal agencies enables us to provide this expert training at little cost to the local community. We make this training available to all fire departments-professional and volunteer alike-free of charge.

Since its inception, the IAFF training program has directly trained over 35,000 fire fighters and reached over three-quarters of a million fire fighters through its innovative train-the-trainer program. The Department of Justice has designated the IAFF training program as the prerequisite for all advance WMD fire fighter training, and the IAFF's curriculum has been formally adopted by 40 states.

As you can tell, Mr. Chairman, I am quite proud of our training program. But we face one significant problem: a lack of resources. Since September 11, the demand for our training program far outpaces the funding available to deliver it. We encourage this committee to fully fund those existing training programs that have proven their value to first responders.

Equally important as funding these diverse training programs is retaining their current structure. We are concerned that the legitimate goal of identifying a lead federal agency to coordinate counterterrorism activities could lead to merging or dismantling programs that make unique contributions to Homeland Security. For example, the Administration's proposal to place the Department of Justice WMD program under FEMA jeopardizes one of the nation's most successful counterterrorism efforts.

We support the Administration's plan to designate FEMA as the lead agency for terrorism response. We believe FEMA's role, however, should be to function as an information and resources clearinghouse so that it can assist local governments in getting the support they need from various federal agencies. Attempting to consolidate all existing terrorism training programs under a single agency would ultimately prove counterproductive.

The Department of Justice WMD program and the other myriad emergency response training programs should be encouraged to continue their unique contributions to Homeland Security.

CONCLUSION

For too long, the fire service has been neglected when it comes to allocating resources to protect our Homeland. Yet, we are the ones who too often make the ultimate sacrifice in defense of our nation. While we continue to focus our attention on the events in Afghanistan and other parts of the world, we must not forget that the fire service stands guard, day-in and day-out, protecting our communities and our nation.

The federal government, including Congress and the Administration, has begun to recognize that firefighters are the lynchpin to an effective and strong homeland security. The firefighters of the IAFF will be ready when the next alarm rings or when terrorists strike again. But our ranks are thin and reinforcements are needed quickly.

Congress must follow through and provide the resources to ensure that fire fighters have adequate staffing, proper training, and the right equipment to do their job. Our organization will never forget the sacrifice of 343 members on September 11th. Hopefully their sacrifice and heroism will be the catalyst for the federal government

to embrace its responsibility and provide the resources to allow our members to do their job safely and effectively.

Thank you for this time to present the view of the IAFF. I will be available for questions by the committee.

BIOGRAPHICAL SKETCH OF MICHAEL J. CROUSE

Michael J. Crouse serves as the Chief of Staff of the International Association of Fire Fighters, reporting to IAFF General President Harold A. Schaitberger and managing the day-to-day operations of the 252,000-member union's headquarters and staff.

Mr. Crouse joined the IAFF staff in September 2000 after a long and distinguished career as a federal fire fighter and union leader. Mr. Crouse served on the IAFF's Executive Board as the 16th District Vice President, representing all IAFF Federal Fire Fighters at federal facilities across the United States and Canada. He was then appointed by President Schaitberger to assume the union's top staff position.

Mr. Crouse spent 17 years as a federal fire fighter with Coltsneck, NJ Local F–147 and Portsmouth Shipyard, ME Local F–123, where he served as local union president for 10 years. Mr. Crouse also served as President of the Federal Fire Fighters Joint Council.

Mr. Crouse was elected to International office as 16th District Vice President 10 years ago and he held that position until his appointment as IAFF Chief of Staff.

Chairman BYRD. Thank you, Mr. Crouse, for a very effective and persuasive and informative statement. The firefighters can be proud of your presentation.

Mr. Stittleburg.

STATEMENT OF PHILIP STITTLEBURG, CHAIRMAN, NATIONAL VOLUNTEER FIRE COUNCIL, AND VOLUNTEER FIRE CHIEF, LaFARGE, WISCONSIN

Mr. STITTLEBURG. Mr. Chairman, I appreciate the opportunity to be here today, and I shall heed your admonition.

I would like to tell you where the volunteer fire service fits into the overall picture. There are about 800,000 volunteer firefighters in the United States. About 90 percent of all fire departments in the United States are volunteer. About 75 percent of all firefighters in the United States are volunteers, and we protect about 38 percent of the U.S. population.

I mention that to you because it fits into my emphasis of the importance of the Fire Act. The two gentlemen who preceded me have already spoken to the importance of that. I will simply echo that by saying that is unquestionably the most effective and efficient method of delivering money from the Federal Government directly to the departments that are in need.

I would offer just as substantiation of that, back when that act was being developed there was some question as to whether the fire service really needed funds, whether the fire service was really listening. Well, sir, I would suggest to you that the fact that in its very first year there were 31,295 grant requests from 18,915 fire departments—that is about two-thirds of the fire departments in the United States putting in grants in its very first year—and those grants totalled nearly $3 billion, the grant requests, and there was $100 million disbursed, indicates the depth of the need.

I would also suggest to you, sir, that the importance of the fact that 1,379 of those grants were to communities under 20,000 indicates the significance those grants have to the volunteer fire service.

The President has proposed his first responder initiative, and indicated a $3½ billion funding for that. we certainly are encouraged by that, because we understand that the President's commitment to encouraging people to volunteer is a part of that, and we support that.

However, our understanding is that the proposal is that the Fire Act would be eliminated and rolled into this first responder initiative, and I would suggest to you that is the worst possible mistake that could be made. The Government has demonstrated that it has the ability to deliver the funds that our people need quickly, directly, and with an absolute minimum of administrative cost and time involved. We are greatly in need of that.

The presumption, as I understand it, is that the Fire Act pretty much took care of equipping the first responders to their basic need level, and now the first responder initiative will work on a more regional level. Regionalization makes sense financially, it makes sense tactically, if the underlying assumption that the first responders are already properly outfitted and equipped and trained is valid. It is not, and it is the Fire Act funds that will enable us to gain that level of preparedness.

Thank you, sir.

[The statement follows:]

PREPARED STATEMENT OF PHILIP C. STITTLEBURG

Mr. Chairman and members of the committee, my name is Phil Stittleburg and I am Chairman of the National Volunteer Fire Council (NVFC). The NVFC represents the interests of the nation's nearly 800,000 volunteer firefighters, who staff over 90 percent of America's fire departments. I have served in the volunteer fire service for the last 30 years and have been the Chief of the LaFarge Volunteer Fire Department in Wisconsin for the last 25 years. I have had experiences in all phases of the first responder community, including chemical and hazardous materials incidents, information management, EMS, rescue and fire.

In addition to serving as NVFC Chairman, I have represented the NVFC on a variety of standards-making committees, including ones that set industry standards on firefighter health and safety. I also serve on the National Fire Protection Association's Board of Directors and I am an adjunct instructor for the National Fire Academy. I earn my livelihood as an attorney, which includes serving as an Assistant District Attorney on a half-time basis for the last 28 years. These positions give me an excellent opportunity to work in emergency services in both the law enforcement and fire service professions. On behalf of the volunteer fire service, I appreciate the opportunity to comment on needs and challenges we face.

According to the National Fire Protection Association (NFPA), nearly 75 percent of all firefighters are volunteers. In most years more than half of the firefighters that are killed in the line of duty are volunteers. In addition to the obvious contribution that volunteer firefighters lend to their communities as the first arriving domestic defenders, these brave men and women represent a significant cost saving to taxpayers, a savings sometimes estimated to be as much as $60 billion.

September 11, 2001 is a date that will be long remembered for the horrible losses our nation suffered, including the loss of so many of our brothers and sisters in the emergency services. September 11th will also be remembered for the heroics of those brave men and women who ran into the World Trade Center to render aid to their fellow New Yorkers, those who valiantly fought the raging fire at the Pentagon in Arlington, VA, and the fire companies who responded to the Somerset County, PA plane crash. Volunteer fire, rescue, EMS, and technical specialty teams answered and responded on that fateful day at Somerset and the Pentagon incidents and provided backup support to many departments who responded to the World Trade Center. Finally, September 11th will be remembered for ushering in America's new all out war against terrorism at home and abroad.

The September 11th tragedies in New York, Arlington, Virginia and Southwestern Pennsylvania made it clear to all Americans that the fire service is the first responder to all terrorist attacks this country may face. Administration officials and Members of Congress continue to warn Americans of a "clear and present danger"

of follow-up terrorist attacks. The question now is when and where, not if, the next terrorist attack will occur. As America's domestic first responders, the fire service will be on the front lines of any incident and must be prepared to respond to and defend our citizens from the ravages of terrorist attacks using conventional weapons or weapons of mass destruction. This expands our normal services beyond the delivery of fire, EMS, rescue, and technical specialty services to our citizens. These services already have time and training demands that are escalating annually.

America's fire and emergency services are in need of your assistance and you, as Members of the United States Senate, can make a difference by partnering with the fire service to give America's domestic defenders the tools they need to help fight this new war.

One of the largest problems faced by America's volunteer fire service is funding. Many volunteer fire departments struggle to provide their members with adequate protective clothing, safety devices and training to protect their communities, as mandated by regulations and standards. These fire companies, in towns across America, are being asked to respond to emergency calls involving hazardous materials, structural fire suppression, search and rescue, natural disasters, wildland fires, emergency medical services, and terrorism.

Many of these emergencies occur at federal facilities and buildings and on federal lands. In addition, these incidents can damage America's critical infrastructure, including our interstate highways, railroads, bridges, tunnels, financial centers, power plants, refineries, and chemical manufacturing and storage facilities. We as a fire service are sworn to protect these critical facilities and infrastructure.

In these difficult times, while volunteer fire departments are already struggling to handle their own needs and finances, they are now forced to provide more services. Often, local governments are unable to afford the extensive training and specialized equipment that these activities require.

The funding problems in America's volunteer fire service are not just limited to rural areas. As suburbs continue to grow, so does the burden on the local fire and EMS department. Even though many of these departments have the essentials, they are unable to gain access to new technologies. At no other time have advances been greater in equipment to protect them and make their jobs safer. Yet because the newer technology is so expensive, many volunteer fire departments are forced to forgo the purchase of the new technology or use outdated equipment.

Long before the terrorist attacks of September 11th, the national fire service organizations began working together to enhance readiness and increase funding levels for programs related to America's fire departments. Many Members of Congress have been with us since day one and have fought hard for improvement in the fire service. Unfortunately, it has taken a horrible tragedy for all of America to fully appreciate the risks our firefighters and EMS personnel take on a daily basis and the level to which they need to be prepared.

The following are the funding priorities of America's volunteer fire service:

First and foremost, Congress needs to fully fund the Federal Emergency Management Agency (FEMA) Assistance to Firefighters Grant Program. Thanks to your leadership Mr. Chairman, and the leadership of many of your colleagues in both Houses and on both sides of the aisle, Congress took a giant step in addressing the needs of America's fire service by creating this grant program and funding it at the $100 million level in fiscal year 2001. Every fire department across the country was eligible for funding for safety and firefighting equipment, apparatus, training, prevention, and wellness and fitness programs.

In the first year of the program, the U.S. Fire Administration (USFA) and FEMA received 31,295 grant applications from 18,915 fire departments totaling $2.99 billion in requests. In the end, USFA/FEMA awarded 1,855 competitive grants to local fire departments, including 1,375 to volunteer and combination fire departments. In addition, 1,379 grants totaling $55,377,798 were awarded in communities with populations below 20,000 people. Many of these were rural volunteer fire departments that struggle the most to provide their members with adequate protective gear, safety devices and training to protect their communities.

Again, thanks to your leadership Chairman Byrd, the funding for the program was increased to a total of $360 million in fiscal year 2002 and the application period for this year's grants closed on April 5. This increase in funding has allowed FEMA to add fire department based emergency medical services (EMS) as an eligible category this year. EMS calls continue to be the fastest growing burden on local fire departments and these new grants will help to ease that burden and prepare local departments for a terrorist event. Late last year, Congress also passed a reauthorization of the FEMA Assistance to Firefighters Grant Program for $900 million for each of the fiscal years 2002 through 2004.

This direct grant program has proved to be the most effective program to date in providing local volunteer and career fire departments not only with the tools they need to perform their day-to-day duties, but it has also enhanced their ability to respond to large disasters as well. As we move to prepare for terrorist incidents at home, we must first make sure that local fire departments have the basic tools they need to do their jobs on a daily basis, before we can ask them to be fully prepared to respond to terrorist incidents. In addition, this program has been successful because it is the only federal program that provides funding directly to fire departments. Far too often federal funds intended to aid fire departments are diverted to other uses by state and local officials.

Although the fire service is very pleased that the President's fiscal year 2003 budget request includes over $3.5 billion to assist our nation's first responders, we are concerned that the budget recommendation would negatively impact the Assistance to Firefighters Grant Program. The administration has proposed to consolidate this grant program into a completely new state-based block grant initiative called the First Responder Initiative.

We wholeheartedly appreciate the Administration's commitment to provide training, equipment, and planning to the nation's firefighters through the First Responder Initiative. We look forward to working with the Administration to assure that this new counter-terrorism initiative is successful and positively impacts local fire departments in suburban and rural communities. However, we believe that it would be counterproductive for the new First Responder program to replace the valuable and proven Assistance to Firefighters Grant Program.

Therefore, on behalf of America's volunteer fire service, I strongly urge Congress to fully fund the vital Assistance to Firefighters Grant Program at the full authorized level of $900 million and keep it as a separate and distinct program under the Federal Emergency Management Agency.

Terrorism and hazardous materials response training and equipment are of vital importance to America's fire service. Even the best-prepared localities lack adequate resources to respond to the full range of terrorist threats this country faces. Many jurisdictions, especially those in rural and suburban areas protected by volunteers, have little or no capability to respond to terrorist attacks using weapons of mass destruction.

As I mentioned, the Administration has proposed a program called the First Responder Initiative, which will spend $3.5 billion in fiscal year 2003 to dramatically enhance the homeland security response capabilities of America's local fire, EMS, and police departments. This program, which would be administered through FEMA's Office of National Preparedness, will allocate approximately $105 million for planning, $2 billion for equipment, $1.1 billion for training, and $245 million for exercises. The National Volunteer Fire Council fully supports the financial commitment the Administration has made in its budget for first responders and we ask Congress to do the same.

However, the NVFC is concerned about the possibility that a large portion of this new funding for equipment and training will get bogged down in state agencies and will not get down to the local fire departments that need it most. In addition, although we understand the special needs and concerns of America's large metropolitan areas, Congress and FEMA cannot forget smaller communities, whose fire, rescue and EMS personnel also need the basic training and equipment to recognize and respond to these incidents. While these communities may not seem to be prime terrorist targets, it is this very perception that makes them especially vulnerable.

In a March 27 speech in Greenville, South Carolina, President Bush said, "homeland security in the heartland is just as important as homeland security in the big cities." We fully agree with the President and we look forward to working with the Congress and FEMA to ensure that these concerns are addressed and that this program is a success.

Our nation's forests and wildlands are a critical part of America's infrastructure. The volunteer fire service, in cooperation with our Federal and State partners, plays a key role in fire suppression in communities adjacent to federal and state lands. The U.S. Forest Service's Volunteer Fire Assistance Program and the Department of Interior Rural Fire Assistance Program focus on building the community's capacity to lessen local vulnerability to risks associated with wildland fires and should be supported by Congress.

The Volunteer Fire Assistance Program provides assistance, through the states, to volunteer fire departments to improve communication capabilities, increase wildland fire management training, and purchase protective fire clothing and firefighting equipment. The 50/50 matching grants are for fire departments that protect populations fewer than 10,000 people. The administration has proposed $13.3 mil-

lion for this program in fiscal year 2003 and the NVFC fully supports funding at this level.

The Department of Interior Rural Fire Assistance Program is aimed at enhancing the fire protection capabilities of rural fire districts in the wildland-urban interface and around Department of Interior lands. The program assists with training, equipment purchase, and prevention activities, on a 90/10 cost-share basis. The rural fire department must serve a community with a population of 10,000 or less. The Administration has proposed $10 million for this program in fiscal year 2003 and the NVFC fully support this request.

Another critical need in America's volunteer fire service is the recruitment and retention of volunteer personnel. Over the past 20 years the volunteer fire service has seen its ranks decrease by nearly 15 percent. Major factors contributing to the problem of recruiting and retaining volunteers include but are not limited to constant fundraising demands, increase in emergency calls, more rigorous training standards, and people working further away from the communities in which they live.

In the President's State of the Union address, he encouraged all Americans to commit to service of their neighbors and their nation by becoming volunteers. He also laid out a plan to create a new Citizen Corps, as part of the First Responder Initiative, which would utilize volunteers to identify threats and respond to emergencies, including much-feared biological or chemical attacks. The Citizen Corps will enable Americans to volunteer to participate directly in homeland security efforts in their own communities. Community-based Citizen Corps Councils will help drive local involvement in Citizen Corps, developing community action plans, assessing possible threats, identifying local resources and coordinating other Citizen Corps programs. These Councils will include leaders from fire and emergency medical services, law enforcement, businesses and other community-based institutions.

The volunteer fire service and the NVFC look forward to playing a large role in this program and we hope that the Citizen Corps will serve as a strong recruitment tool for local volunteer fire departments. The Bush Administration has proposed more than $230 million in funding in their fiscal year 2003 budget for this program and the NVFC encourages Congress to support this funding.

When I began my testimony today, I stated that the fire service is in need of your assistance and that you, as Members of the United States Senate, could make a difference with the necessary funding. I hope that I have painted a picture that illustrates that the need is real and that the continued support of the fire service by Congress is indeed a national concern.

Mr. Chairman, I thank you for your time and your attention to the views of America's fire service, and I would be happy to answer any questions you may have.

BIOGRAPHICAL SKETCH OF PHILIP C. STITTLEBURG

Phil Stittleburg joined the volunteer fire service in 1972 and has served as Chief of the LaFarge (WI) Fire Department for 25 years. Phil is also legal counsel to the NVFC, the LaFarge Fire Department and the Wisconsin State Firefighters Association. Phil has represented the NVFC on numerous National Fire Protection Association (NFPA) standards making committees, including ones that set industry standards on firefighter health and safety. He served as the NVFC Foundation President for twelve years and is a current member of the NFPA Board of Directors. Phil is an adjunct instructor at the National Fire Academy and a regular contributor to Fire Chief Magazine.

Phil earns his livelihood as an attorney, which includes serving as an Assistant District Attorney on a half-time basis for the last 28 years. These positions give him an excellent opportunity to work in emergency services in both the law enforcement and fire service professions.

Chairman BYRD. Thank you, Mr. Stittleburg, for your good statement.

Colonel Westphal.

STATEMENT OF COLONEL LONNIE WESTPHAL, CHIEF, COLORADO STATE PATROL, REPRESENTING THE INTERNATIONAL ASSOCIATION OF CHIEFS OF POLICE

Colonel WESTPHAL. Good morning, Chairman Byrd, and thank you very much, members of the committee. I am pleased to be here today on behalf of the International Association of Chiefs of Police.

As you may know, the IACP is the world's oldest and largest organization of law enforcement executives founded in 1894, with the current membership exceeding 19,000. Our mission throughout the history of our association has been to address urgent law enforcement issues and to develop policies, programs, training, and technical assistance to help solve these issues.

As I appear before you today, combatting terrorism looms as the most urgent issue facing our members and the communities that they serve. In my written statement I highlighted the need for improvements in information-sharing among Federal, State, and local law enforcement, and the needs of State and local law enforcement agencies in areas such as antiterrorism training, communications technology, emergency response equipment, and manpower needs. However, in the interests of time, I would like to focus on the administration's proposed budget for fiscal year 2003, and the IACP's view of the impact on the ability of State and local law enforcement to play an active role in the war against terrorism.

Ensuring that State and local law enforcement agencies are fully engaged in this effort is vital to our success. In our society, an enormous degree of responsibility and authority for public security is delegated to local government, particularly to the police agencies. As the September 11 attacks demonstrated, the local police and other public safety personnel will often be the first responders to a terrorist attack. However, the role of State and local law enforcement agencies is not limited to responding to terrorist attacks. These agencies can and must play a vital role in the investigation and prevention of future terrorist attacks.

Across the United States, there are more than 16,000 State and local law enforcement agencies. These agencies, and the 700,000 officers they employ, daily patrol the streets of our cities and towns, and as a result, have an intimate knowledge of the communities they serve, and have developed close relationships with the citizens they protect.

These relationships provide State and local law enforcement agencies with the ability to effectively track down information related to terrorists. Often, State and local agencies can accomplish this task in a more effective way and timely fashion than their Federal counterparts, who may be unfamiliar with the community and its citizens. In addition, police officers on every-day patrol, making traffic stops, answering calls for service, performing community policing activities, and interacting with the citizens, can, if properly trained in what to look for and what questions to ask, be a tremendous source of intelligence for local, State, and Federal homeland security forces.

However, the events of September 11 and its aftermath have placed an increased demand on law enforcement agencies. As State and local law enforcement agencies adjust to their new duties and responsibilities, it has become apparent that the need for additional law enforcement personnel, which in some communities existed prior to September 11, is even more urgent. Departments around the Nation are discovering that meeting the increased security needs of their communities has forced them to significantly increase the amount of overtime that their officers are working. As a result of this increase in overtime, budgets have been stretched

to the limit, with the result that departments do not have the resources to acquire vitally needed training and equipment. As a result of the increased burden placed on State and local law enforcement, and the need for new equipment, training, and manpower assistance, the IACP is concerned that President Bush's fiscal year 2003 budget for the Department of Justice proposes significant reductions in three major State and local law enforcement assistance programs, the Byrne grant program, the local law enforcement block grant, and the COPS program.

In the current budget year, fiscal year 2002, these programs in total received $2.154 billion. According to our review of the President's proposed fiscal year 2003 budget, these programs face a reduction in total funding of $753 million, a 35.5 percent cut from the fiscal year 2002 budget. It must be noted that the Department of Justice has stated the rationale behind these cuts in Byrne and the local law enforcement block grants is that the majority of the discretionary funds in these programs were already obligated by legislative provisions which directed these funds be provided to the specific agencies for specific projects. As a result of these provisions, the flexibility that is crucial to the success of this assistance program was minimized, and the overall effectiveness of the program was reduced. While the IACP understands and shares these concerns of the administration of the loss of this flexibility, we do not believe that reducing the funds available for these programs is the appropriate response.

The IACP is concerned with the reductions in these three vital State and local law enforcement assistance programs. These programs have played an integral role in ensuring that State and local law enforcement agencies are well-equipped, well-trained, and staffed at an appropriate level. At this crucial time, when State and local law enforcement agencies are faced with new responsibilities and challenges, it is the AECP's belief that the funding levels for these crucial assistance programs should not be reduced.

In sharp contrast to the reductions proposed in the Justice Department, State and local law enforcement assistance programs, the proposed budgets for the Federal Emergency Management Agency include the nearly $3.5 billion grant program to assist State and local public safety agencies. According to the administration, the proposed program, the first responder grant program, is designed to assist State and local government in preparing their response to terrorist attacks. While the IACP completely supports the FRG program, we do not want it to be funded at the expense of law enforcement's efforts to prevent terrorist attacks on American citizens. It should be in addition to current law enforcement funding.

In conclusion, I would like to offer the following observations. In total, the administration's fiscal year 2003 budget includes approximately $4.9 billion to assist State and local public safety agencies. Of that total, however, only $1.38 billion is designated solely for law enforcement purposes. This is a reduction of more than $750 million from the current budget.

The IACP believes that at this crucial time in our history we cannot afford to reduce the effectiveness of our Nation's State and local law enforcement agencies. Over the last decade, the funds provided

by the Byrne grant, the local law enforcement block grants, and the COPS program, have dramatically increased the capabilities and effectiveness of State and local law enforcement agencies. It is imperative that departments continue to receive this assistance.

We have entered a new era for law enforcement. We are faced with new and daunting challenges. We are asking more of our officers, and our communities are turning to us for protection. Only with Federal assistance funds that are specifically targeted for law enforcement in its unique role can we hope to successfully meet this challenge.

I thank you, Mr. Chairman and members of the committee, for this opportunity to appear before you today, and I will be willing to answer any questions at the end. Thank you.

[The statement follows:]

PREPARED STATEMENT OF COL. LONNIE J. WESTPHAL

Good Morning, Chairman Byrd, Senator Stevens and members of the Committee. I am pleased to be here today on behalf of the International Association of Chiefs of Police. As you may know, the IACP is the world's oldest and largest organization of law enforcement executives, founded in 1894, and with a current membership exceeding 19,000. Our mission, throughout the history of our association, has been to address urgent law enforcement issues and to develop policies, programs, training and technical assistance to help solve those issues. And as I appear before you today, combating terrorism looms as the most urgent issue facing our members and the communities they serve.

The initial response of law enforcement and other public safety agencies in New York, Virginia, Pennsylvania and throughout the United States to the terrible events of September 11th was outstanding. Individuals around the world watched in admiration and astonishment as police officers, firefighters and EMS technicians raced to assist the victims of these attacks with little apparent regard to the danger they themselves faced. On a broader scale, federal, state and local law enforcement agencies immediately began working together in a massive effort to respond to the attack and to prevent additional attacks.

However, in the weeks and months that have followed, it has become apparent that the crucial partnership between federal, state and local law enforcement is being hindered by difficulties in cooperation, coordination and information sharing. This is unacceptable. Now, at a time when communities across the United States are turning to their law enforcement agencies for guidance and protection, we must do all that we can to ensure that all law enforcement agencies work together and overcome the artificial walls that sometimes divide us.

The IACP is certainly not alone in this belief. The Office of Homeland Security, the Department of Justice, Federal Bureau of Investigation and other federal agencies also realize how crucial collaboration with state and local law enforcement is to the success of their efforts, and they have taken several positive actions to address this situation. For example, the FBI has recently formed a state and local law enforcement advisory committee that is designed to foster cooperation between the bureau and their local counterparts. In addition, the IACP applauds the Office of Homeland Security's creation of the Homeland Security Threat Advisory System. The IACP believes that this system will provide state and local law enforcement executives with a clearer understanding of the threat level confronting their communities and the actions required of their agencies in response.

These actions have encouraged the IACP, and we look forward to working with the Office of Homeland Security, the FBI and other federal agencies to ensure greater cooperation and coordination between law enforcement agencies at all levels of government.

ROLE OF STATE AND LOCAL LAW ENFORCEMENT AGENCIES

Ensuring that we are successful in this effort is vital because state and local enforcement agencies must be fully engaged in the war against terrorism. In our society, an enormous degree of responsibility and authority for public security is delegated to local government, particularly to police agencies. As the September 11th attacks demonstrated, the local police and other public safety personnel will often be the first responders to a terrorist attack. However, the role of state and local law

enforcement agencies is not limited to responding to terrorist attacks. These agencies can and must play a vital role in the investigation and prevention of future terrorist attacks.

Across the United States, there are more than 16,000 state and local law enforcement agencies. These agencies, and the 700,000 officers they employ, daily patrol the streets of our cities and towns and, as a result, have an intimate knowledge of the communities they serve and have developed close relationships with the citizens they protect. These relationships provide state and local law enforcement agencies with the ability to effectively track down information related to terrorists. Often, state and local agencies can accomplish these tasks in a more effective and timely fashion than their federal counterparts, who may be unfamiliar with the community and its citizens. In addition, police officers on everyday patrol, making traffic stops, answering calls for service, performing community policing activities, and interacting with citizens can, if properly trained in what to look for and what questions to ask, be a tremendous source of intelligence for local, state and federal homeland security forces.

INFORMATION SHARING

However, in order to make use of this intelligence gathering capability, it is vital that federal, state and local law enforcement agencies develop an efficient and comprehensive system for the timely sharing, analysis and dissemination of important intelligence information. The IACP believes that failure to develop such a system and the absence of guidance to law enforcement agencies on how intelligence data can be gathered, analyzed, shared and utilized is a threat to public safety and must be addressed. To that end, the IACP urges the Administration and Congress to take the necessary steps to develop a process that will promote intelligence-led policing and the information exchange between law enforcement agencies. For example, providing the resources necessary to assist the development of state and local information and intelligence networks would greatly enhance the ability of state and local law enforcement agencies to communicate and access vital intelligence information of local interest in a rapid and effective manner.

In addition, the IACP strongly urges the Administration and Congress to provide the necessary resources to improve the integration and compatibility of local, state, federal and international criminal justice information systems. Coordination and integration of these systems and the data they contain will greatly enhance the ability of law enforcement agencies to quickly access the information necessary to combat terrorism in our increasingly mobile society.

FEDERAL ASSISTANCE PROGRAMS

In addition to addressing this crucial information sharing issue, there are other steps that the federal government can take to ensure that state and local governments and their law enforcement agencies are active and effective partners in homeland security efforts.

Although the primary mission of law enforcement agencies has always been to ensure public safety, the events of September 11th have dramatically and significantly changed the focus of law enforcement operations. Suddenly, agencies and officers who have been trained and equipped to deal with traditional crimes are now focused on apprehending individuals operating with different motivations, who have different objectives and who use much deadlier weapons than traditional criminals. As a result, law enforcement agencies and officers will need new training and new equipment to meet this new threat.

For example, state and local officers could greatly benefit from training on topics such as:

1. Recognizing possible threats to public safety and terrorist tactics;
2. Field interrogation techniques to better enable them to recognize and respond to terrorist threats;
3. Federal immigration law, sources and documentation; and,
4. How to respond to biological, chemical and nuclear incidents.

As for equipment needs, it has become clear that law enforcement agencies will need to obtain protective clothing and isolation equipment for first responders. In addition, the increased demands being placed on law enforcement agencies for investigations and protective responsibilities means that they will also need to obtain electronic surveillance equipment as well as security equipment for guarding public buildings and critical infrastructure installations.

Finally, the events of September 11th and its aftermath have placed an increased manpower demand on law enforcement agencies. As state and local law enforcement agencies adjust to their new duties and responsibilities, it has become apparent that

the need for additional law enforcement personnel, which in some communities existed prior to September 11th, is even more urgent. Departments around the nation are discovering that meeting the increased security needs of their communities has forced them to significantly increase the amount of overtime that their officers are working. As a result of this increase in overtime, budgets have been stretched to the limit with the result that departments do not have the resources to acquire vitally needed training and equipment.

FISCAL YEAR 2003 PROPOSED BUDGET

As a result of the increased burden placed on state and local law enforcement and the need for new equipment, training and manpower assistance, the IACP is concerned that President Bush's fiscal year 2003 budget for the Department of Justice proposes significant reductions in three major state and local law enforcement assistance programs: the Byrne Grant program, the Local Law Enforcement Block Grant, and, the COPS program. In the current budget year (fiscal year 2002), these programs, in total, received $2.154 billion. According to our review of the President's proposed fiscal year 2003 budget, these programs face a reduction in total funding of $753 million, a 35.5 percent cut from fiscal year 2002 budget. The proposed reductions are achieved in the following fashion:

LLEBG & BYRNE

The Local Law Enforcement Block Grant (LLEBG) program and the Byrne Grant program would be combined into a new initiative entitled the Justice Assistance Grant (JAG) program. In the current fiscal year 2002 budget, the combined funding level of the LLEBG program and the Byrne Grant program was $994 million. The proposed funding level under the JAG program is $800 million, a decrease of $194 million, or 20 percent from the current combined funding level for the LLEBG and Byrne Program.

It must be noted that the Department of Justice has stated that the rationale behind these cuts is that the majority of the discretionary funds in these programs were already obligated by legislative provisions which directed that funds be provided to specific agencies for specific projects. As a result of these provisions, the flexibility that is crucial to the success of this assistance program was minimized and the overall effectiveness of the program was reduced. While the IACP understands and shares these concerns of the Administration over the loss of this much needed flexibility, we do not believe that reducing the funds available for these programs is the appropriate response. Rather, the IACP believes that the solution lies in addressing the proliferation of directed spending provisions and their impact on the effectiveness of the program.

COPS OFFICE

In addition to the consolidation and reduction of the LLEBG and Byrne Programs, the proposed budget for the Community Oriented Policing Services (COPS) program will be significantly reduced. In the current fiscal year 2002 Budget, the COPS office received $1.115 Billion. The Administration's proposed budget reduces this amount by $533 million, or approximately 48 percent. This reduction is achieved by eliminating the law enforcement officer hiring grant program and by significantly reducing the funds available for crime fighting technologies. It is important to note that aside from $30 million that has been allocated for the Police Corps program, no funds in the President's budget are available to hire law enforcement officers. This is unfortunate since the IACP believes that hiring and manpower related issues remain a top priority for many state and local law enforcement agencies throughout the nation. As a result, the IACP strongly believes that, at a minimum, the Universal Hiring Program, administered by the COPS Office, should be funded at a level consistent with the current budget.

The IACP is concerned with the reduction in these vital state and local law enforcement assistance programs. These programs have played an integral role in ensuring that state and local law enforcement agencies are well equipped, well trained and staffed at an appropriate level. At this crucial time when state and local law enforcement agencies are faced with new responsibilities and challenges, it is the IACP's belief that the funding levels for these crucial assistance programs should not be reduced.

FEMA: FIRST RESPONDER GRANT PROGRAM

In sharp contrast to the reductions proposed to the Justice Department's state and local law enforcement assistance programs, the proposed budget for the Federal

Emergency Management Agency (FEMA) includes a new $3.5 billion grant program to assist state and local public safety agencies. According to the Administration, this proposed program, the First Responder Grant (FRG) program, is designed to assist state and local government in preparing for terrorist attacks.

Under this proposal, the FRG program will receive $3.5 billion in fiscal year 2003. These funds would be distributed among the states and are intended to assist law enforcement, firefighting and emergency medical service agencies in increasing their abilities to respond to terrorist attacks. The funds would be distributed among the states on a per capita basis, with each state receiving funds in proportion to the size of its population. The funds received under this program could be used to address costs in four main areas: training, planning, equipment, and training exercises. However, like the DoJ JAG grants, these funds could not be used to address personnel costs.

According to the Office of Homeland Security, all funds under the FRG program would initially be provided to state governments. However, within 30 days of the receipt of these funds, 75 percent of the total funds received must be transferred from the state to regional/local jurisdictions. The remaining 25 percent of funds received are designated for use by the state government as the governor sees fit. The governor of each state would be responsible for dividing the state into regional/local jurisdictions that would be eligible to receive grant funds. These regional and local units would be responsible for assessing their needs and developing a plan to address them.

The IACP has several concerns with the FRG program. First and foremost, FEMA has historically been a response agency, and the IACP is very concerned that this grant program is more oriented towards responding to terrorist attacks rather than preventing them from happening in the first place. The IACP agrees that there is a vital need to assist state and local public safety agencies in improving their response capabilities, and we agree that FEMA should be closely involved in that effort. However, unlike firefighters and emergency medical technicians, law enforcement agencies are not concerned solely with responding to terrorist attacks. IACP is concerned that by proposing that the FRG be the primary assistance program to state and local public safety agencies, the administration has overlooked the unique role that law enforcement plays in anti-terrorist activities.

The IACP is also concerned about the role state and local law enforcement executives will play in developing the regional/local response plans and needs assessment. The IACP believes that it is vitally important for law enforcement executives to be intimately involved in this process.

Finally, the IACP is concerned that the decision to provide these grant funds to state governments could lead to disparities among the funds received by local communities. The IACP believes that small communities, tribal nations, and other public safety agencies may be overlooked in the planning and allocation process and as a result, their capabilities would not be enhanced.

In conclusion, I would like to offer the following observations. In total, the Administration's fiscal year 2003 budget included approximately $4.9 billion to assist state and local public safety agencies. Of that total, however, only $1.38 billion is designated solely for law enforcement purposes. This is a reduction of more than $750 million from the current budget. The IACP believes that at this crucial time in our history, we cannot afford to reduce the effectiveness of our nation's state and local law enforcement agencies. Over the last decade, the funds provided by the Byrne Grant, the LLEBG and the COPS program have dramatically increased the capabilities and effectiveness of state and local law enforcement agencies. It is imperative that departments continue to receive this assistance. We have entered a new era for law enforcement, we are faced with new and daunting challenges, we are asking more of our officers and our communities are turning to us for protection. Only with a federal assistance funds that are specifically targeted for law enforcement and its unique role can we hope to successfully meet this challenge.

Thank you for the opportunity to appear before you today. I will be glad to answer any questions you may have.

BIOGRAPHICAL SKETCH OF COL. LONNIE J. WESTPHAL

Lonnie J. Westphal, Fifth Vice President of the International Association of Chiefs of Police, was appointed to the position of Colonel, Chief of the Colorado State Patrol, in October of 1995. He has served with the Colorado State Patrol since 1974.

Colonel Westphal holds a Bachelor of Science degree in Business Administration from Colorado State University and a Masters degree in Public Administration from the University of Denver. He served in the U.S. Navy as Romanian Linguist at the National Security Agency from 1970–74.

Colonel Westphal is a graduate of the National Executive Institute of the Federal Bureau of Investigation (September 1988), as well as the John F. Kennedy School of Government for Senior Executives at Harvard University (July 1999).

Colonel Westphal has been a member of the board of the State Patrol Protective Association as well as of the Colorado Council of Law Enforcement Associations, and has also served as International Chair of the Police Traffic Services Committee of the American Association of Motor Vehicle Administrators. He is an active member of the International Association of Chiefs of Police and a board member of the National Commission Against Drunk Driving.

Originally from Cherokee, Iowa, Colonel Westphal currently resides in Larkspur, Colorado, with his wife of 34 years. The Westphals have two grown children.

THE INTERNATIONAL ASSOCIATION OF CHIEFS OF POLICE

The International Association of Chiefs of Police is the world's oldest and largest nonprofit membership organization of police executives, with over 19,000 members in over 100 different countries. IACP's leadership consists of the operating chief executives of international, federal, state and local agencies of all sizes.

Founded in 1893, the association's goals are to advance the science and art of police services; to develop and disseminate improved administrative, technical and operational practices and promote their use in police work; to foster police cooperation and the exchange of information and experience among police administrators throughout the world; to bring about recruitment and training in the police profession of qualified persons; and to encourage adherence of all police officers to high professional standards of performance and conduct.

Since 1893, the International Association of Chiefs of Police has been serving the needs of the law enforcement community. Throughout those past 100-plus years, we have been launching historically acclaimed programs, conducting ground-breaking research and providing exemplary programs and services to our membership across the globe.

Professionally recognized programs such as the FBI Identification Division and the Uniform Crime Records system can trace their origins back to the IACP. In fact, the IACP has been instrumental in forwarding breakthrough technologies and philosophies from the early years of our establishment to now, as we approach the 21st century. From spearheading national use of fingerprint identification to partnering in a consortium on community policing to gathering top experts in criminal justice, the government and education for summits on violence, homicide, and youth violence, IACP has realized our responsibility to positively effect the goals of law enforcement.

Even with such an esteemed history, we are continually initiating programs to address the needs of today's law enforcement professionals. Our members have let us know that they consider IACP to be a progressive organization, successfully advancing the law enforcement profession.

If you would like additional information about the IACP, please contact IACP Headquarters at 1–800–THE–IACP (1–800–843–4227) or visit our website at www.theiacp.org

Chairman BYRD. Thank you. Thank you very much. General Alexander, representing the National Guard Association.

STATEMENT OF GENERAL RICHARD ALEXANDER, DIRECTOR, NATIONAL GUARD ASSOCIATION

General ALEXANDER. Good morning, Mr. Chairman, Senator Stevens, and distinguished committee members. On behalf of the men and women of the National Guard, of the National Guard Association of the United States, we sincerely thank you for the opportunity to discuss the issues of homeland security and the challenges facing the National Guard in this arena. I have provided copies of my testimony for the record. However, with your approval, I would like to submit an updated copy for the record.

Chairman BYRD. That updated copy, without objection, will be included in the record.

General ALEXANDER. Thank you, sir.

Nearly 1,300 members of the National Guard were on duty in support of the civilian first responders in New York by September

13. State authorities in Virginia, Maryland, and the District of Columbia mobilized roughly 1,200 guardsmen within hours after the attack on the Pentagon. Since that time, more than 14,000 members of the Army Guard and over 23,000 members of the Air National Guard have been called to active duty in service as a part of our Operation Enduring Freedom and Noble Eagle.

In addition to that, many thousands have been called to active duty under the command and control of their Governors. More than 7,000 members of the National Guard provided airport security across the country for the past 6 months. These individuals required certain needs as a result of that, and I would like to share that with the committee.

It is envisioned that significant portions of the National Guard structure will be dual mission and apportioned to a soon-to-be-appointed Commander in Chief of Northern Command. This structure needs to be resourced dual-mission to accommodate the requirements of other CINC's. It is anticipated that this transformation within the National Guard will make available additional high-demand units and, as a result, reduce the level of operations tempo for those units being called upon time and time again to perform missions at home and abroad. The National Guard must be resourced to support activities in support of local, State, and Federal homeland security vulnerability assessments, funding implementation of defense countermeasures, and participation in exercises designed to evaluate preparedness.

The Governor's homeland security plan, based upon a decade-long National Guard program model in which each State Governor adopts and administers a program of full-time manning to support law enforcement agencies would marshal broad resources to best meet the needs of each State and territory. Within prescribed national standards the guidelines enforced by the National Guard and the Governor's plan for homeland security should explicitly authorize the National Guard to engage in interstate support consistent with the objective of sending and receiving States' plans, thus encouraging regional and interstate mutual aid agreements.

Further, the charter of the National Guard needs to be amended to expand its unique role as a channel of communication between the States and the national security authorities. This expansion should provide for communications on homeland security issues between several States and the support of CONUS CINC, the Chairman of the Joint Chiefs of Staff, the Secretary of Defense, and the Assistant to the President for Homeland Security.

The homeland security missions of the National Guard must be established as a multiyear funded program to ensure continuity and sustain support for the CONUS CINC, local, State, and Federal emergency responders. The National Guard Bureau should be authorized to biannually submit a separate POM for all missions falling within the National Guard's homeland security responsibilities. We would hope the Congress should appropriate these funds directly to the National Guard Bureau.

Currently, there is a shortfall of title 32 missions, a funding of title 32 missions as a result of domestic homeland security missions being performed across the country. This lack of funding will have a direct impact on the ability of a prolonged presence sup-

porting homeland security. Many States are paying for missions with funding dedicated for training, thus impacting upon unit readiness.

Mr. Chairman, we ask the Congress to support our Governors in meeting the challenges of securing and defending America's homeland by establishing a policy of employing National Guard units and personnel in title 32 status for missions that involve augmenting non-Department of Defense Federal agencies within a State's borders. The National Guard gratefully acknowledges the actions taken by the committee to correct the full-time manning challenges for the National Guard. However, there is still a critical shortfall that needs to be addressed.

The Army has validated a plan to bring the National Guard full-time manning personnel to an acceptable risk level of 71 percent of its required force by 2011. We ask this committee to support a level of funding consistent with or greater than fiscal year 2002 funding for full-time manning for the Army National Guard. Since September 11 the civil support teams have performed 333 operational missions at the request of civil authorities. These responses range from sampling a known or suspected hazard to providing technical expertise and advice to local, State, and Federal agencies.

The civil support team is playing a crucial role for the National Guard in homeland security. However, 23 States and territories have yet been provided this valuable asset to assist in bolstering the ability of the National Guard to support civilian first responders. The National Guard Association stands with the National Emergency Management Association, the International Association of Emergency Managers, and the Council of State Governors, in recommending that the Congress complete the fielding with a minimum of one civil support team in each State.

The need to provide a reliable, interoperable communications system to allow first responders and National Guardsmen the ability to effectively communicate is of utmost importance. The hard lessons learned from September 11 demonstrates this need. Out-of-date FM communications systems which utilize the line-of-sight capability were inoperable in the urban canyons of New York City. The National Guard, along with civilian authorities, was dependent upon donated commercial systems provided by companies like Verizon and Nextel. The lack of interoperable radios forced many individuals to carry three different radios to communicate with military and civilian authorities.

Combat air patrols conducted by the Air National Guard taught some valuable lessons for communications. Equipping the Air National Guard F–15's with VHF radios with a DHF radio capability will allow communications with commercial airliners. Upgrading and expanding the National Guard distributive technology training project is necessary to ensure multiple C^4I operating sites necessary in our States. We badly need an increased amount of UH–60 helicopters, high mobility combat vehicles, to ensure the mobility of our force.

In closing, let me say, recently I had the pleasure of talking with Major General George C. Garrett, the Commanding General of the 42nd Infantry Division of the New York Army National Guard. He and his soldiers have identified critical areas where attention is

needed to preempt future challenges that relate to Army equipping, feeding and clothing, and sheltering our soldiers and airmen. Their comments include the need for manned portable power devices and tactical generators to charge cell phones, light sets, and radios, alternative fueled vehicles need to be given consideration as diesel and gas vehicle supplies are targets.

Many soldiers purchased authorized enhanced inclement cold weather equipment, and a great many were unable to pay out of pocket for this same gear. A mechanism for an immediate fund site for personnel needing clothing needs to be available. The Guard needs to be provided with 9 millimeter service pistols, adequate training, and ammunition to support homeland security missions.

One little side note. Major General Garrett wanted me to express his thanks and gratitude from the 42nd Infantry Division to the first responders whom they worked with and continue to work with.

Mr. Chairman, on behalf of the National Guard and our soldiers and airmen, I thank the committee for allowing me the opportunity to express their concerns in this area, and I look forward to your questions.

[The statement follows:]

PREPARED STATEMENT OF MAJOR GENERAL RICHARD C. ALEXANDER

The National Guard in Operations Enduring Freedom & Noble Eagle

On September 11th, 2001, the National Guard—already heavily engaged with the 29th Infantry Division ready to rotate into Bosnia and the 7th and 8th Air Expeditionary Force serving abroad—became more decisively engaged in fulfilling its dual role as defenders of the homeland.

The Air National Guard (ANG) was the "first responders" over America's skies with the immediate launch of Air Defense Units and general-purpose fighters from four separate sites. Within hours, 34 fighter and 18 tanker "dual-missioned" units were flying or supporting Combat Air Patrols over the United States as part of a Total Force effort—including Presidential Escort. Numerous alerted strategic and tactical lift units (C–130, C–5, and C–141) began transportation of blood, organs, Federal Emergency Management Agency (FEMA), Federal Bureau of Investigations (FBI), medical personnel, Civil Support Teams, and heavy equipment.

Thousands of force protection and combat support requirements were identified and generated in the first hours to include more than 70 security forces units, hundreds of civil engineers, 88 command and control centers in all 54 states and territories, services support for 35 dining and alert facilities, Chaplains, communicators, and air traffic controllers.

Nearly 3,800 members of the National Guard were on duty in New York by September 13th. State authorities in Virginia, Maryland and the District of Columbia mobilized roughly 1,200 Guardsmen were by within hours after the attack on the Pentagon.

Today 170 New York and 150 New Jersey National Guardsmen are still on state active duty at Ground Zero and providing security enhancements on the Hudson River bridges.

Since that time, more than 10,000 members of the Army National Guard (ARNG) and over 23,000 members of the Air National Guard have joined their Army and Air Force Reserve (AFR) counterparts in being called to active federal service as part of Operations Enduring Freedom and Noble Eagle. For the Army National Guard this means providing security at key facilities here in the United States and in Europe. For the Air National Guard this has meant flying Combat Air Patrols over American cities, and performing in-flight refueling, flying cargo and countless other missions at home and abroad. And, it is particularly important to note, both Army and Air National Guardsmen are also participating in diverse operational aspects of the war on terrorism in the Continental United States.

In addition to that, however, many thousands more have been called to active duty under the command and control of their governors. There are over 7,000 members of the National Guard providing airport security. This Title 32 mission was created and authorized by the President and is being properly carried out by the gov-

ernors. In addition, over 4,000 members of the National Guard from several states bolstered security at the Winter Olympics in Salt Lake City. Over 2,000 members of the National Guard are on duty providing security at National Guard armories and other key facilities. And finally, an additional 2,000 are on state duty, on orders and pay from state governors to help meet the security or other requirements of the states.

The National Guard took on its newest six-month mission in homeland defense in early March providing 1,500 troops, from the Army Guard, to assist U.S. Immigration and Naturalization Service and U.S. Customs Service officials in eight states along the Canadian border and in the four states along the Mexican border.

Maine, Vermont, New York, Michigan, North Dakota, and Washington state Guard aviators also began conducting surveillance flights along the Canadian border.

Transforming the National Guard

The National Guard, in accordance with its long-standing integration with federal, state and local civil authorities, uniquely connects every police station and firehouse to the Pentagon and every state house with the White House. While there may be a need for selected units and personnel to be dedicated primarily or even exclusively for homeland security, that mission can be most effectively and efficiently accomplished as a dual mission that complements, enhances and draws its essential strength from the National Guard's continued combat force structure, training and experience. To provide for a common defense, we must reinforce the authority and increase the homeland security response capability of the Governors of the several states.

Current studies are ongoing within the Army to transform a portion of the National Guard structure to accommodate emerging homeland security missions. It is envisioned that significant portions of National Guard structure will be dual-missioned and apportioned to a soon to be appointed Commander in Chief (CINC) of Northern Command (NORTHCOM). It is desirable that this structure be dual-missioned to accommodate warfighting requirements of additional CINCs. This transformation will require significant resourcing and the National Guard Association looks forward to working with this committee in this endeavor. It is anticipated that this transformation within the National Guard will make available additional units of the type that are being called upon continuously and, as a result, reduce the level of operations tempo for the limited number of units being called upon time and time again to perform missions at home and abroad.

The National Guard Association of the United States (NGAUS) request the Congress where necessary, to authorize, support, equip and fund the National Guard to assume significant homeland security responsibilities. These responsibilities must be recognized as an important mission but not the sole or primary mission of the National Guard. Although there may be a need for selected units and personnel to be specially missioned or resourced for these purposes, homeland security can be most effectively and efficiently accomplished as a dual mission that compliments, enhances and draws its essential strength from the National Guard's continued combat force structure, training and experience.

Specifically, the NGAUS urges implementation of the following key tenets of a successful homeland security strategy:

The National Guard and its relationship with the states

Congress should authorize and fund a program for National Guard execution of a Governor's Plan for Homeland Security.

Program oversight and resourcing would be provided by the National Guard Bureau based on the decade-long National Guard counter-drug program model in which each state's Governor adopts and administers a program of full-time National Guard support (AGRs) for law enforcement agencies. Within prescribed national standards and guidelines enforced by the Bureau, the Governor's Plan for Homeland Security for each state and territory would marshal Guard resources to best meet the unique needs of each state and territory. The Army and Air National Guard must be authorized to participate in activities in support of local, state and federal homeland security vulnerability assessments, planning, implementation of defensive counter-measures, and participation in exercises designed to evaluate preparedness, as prescribed in the approved Governor's Homeland Security Plan in each state. Army and Air National Guard forces should explicitly be authorized to engage in interstate support consistent with the objectives of the sending and receiving states' Governor's Homeland Security Plan (this would encourage regional and interstate mutual aid arrangements).

Congress should authorize and fund a program for organizing, training and equipping National Guard units for dual mission Homeland Security support for first responders.

Oversight of these homeland security missions should be provided by the National Guard Bureau based on the long-standing Garden Plot model in which National Guard units are trained and equipped to support civil authorities in crowd control and civil disturbance missions. The program should also authorize and fund National Guard training with civil authorities, to include local first responders, to assure a heightened state of collective preparedness for consequence management of domestic Chemical, Biological, Radiological, Nuclear or high yield Events (CBRNE) events.

Congress should support the establishment of a joint state task force in each state, territory and the District of Columbia that is staffed appropriate to each mission and which is:

—Scalable in organizational structure and personnel in modular units with a variable command structure dependent upon the size of the task force; and
—Staffed by Army and Air National Guard soldiers and airmen and the Emergency Preparedness Liaison Officers from other federal reserve components and the Coast Guard; and
—Commanded by a National Guard officer (in Title 10 ADSW status if necessary to exercise command and control of Title 10 military personnel who are added to the task force). The grade of the National Guard task force commander should be determined by the size and composition of the Task Force; and
—Under the tactical control (TACON) of the Adjutant General and, in turn, the Governor in order to assure unity of command and unity of purpose.
—Supportive of the state and federal response plans.
—The National Guard Plans, Operations & Military Support Officer (POMSO) Office would provide the nucleus, planning and exercise functions for the standing task force element.

The National Guard and its relationship with the federal government

Make the Chief of the National Guard Bureau (CNGB) a member of the Federal Interagency Task Force. This group supports the integration of the various federal agencies supporting homeland security. The CNGB, serving as a conduit between the state adjutants general and the Department of Defense, should included as member of the Federal Interagency Task Force in order to best convey what assets are available within the National Guard.

Congress should increase full-time support to the National Guard military support offices of each state, territory and the District of Columbia. Increase full-time National Guard homeland security staffing at the National Guard Bureau and Joint Forces Command /CJTF–CS to enable planning and execution of military support to the broad band of civilian authorities that have a role in the homeland security mission within the states.

WMD–CST is an important part of the homeland security mission, however, the rapidly emerging missions require a full time staff to address the strategic issues surrounding the Homeland Security and Defense mission and the National Guard's role. Congressional funds and increased authorizations for AGR positions to staff the National Guard Bureau and a full time staff within each State and Territory is absolutely essential to maintain a viable role in this important mission.

Bridging the Relationships

The statutory charter of the National Guard Bureau should be amended to reflect its unique role as a channel of communications between the states and national security authorities. The Bureau is the official channel of communications between the several states and the Department of the Army and Department of the Air Force. (10 USC 10501(b)). The charter should be amended to also make the Bureau the channel of communications for homeland security between the several states and the supported CONUS CINC, the Chairman of the Joint Chiefs of Staff, the Secretary of Defense and the Assistant to the President for Homeland Security.

Congress should authorize the National Guard to prioritize standardized equipping of state contingency stocks with CBRNE equipment, and the equipping of state task forces with modern National Guard communications and transportation assets. Each state and territory should have self-contained National Guard aviation assets capable of airlifting civilian and military homeland security personnel and equipment within and outside the state or territory.

Land Mobile Radio equipment should be fielded through the National Guard Bureau to facilitate homeland security-related interagency communications. The Chief, NGB should also be delegated authority to approve National Guard telecommuni-

cations cooperative agreements to serve as mechanisms for collecting local, state and federal agency funds for the purpose of enabling such agencies to utilize Military Interdepartmental Purchase Requests (MIPR) through the United States Property and Fiscal Officer.

Dual missioned National Guard forces should be authorized to acquire and maintain homeland security mission equipment from either military or commercial off-the-shelf (COTS) sources, whichever is more effective and interoperable with other emergency responders.

Support the development and funding of a program to increase and sustain the duty MOSQ of the ARNG to the Army minimum standard (currently 85 percent). Cost efficiencies can be realized when on the job training, credit for civilian acquired skills and credit for skills acquired from previous MOSs can be factored into the awarding of Military Occupational Specialties for members of the National Guard.

The National Guard should be authorized to develop regional training sites for integrated homeland security and domestic emergency civil-military training and exercises. The ability for the National Guard to expand its long established relationships with civil agencies is greatly enhanced when training is integrated. Successes have already been demonstrated in this concept with the National Guard's counter drug program. The creation of regional training centers as a local schoolhouse for innovative education and sustainment training will benefit both the Guard and local authorities in their response capabilities to a homeland security mission.

Fiduciary Responsibilities

The homeland security missions of the National Guard must be established as multi-year funded programs to ensure continuity and sustained support for the CONUS CINC and local, state and federal emergency responders. Separate and distinct funding to support pure homeland security missions should come from other non-DOD agencies when appropriate. A program should be established for the National Guard and NGB should be authorized to bi-annually submit a separate POM for all missions falling within the National Guard's homeland security responsibilities. Congress should appropriate funds for that purpose directly to the National Guard Bureau rather than indirectly through the Army or Air Force.

Currently there is a shortfall of funding of Title 32 missions as a result of domestic homeland security missions being performed across the country. The lack of funding will have a direct impact upon the ability to have a prolonged presence supporting homeland security missions. Many states are paying for missions with funding dedicated for training, thus impacting unit readiness. A mechanism needs to be emplaced to ensure funding is either available, or available for their immediate acquisition for the National Guard.

Calling up the National Guard

Mobilization of the National Guard is dependent upon the mission requirements. The three distinct legal authorities available to mobilize the National Guard provide an important tool for the Governors and the Department of Defense. United States Code (USC) Title 10, often referred to as active duty, is federal active duty under command and control of the President of the United States. USC Title 32 is federally funded active duty "in the service of the United States", but where command and control remains with the Governors and Adjutants General. The third authority, state active duty, allows the Governor to utilize the National Guard with state funding for state specific events.

The events of September 11th caused a national re-affirmation of the principle that the first responsibility of government is to defend and secure the lives of its citizenry. While the conduct of national defense outside our nation's borders has long been the exclusive province of the federal government, the mission of defending the homeland in the future will require the integration across the spectrum of local, state and federal government. Critical to this integration is the role of the Governors, who best know what resources are available, within their respective states, to address homeland security.

Use of the National Guard as a primary fusion agent in executing a balanced, integrated national domestic security strategy preserves the constitutional role of the sovereign states and assures that governors and other state and local civil authorities remain responsible and accountable for the public safety and security of their state, territory or local jurisdiction. Use of the National Guard in state active duty status and in federal pay status under Title 32, USC permits military forces under the control of the governor to assist civil authorities in executing all laws, federal, state and local, without violating the Posse Comitatus Act. Any attempt to repeal or substantially amend the Posse Comitatus Act would be met by a firestorm of resistance from the nation's governors and state and local civil authorities.

The National Guard, with its unique dual mission, provides a flexible link between the states and the federal government. This link is best maintained when the National Guard is activated under U.S. Code Title 32. This past December, Governor Gary Locke, in his testimony before the subcommittee on Treasury and General Government, expressed the advantages of calling up the National Guard under a Title 32 status.

"In asking the President to assign these missions to the National Guard in Title 32 status, the Governors were also mindful that for more than a decade thousands of National Guard soldiers and airmen have been performing virtually indistinguishable duties in Title 32 status. I refer, of course, to the National Guard Counter-Drug Program in which Guard soldiers and airmen, with the consent of the Governors of the several states, have been actively augmenting the operations of the Border Patrol, Customs, and INS. The proposed missions at northern border crossings and ports of entry, for the most part, are an expansion of the same operational functions, albeit with a refined focus on terrorism instead of the current drug interdiction focus.

"Using the National Guard in Title 32 status, instead of federalizing individual Guard volunteers in Title 10 status, also ensures significant Air Force as well as Army participation in border security. Because of the joint nature of each state's National Guard command structure, we have been able to execute airport security missions with both Army and Air National Guard personnel, thus minimizing the impact on the wartime operational readiness of both federal military services. The Governors stand ready to execute expanded border crossing and port of entry missions in the same Title 32 multi-service manner. Using current Title 10 forces or Guard members in Title 10 status would diminish the contributions of the several states in support of national security, disproportionately impact the Army and the readiness of its units for overseas missions, and place federal military personnel on a collision course with the proscriptions of the Posse Comitatus Act—an Act, by the way, that is as relevant and compelling today as when it was enacted."

The National Guard Association urges the Congress to re-affirm the vital role of the nation's governors in meeting the challenge of securing and defending the American homeland by establishing a policy of employing Army and Air National Guard units and personnel in a Title 32 status for missions that involve augmenting non-Department of Defense federal agencies within a state's borders. Furthermore, we request the Congress to support amending Title 32 U.S.C. 502(f) to clarify the definitions of "other duties" as including, but not limited to, homeland security duties, counter drug duties, military support to civil authorities (MSCA), disaster assistance and other missions identified in the approved Governor's Homeland Security Plan, as well as any mission in which use of National Guard forces in Title 32 status "in the service of the United States" is authorized and accepted by the Secretary of the Army, the Secretary of the Air Force, the Secretary of Defense or the President of the United States.

Statutes governing ARNG and ANG federal technicians and AGRs must also be amended to permit full time National Guard personnel (1) to perform duties in support of the federally approved Governor's Homeland Security Plan, and (2) to perform duties in support of any emergency directive by the Governor in preparation for or effectuation of a National Guard activation for a state emergency. By prohibiting the use of full time staff (AGR and/or federal technician), the Adjutant General loses his continuity of day-to-day functional operations. The potential for error is greatly increased and could possibility hamper the overall mission. The full time staff has the daily working knowledge of the coordination effort to ensure the other state, federal, and law enforcement agencies do not duplicate efforts with the "train-up" period of using traditional Guardsmen.

Command & Control Relationships

There is a need to delineate the command and control structure of military forces supporting state and local officials. Under current Department of Defense policy, the Adjutant General is not authorized to assume tactical control, to enable the tasking for missions, of Title 10 soldiers or airmen. This potentially creates command and control challenges during events where timely and disciplined response is necessary to restore normal civic functions and support the needs of the state and local communities, as witnessed during the consequence management of Ground Zero.

The NGAUS urges the Congress to support the modification of the Code of Federal Regulations to authorize Guard tactical control of all U.S. military forces that are assigned in the several States in support of disaster recovery operations.

Full Time Manning

The men and women of the National Guard continue to be a ready and able force. Their ability to contribute to state and federal missions is heavily dependant upon the full-time force comprised of military technicians and Active Guard /Reserve (AGR) personnel. They are essential to unit readiness and the overall successful operation of the National Guard. These full time members fill vital positions in areas that support a unit's administrative, payroll, supply, training and maintenance needs. Without them, unit readiness and soldiers' quality of life suffers severely.

For years, the Army National Guard has been operating with an unacceptable low percentage of its full-time force requirements as validated by the U.S. Army. Significant increases in military technicians and AGRs, provided by the Congress, are leveling off what was a downward spiral for the Army National Guard and its overall readiness.

The Army has validated a plan to bring Army National Guard full-time personnel to an "acceptable risk level" of 71 percent of its required force by 2011. This requirement, assessed against deployment criteria, does not meet the operational needs of the National Guard.

The National Guard Association of the United States gratefully acknowledges the actions taken by the Committee to correct the shortfalls in full time manning for the National Guard. However, there is still a critical shortfall that needs to be addressed. The National Guard Association urges the Congress to support a level of funding consistent with or greater than fiscal year 2002 funding for full time manning for the Army National Guard in order to achieve the validated high-risk level by 2007 and assure the zero risk level by 2012.

Civil Support Teams

In response to a state or national emergency, the National Guard's Civil Support Teams (CSTs) provide a well-trained assessment team to support the state response as a lead element for the National Guard in the event of a CBRNE incident. Their knowledge of the emergency management system, expertise in emergency response operations, and technical capabilities may provide tremendous assistance to the local Incident Commander. CBRNE terrorism requires rapid response to a suspected or actual terrorist attack. The CSTs, available for rapid deployment, provide assessment of the damage, consultation on logistics, medical, chemical and biological defense, and transmission of the situation to higher headquarters to facilitate follow-on military forces.

As of 26 Mar 2002, 26 of the 27 two tier phased teams have been certified by OSD. The five new CSTs, located in Alabama, Kansas, Michigan, Tennessee and West Virginia, were established 15 Nov 2002, and are currently in the process of hiring, equipping and training members. The NGB, at the request of the Chief of Staff, Army, has developed an accelerated plan to train, equip and prepare these teams for certification by the end of the calendar year 2002.

Since September 11th, the CSTs have performed 333 operational missions at the request of civil authorities. These responses can be separated into three different operational categories: "Response," "Standby" and "Liaison." A Response mission occurs anytime a CST deploys to sample a known or suspected hazard. CSTs have performed 133 Response missions, most of which consisted of sampling an "unknown white powder," most often suspected to be anthrax. A few of the response missions were to sample an unknown liquid or a suspicious piece of mail. Two CSTs conducted sampling at the World Trade Center to detect any hazard that resulted from the attack. A Standby mission occurs when a CST deploys to provide CST expertise to a community event or for the visit of a VIP. This includes National Security Special Events (NSSE), other events identified by the state chain of command, and VIP Protective Details (including presidential and gubernatorial protective details). CSTs performed 51 Standby missions, supporting the World Series, Super Bowl, Mardi Gras, 2002 Winter Olympics and the Paralympics. To date CSTs have performed 149 Liaison missions providing technical expertise and advice, and participating in conferences that focus on the response to a CBRNE attack with the U.S. Secret Service, Federal Bureau of Investigations (FBI), Drug Enforcement Agency (DEA), U.S. Navy, U.S. Coast Guard, the American Red Cross, various state emergency management agencies, state and local law enforcement agencies, hospitals and health departments.

The National Guard Association of the United States joins the National Emergency Managers Association (NEMA), the International Association of Emergency Managers (IAEM) and the Council of State Governments in recommending that the Congress complete the fielding a minimum of one National Guard Civil Support Team in each state and territory.

Retention Incentives for Civil Support Team Members

The CSTs are being negatively impacted by the high OPTEMPO and the high salaries offered by civilian companies seeking highly trained hazardous material technicians, also trained in WMD. Within the CST community is a Personnel Working Group (PWG), an open forum for all of the CST's to discuss personnel issues. This issue is the number one priority for the group.

Each member of the team undergoes a rigorous eighteen-month training program, above the normal required military training; 600 hours are specialized training in chemical, biological and radiological agents. When these members are fully trained, civilian companies are seeking out these individuals by offering high salaries because they do not have to send them to training.

The National Guard Association of the United States recommends that National Guard Civil Support Teams members be provided Special Duty Assignment Pay at a level of SD–5 as an incentive to remain on the Civil Support Team and to compensate them for the rigorous OPTEMPO required to maintain readiness and to help bridge the gap between the civilian and military salaries.

Security Forces

There is a need to address the personnel shortages in the Air National Guard Security Forces career field. ANG security forces are responsible for defending the ground battle space for 72 ANG installations. Due to the overall Air Force shortage in trained security force personnel, we are defending our bases with over 1,100 security augmentees each day. This ability to effectively use augmentees is currently being threatened by the Air Force Personnel Directorate by their reluctance to allow these volunteers to serve for more than 270 mandays in a fiscal year.

Mobility Issues

Army Aviation

Army National Guard aviation plays a critical role in Total Army aviation and in response to state requirements related to domestic emergencies. The terrorist attacks of September 11, 2001 have placed the highest priority on the Army National Guard's need to stand ready to fight our nation's wars, perform emerging missions for homeland security, defend our nation against weapons of mass destruction and provide disaster relief support. Performing these missions will require increased reliance on Army National Guard MEDEVAC and utility helicopter assets. Accordingly, we must modernize our helicopter fleet sooner than the Army's current procurement plans.

The ARNG aviation force suffers from the lack of a consistent modernization program, turbulence within the force and poor aircraft reliability, availability and maintainability of older aircraft. This neglect has gone on far too long. ARNG aviation is severely hindered and requires immediate attention if it is to recover and support both its state and federal missions.

ARNG utility aviation comprises roughly 50 percent of the Total Army's aviation without the addition of homeland security responsibilities. Currently, the National Guard's UH–1 fleet is scheduled to be retired in 2004. If the bulk of the ARNG UH–1 fleet is retired without sufficient replacements, it will be unable to respond to operations within the individual states and around the globe.

The National Guard Association of the United States urges Congress to authorize and appropriate additional monies to the Aircraft Procurement, Army budget line of the fiscal year 2003 Defense Budget. This funding would support the procurement of an additional H–60 helicopters and the modernization of the Theatre Airlift Aircraft for the Army National Guard. Request that Congress direct language requiring the Army to field these systems to the Army National Guard. The procurement of significant equipment necessary to support the homeland security mission such as the Life Support for Trauma and Transport (LSTAT) and rescue hoist systems provide a valuable force multiplier for the National Guard.

Ground Mobility Assets

The High Mobility Multi-Purpose Wheeled Vehicles (HMMWV) provides the backbone of the light transport vehicles. Used as troop carrier, cargo carrier, armament carrier, shelter carrier, TOW Missile carrier, ambulance, and Scout vehicle, the HMMWV can travel off-road where often only tracked vehicles can go. The HMMWV's off-road and inclement weather capabilities are unparalleled and provided a valuable resource in the aftermath of September 11th.

In addition to the HMMWV assets, at both the Pentagon and Ground Zero, the use of the M-Gator proved to be a vital mobility asset in areas where the HMMWV could not operate. Currently in use by the 10th Mountain Division, the 101st Airborne Division and the 26th Marine Expeditionary Unit (MEU) have used M-Gators

in Afghanistan and the supporting area of operations. The M-Gator provides a flexible tool for mobility in homeland security and the warfight.

The National Guard Association of the United States urges the Congress of the United States to authorize and appropriate an additional funding to the Other Procurement, Army budget line of the fiscal year 2003 Defense Budget. This funding would support the procurement of HMMWVs and the M-Gator. We request that Congress direct language requiring the Army to field these systems to the Army National Guard.

Communications Issues

The hard lessons learned from September 11th demonstrate a vital need to enhance the communications capability of the National Guard to ensure interoperability with civilian authorities during a homeland security mission and while supporting the active component. Out of date FM communications systems, which utilize line of site capability, lost significant capabilities in the urban canyons of New York City. The National Guard, along with the civilian authorities, was dependant upon donated commercial systems provided by companies like Verizion and NEXTEL. The lack of interoperable radios forced many individuals to carry three different devices to communicate with military and civilian authorities.

The Combat Air Patrols conducted by the Air National Guard taught some valuable lessons for communication. Equipping Air National Guard F–15s and F–16s with VHF radio capability will allow communications with commercial airliners. At present time, communications from military to commercial planes have to be relayed down to the ground and back up. The ability to communicate directly saves much needed time, especially if a commercial plane is suspected of being under hostile control.

The NGAUS urges Congress to support the enhancement of communications equipment within the National Guard by providing: A reliable interoperable communication system to allow first responders and National Guardsmen the ability to effectively communicate; Combat Net Radios including funds for Single Channel Ground and Airborne Radio Systems (SINCGARS); and VHF radios capabilities for Air National Guard F–15 and F–16 fighter jets.

F–15 /F–16 Fighter Modernization

The operations tempo for Air National Guard (ANG) F–15 and F–16 fleet increased significantly following the attacks of September 11th. Furthermore, the ANG continued to participate as equal partners in sophisticated threat areas throughout the world as part of the Expeditionary Air Force (EAF) employment concept. Lack of a capable and robust electronic identification capability, in these aircraft, severely degrades the combat capability and survivability of the aircraft in both homeland defense and contingency operations. By fiscal year 2004, the current Air-to-Air Interrogator/Identify Friend or Foe (AAI/IFF) system will be unsupportable. Air defense of the United States is an immediate and essential concern of the National Command Authority (NCA). The ANG F–15 A/Bs and F–16s, along with other active duty aircraft, are the primary air defense assets employed for combat air patrols.

The ANG currently operates 100 percent of the F–15A/B fighter aircraft in the Air Force inventory. The ANG will be required to remain a viable, supportable, combat capable and ready force flying these aircraft well into the 21st Century, even though it possesses 126 of the earliest models of these fighters.

The Precision Attack Targeting System program fills a critical need for precision strike capability for the ANG and the Air Force Reserve. Adding targeting pod capability to the ANG F–16 fleet addresses the immediate shortfall in the Block 25/30/32 aircraft, which account for over 35 percent of the overall combat Air Force's F–16 fleet. The Litening II targeting pod meets this requirement. The ANG joined efforts with the USAF to procure the next generation Advanced Targeting Pod (ATP) to finish out the remaining ANG shortfall. The ATP is "plug and play" technology, with state-of-the-art capability, allowing full weapons exploitation and comprehensive Air Reserve Components participation in homeland security missions and contingency operations worldwide.

The NGAUS urges the Congress to authorize and appropriate funding to: Procure a new state-of-the-art IFF for the ANG F–15 fleet; upgrade the F–15A/B with a new AAI system; and procure next generation Advanced Targeting Pods.

Resourcing of Distance Learning & shared usage

With the major roles that the National Guard has taken on in homeland security, weapons of mass destruction, civil support, counter drug, and national missile defense, as well as the increased reliance on the National Guard to augment the active

component through contingency operations mobilization, the National Guard has increased its requirements for updated Information Technology.

There is an increased requirement for modern decision support systems backed by real time, accessible, accurate information that will provide improved command and control, training, and family and employer support.

Congress has urged the National Guard to share the usage of their facilities and infrastructure with other Federal Agencies, such as the Veterans Administration and other agencies and response organizations in our local communities. There is a shortage of time, money, and classroom seats for National Guard members to receive required training.

The Distance Technology Training Program (DTTP) has increased the National Guard communications and training capability and has assisted states with the development of synergistic higher education programs designed to leverage the technology investment in DTTP for shared community use at the state and local levels.

The DTTP allows training to be conducted via Internet, computers, videocassette recordings, compact discs, and satellite video teleconferencing. Such technology is highly cost effective, promotes the knowledge, skills and abilities of National Guard members, and ultimately contributes to a higher retention of qualified service members.

This same technology provides a command and control capability, as well as distributed training in support of the homeland defense, weapons of mass destruction, counter drug operations, partnership for peace initiatives, and information operations initiatives. For example, the DTTP recently provided command and control capabilities for the response to the World Trade Center tragedy.

Additionally, there is an urgent need to accelerate the Army's capability to develop readiness-producing courseware to be distributed to National Guard units.

The NGAUS urges the Congress of the United States to:

—Provide funding solely for the operation, maintenance, upgrade and extension of the DTTP in order to provide electronic command, control and coordination connectivity between National Guard forces and emergency responders before, during and after terrorist attacks and other domestic emergencies.

—Provide adequate funding for the information technology infrastructure of the National Guard so that it may continue to support the various missions of the National Guard and for the expansion to all Guardsmen, access to information, training and communications anytime, anywhere. This infrastructure should be interoperable with state and federal agencies to the greatest extent possible to assist with civil emergencies and WMD events and serve as part of an integrated national domestic security communications strategy.

—Ensure the National Guard network and the DTTP program remain as National Guard programs and under the operational control of the National Guard Bureau.

—Provide funding increases to the Army to expedite conversion of Military Occupational Specialty (MOS) courseware into distributed training format.

Modernization of Regional/Sector Air Operations Centers

Hawaii, Alaska, Florida, New York and Washington have aging Regional Air Operations Centers (RAOCs) whose command, control, computer and communications centers support air sovereignty and air defense of United States. The air sovereignty/defense mission continues to be of importance today and in the future. Currently there is no modernization program for any Regional/Sector Air Operations Centers (R/SAOC).

The R/SAOC system was designed for approximately a 20-year life span (1983–2003). These Command and Control C^2 computers are 1970s-vintage C^2 computers and are maintenance intensive and lag in technology (COTS replacement estimate unknown). The present R/SAOC computer system also lacks the needed capabilities for Joint Tactical Information Distribution System (JTIDS)/Link 16 technologies to communicate with other C^2 platforms and Link 16 capable Air National G F–15s.

The NGAUS urges Congress to authorize and appropriate funding to modernize regional/sector air operations R/SAOC for replacement and upgrade of the C^2 and Link 16 joint tactical information distribution (JTIDS) systems; and procure an interim system to ensure mission accomplishment.

Aircraft Rescue And Fire Fighting Vehicles For the Air National Guard

The United States Air National Guard has more than 230 Aircraft Rescue and Fire Fighting Vehicles (ARFF), which range in age from 1 to 11 years more than their expected life of 12 years. In order to begin replacement of these overage trucks; additional funding is required in the Department of Defense Budget. To fur-

ther substantiate the need for these vehicles, in all cases they are the primary support vehicles for the civilian airports on which they are stationed.

The ANG must also have the latest ARFF vehicles in the Air Force inventory for operational and maintenance training of the 1,814 Traditional Guard Fire Fighters to meet wartime readiness requirements. Any loss of assets from the aging, outdated vehicle fleet by the ANG could lead to serious reductions in critical fire fighting and rescue capabilities for both the military air crews and civilian aircraft they serve as well as significantly degrade the contingency and wartime readiness of United States ANG fire fighters.

The NGAUS urges the Congress of the United States to authorize and appropriate funding for replacement of Aircraft Rescue & Fire Fighting Equipment (P–19 Fire Trucks) for the Air National Guard.

Views from the National Guard Commander, and his soldiers, on the ground performing duties after the attack on the World Trade Center

Recently I had the pleasure of talking with Major General George C. Garrett, the Commanding General of the 42nd Infantry Division of the New York ARNG. He and his soldiers have identified critical areas where attention is needed to preempt future challenges that relate to arming, equipping, feeding, clothing, and sheltering our soldiers and airmen. Their comments included the need for:

—Man portable power devices and tactical generators to charge cell phones, light sets and radios;

—Alternative fuel vehicles need to be given consideration as diesel & gas are targets and can cripple mobility;

—Electronic tracking tags on issued equipment to maintain accountability;

—Inclement weather gear—while many soldiers purchased inclement cold weather gear not yet issued, a great many more were unable pay out of pocket to procure this same necessary gear;

—A mechanism for immediate fund site for personal clothing needs to be available;

—The National Guard needs to be provided with 9 mm service pistols, adequate training and ammunition, to support homeland security missions; and

—Many soldiers were forced to sleep in corners of the Lexington Avenue armory. This armory was in use as a rallying point for victims and their families, while it also serves as a shelter for the homeless. Many soldiers were afforded quarters aboard on of a Navy hospital ship.

On a side note, MG Garrett wanted me to express his thanks and gratitude from the 42nd Infantry Division to the first responders with whom they worked and continue to work.

Conclusion

On behalf of the National Guard and our soldiers and airmen, I thank the committee for allowing me the opportunity to express those areas that need to be addressed to improve our ability to support the firefighters, EMS, police and other first responders. The National Guard will continue to work side-by-side with state and local and federal authorities in time of need. Our relationships are strong, primarily because of our permanent community ties. However, there are many enhancements that can be emplaced to better allow the National Guard to remain dual missioned as the first military responder and as the main combat reserve to the warfighting mission.

BIOGRAPHICAL SKETCH OF MAJOR GENERAL RICHARD C. ALEXANDER

Major General Richard C. Alexander was appointed the Executive Director of the National Guard Association of the United States in January 1999.

Until his retirement on 31 December 1998, General Alexander served as the Adjutant General of Ohio. His responsibility as the Adjutant General was the military preparedness of the Ohio Militia. The organized militia consists of the Ohio Army National Guard, Ohio Air National Guard, Ohio Military Reserve, and Ohio Naval Militia, totaling over 18,000 militia personnel. General Alexander supervised four flag officer heads of these components and one deputy director in the day-to-day operation and management of the fiscal, personnel, equipment, and real property resources of these militia organizations and state agencies.

General Alexander was born June 26, 1935, in Cleveland, Ohio. He enlisted in the Marine Corps in 1954, and was honorably discharged in the rank of Sergeant in December 1958, with a concurrent assignment to the Marine Corps Reserve. He then enlisted in the Ohio Army National Guard on June 30, 1960, in Battery C, 1st Missile Battalion (Nike-Hercules), 137th Artillery. With an honorable discharge on May

5, 1965, and he entered the National Guard State Officer Candidate School on May 6, 1965.

From May 1965 to July 1971, he served as a Platoon Leader and Battery Commander, Battery C, 1st Missile Battalion, 137th Artillery. In July 1971 to September 1973, he worked as the Program Analysis Officer and Assistant Finance and Accounting Officer at Headquarters Ohio ARNG.

In September 1973 to October 1977, General Alexander was the Race Relations/Equal Employment Officer at Headquarters Ohio. Starting in October 1977 through July 1979, he went to the Ohio Military Academy as Operations and Training Officer and Director of Instruction. Leaving the Military Academy, he became the Deputy Brigade Commander and Topographic Engineer, 16th Engineer Brigade until July 1984.

General Alexander graduated from the U.S. Army War College, Corresponding Studies Course in 1983. In 1986, he received his Bachelor's degree in Business Administration from Franklin University, Columbus, Ohio.

As Director of Personnel and Administration, at Headquarters, he then became Chief of Staff, State Area Command, Ohio ARNG where he stayed until he was promoted to Adjutant General in December 1987. He served as Adjutant General until 31 December 1998.

General Alexander was elected President of NGAUS, in September 1996.

NATIONAL GUARD ASSOCIATION OF THE UNITED STATES HOMELAND SECURITY REQUIREMENTS LIST

Item Description	Quantity	Unit Cost	Request
Army National Guard:			
H–60L Blackhawks	5	$10.4M	$52M
SINGARS	8,800	11–18K	97.2M
HMMWVs	500	33.0K	38.5M
ECWCS	48,000	250	12M
M-Gator	200	15.5K	3.1M
Tactical Quiet Generators	186	32.0K	6.0M
Air National Guard:			
AIFF	126	231K	29.2M
Targeting Pods (ATP)	96	1.5M	144M
VHF/UHF Radios	126	71K	9M
P–19 Fire Trucks	10	450K	4.5M
ECWCS	16,000	250	4M

Chairman BYRD. Thank you, General Alexander.

Mr. Gary Cox, director of the Tulsa, Oklahoma, City-County Health Department, representing today the National Association of County and City Health Officials. Mr. Cox.

STATEMENT OF GARY COX, DIRECTOR, TULSA, OKLAHOMA, CITY-COUNTY HEALTH DEPARTMENT, REPRESENTING THE NATIONAL ASSOCIATION OF COUNTY AND CITY HEALTH OFFICIALS

Mr. COX. Good morning, Mr. Chairman, and thank you, members of the committee. We have made much progress in preparing for bioterrorism, as a Nation, and other public health emergencies, but much work remains to be done. The Nation is not fully prepared to respond to or detect an act of bioterrorism and has a long way to go in becoming fully prepared.

Mr. Chairman, we do appreciate your leadership in appropriating substantial new funds to build local and State public health capacities. It is very much appreciated and needed. Even though it has been 7 months since the tragic events of September 11, bioterrorism preparedness funds have not yet reached the local level. Most localities do not know how much funding to expect, and the sooner that localities have access to these funds, the sooner that we

can begin making progress towards protecting our Nation. Without new funds or staff, we cannot expand our capacities to meet new threats.

Bioterrorism preparedness funding must be adequate and sustained. 2002 funding was a down payment for a task that will take many years. At a bare minimum, we need $940 million for 2003 and clear assurance that a large proportion will be used at a local level, as you have intended. The Federal Government must monitor funding carefully and insist that most of it reaches the local level, otherwise we will not be improving our ability to respond. The Office of Homeland Security has not yet reached out to local public health agencies. That office we hope will assure coordination at Federal, State, and local levels for emergency preparedness.

Although we must coordinate our efforts with Federal and State governments, most public health preparedness is local. Bioterrorism is unlike any other form of terrorism. Unlike a bomb, a plane crash, or a chemical release, we may not even know anything bad has happened for a few days or weeks. That is why we must update our public health systems to enable us to detect and respond to an epidemic, whether it be intentionally caused as a result of a bioterrorist act, or naturally occurring. This is what we feel that we need to do:

We must expand our public health capacity to detect and quickly respond, investigate, and contain communicable disease. Time is of the essence in these instances.

We must hire and train epidemiologists, infectious disease nurses, environmental first responders, information technology specialists, and those who are trained to effectively communicate and educate the public.

We must make, update, and exercise our preparedness plans, emphasizing exercise.

We must develop and refine new and sophisticated disease surveillance systems. This will give us a first indication that something is going on in the community.

Mr. Chairman, we are in a new and exciting era for public health, and we appreciate the work that you and your committee have done, and we vow to work hand-in-hand with you and your colleagues towards this end.

Thank you, and we would be happy to answer any questions.

[The statement follows:]

PREPARED STATEMENT OF GARY COX, JD

Good morning, Mr. Chairman and Members of the Committee. I am Gary Cox, JD, director of the Tulsa City-County Department of Health in Oklahoma. I am honored to appear before you representing the National Association of County and City Health Officials (NACCHO). NACCHO is the organization representing the almost 3,000 local public health departments in the country. I have been actively engaged in bioterrorism and emergency preparedness planning in Tulsa and am highly familiar with national work to develop guidance in bioterrorism preparedness for local public health systems. I am here today to tell you about some of the lessons we have learned in our work and how much farther we need to go.

As a nation, are we prepared for bioterrorism? Not nearly enough. Local public health departments have long experience in responding to infectious disease outbreaks and other local emergencies with public health implications. We have made progress and learned important lessons about the challenges of bioterrorism preparedness in the last few years. But we have a very long way to go to achieve na-

tionally the capacities we need to detect and respond to acts of bioterrorism as quickly as possible, to prevent the spread of disease, and to save lives.

The nation's public health system, and particularly its local agencies, will be the first responders to a bioterrorism event. Every community needs public health first responders who are well staffed, well trained, and well equipped. Without them, a small outbreak of an infectious disease could turn rapidly into a deadly epidemic. The nation needs a vast sustained effort to enable localities to achieve optimum readiness.

FEDERAL SUPPORT FOR LOCAL BIOTERRORISM PREPAREDNESS: WHAT LOCALITIES NEED

Mr. Chairman, under your leadership Congress provided new fiscal year 2002 funding for upgrading state and local public health capacities. At this point in time, funds have not yet reached local public health agencies and most do not know yet how much they will receive from the state, and for what purposes. For that reason, they have not yet been able to hire or train new staff for bioterrorism preparedness. It has been seven months since the tragedies of September 11. The sooner that new funds reach the local level, the sooner local public health agencies and their community partners can begin making real, measurable progress.

NACCHO has two overriding concerns about federal bioterrorism preparedness funding. The first is that funding must be adequate, lasting and reliable to enable local public health agencies to build and sustain permanent improvements in their ability to protect their communities 24 hours a day, seven days a week. Most communities do not now have this level of protection. This cannot be achieved in a matter of months. It is a complex undertaking that requires building cooperation and communication not just among traditional public agencies that are accustomed to being first responders, such as local fire, police and emergency management, but also with private health care providers. Because of the complexity of the task, it will take years to develop sophisticated disease surveillance and response systems and staff them with well-trained people. The funding that is available for this fiscal year represents a down payment on a process of rebuilding that will take many years.

Continuation in fiscal year 2003 of this year's $940 million for upgrading state and local public health capacities is a bare minimum requirement for continuing this large, multi-year task. We have estimated that localities need 10,000 to 15,000 new people to work in public health preparedness. In many places it will take more than one year to locate and train qualified people to achieve those staffing levels. We need to start now. We need to provide assurances that funding will be both sufficient and sustained, so that state and local public health agencies, some of which are experiencing hiring freezes due to funding shortfalls, can move forward swiftly. Some are already borrowing from other operating funds or reserves, diverting public health resources from other important ongoing work to prevent disease and protect their communities.

Even when the nation's localities have achieved a satisfactory level of preparedness, continued federal assistance will be essential. Our response plans must be continually refined and exercised, people must be continually trained and re-trained, and sophisticated disease surveillance and information systems will require systematic updating.

Our second concern is that federal funds be used to develop capacities where they are needed. In some areas of bioterrorism preparedness, localities look to states to provide the facilities and expertise. Public health laboratories are a good example of where technical expertise should be centralized at the state level. In most respects, however, bioterrorism preparedness is local and the funding emphasis should be at the local level. NACCHO is monitoring implementation of the fiscal year 2002 funding carefully to determine whether states will in fact be using adequate portions of these funds to build local public health capacity for responding to public health emergencies.

Thus far, the experience of local public health agencies in the states has been mixed. Many are involved to a greater degree than ever before in their states' planning on how to use the funds. Some others, however, are greatly concerned that their communities may benefit very little because the states have not been including them in a meaningful fashion. We believe it is critically important that the federal government monitor carefully the uses of these funds, measure their impact at the state and local levels over time, and insist that states document that funds are being used to enable localities to build local public health capacities.

Coordination of public health preparedness activities undertaken by the Department of Health and Human Services and its state and local partners with other federal emergency preparedness programs, such as those administered by FEMA and the Department of Justice, remains another critical need. We believe that the White

House Office of Homeland Security could play an important role in assuring that the differing missions of these agencies are well-understood by all parties at the state and local levels and that their funding streams enhance each other. We have a particular concern about the potential expenditure by states or localities of public health preparedness funds on other emergency needs, such as field detection equipment or personal protective equipment, that have been and should be covered by other programs. We would discourage expenditure of the more limited public health funds for such purposes, unless other funds are clearly not available.

We believe it is essential to require states and localities to coordinate activities for public health preparedness funded under the guidance of the Centers for Disease Control and Prevention (CDC) with the Metropolitan Medical Response System and with funds for hospital preparedness. This is a critical ingredient for local preparedness. Medical emergency response planning should never take place independent of the broader public health approach, which incorporates a community-wide view of a preparedness system. Likewise, hospital preparedness planning is an integral aspect of community-wide bioterrorism preparedness planning. For instance, all acute care hospitals should be enabled to participate in disease surveillance activities in collaboration with public health agencies. However, it is probably not necessary for all hospitals to have the same highly specialized facilities for isolation should an epidemic occur. Hospitals and public health agencies must collaborate to make practical plans that will work for their own communities.

LOCAL PUBLIC HEALTH AGENCIES: FIRST RESPONDERS TO BIOTERRORISM

An event of bioterrorism will be fundamentally different from other terrorist acts that we have witnessed and for which we are preparing. The reason is that, unlike an airplane crash, a bomb or a chemical release, we may not even know that anything bad has happened for many days, until an outbreak of disease begins to build and becomes apparent. Our first line of defense, therefore, is to build public health systems that will provide early detection and diagnosis. Only when we know that an event is occurring can we mobilize a response.

Local public health agencies are the first responders when an act of bioterrorism occurs. We witnessed this firsthand in Palm Beach County, Florida, where anthrax was first recognized in October 2001. The case of anthrax was recognized only because there was a preexisting relationship between an astute physician who noticed unusual symptoms and the local public health director. The local public health director knew when and how to call on specialized state and federal public health resources to confirm a diagnosis and did all the on-site investigation and organizing to contain the outbreak.

Bioterrorism preparedness is, therefore, a complex and challenging task. It is not a matter of taking a plan or set of specifications off the shelf. The act of planning itself brings together people from public health, emergency response, law enforcement, local hospitals and physicians, to work out a plan that suits their own circumstances and needs. Many times these parties have never before worked together. The act of planning establishes the lines of communication that we have seen to be so critical since September 11, and it identifies what capacities and resources are missing. We are just at the beginning.

The capacities that every community needs to be prepared include many elements of public health infrastructure that the nation has neglected for many years. Every community needs new staff, new training, new kinds of community-wide planning that have never before taken place, improved systems for disease surveillance, rapid access to public health laboratories, and better systems for communication and data management.

Mr. Chairman, we have appreciated your keen understanding that, as we invest in public health infrastructure, we are not just preparing for bioterrorism. Investment in public health for bioterrorism preparedness will yield multiple benefits. It will improve our abilities to address other public health problems and emergencies, including floods, disasters, and naturally occurring outbreaks of infectious disease more effectively. Every dollar we spend on bioterrorism preparedness will pay off in countless other ways to maintain and improve the nation's health and safety.

LESSONS LEARNED ABOUT LOCAL PREPAREDNESS

Since the events of September 11 and the subsequent anthrax outbreak, we in local public health have learned some unexpected lessons. For instance, Internet-based information systems became widely unavailable on September 11 and many local health departments could not access email for hours to receive health alerts from CDC or their states. The lesson is that a wireless, handheld communication capacity is one important emergency tool for public health. A lesson learned during

the anthrax outbreak is that an important first step for many jurisdictions is to set up a 24-hour hotline to receive reports and dispense accurate information. Unlike fire and police, few local health departments have staff availability 24/7, nor do they have a pre-arranged means to access a new telephone line immediately for a hotline.

Responding to a new public health threat consumes all available resources and then some. In Tulsa, we have borrowed over $200,000 from our operating reserves to rebuild our fundamental capacity to detect and respond to a bioterrorism threat. A third lesson, therefore, is that unless emergency capacities and crossing-training of staff are built in to the staffing structure of a department, the more routine, non-emergent work of public health quickly becomes neglected when an emergent threat occurs. Meeting these newly-recognized needs requires more funds and more people. There is no getting around that.

Attached to this statement is a description of an innovative system in Tulsa for early disease detection and an upcoming statewide exercise to assist us in bioterrorism preparedness planning. These examples illustrate concretely the capabilities and activities that all communities deserve, but few can afford.

Mr. Chairman, NACCHO believes that we are on the cusp of a new era for public health, as society has recognized its role in public safety. We will do our best to work with you and your colleagues to make sure that public health protection for every community becomes a sustainable reality.

APPENDIX

LOCAL DISEASE SURVEILLANCE—THE FIRST LINE OF DEFENSE

Current, practical experience in Oklahoma illustrates the magnitude of the task ahead in building local disease detection systems, an integral aspect of bioterrorism preparedness in every community. At the Tulsa Health Department, we have developed a syndromic surveillance system to detect infectious disease caused by an intentional bioterrorism attack as well as naturally occurring infectious disease. We are working with hospitals, pharmacies, schools, private physicians and others to get "real time" information about a biological event that could be taking place in our community. Our system is called TASSS, the Tulsa Area Syndromic Surveillance System. The goal of the system is early detection of a population-wide increase in illness that might be caused by the intentional release of a biologic agent.

Recognizing diseases occurring in individuals is the role of health care professionals through clinical diagnosis of distinct medical characteristics and laboratory diagnosis. However, recognition of patterns of disease, of outbreaks that could become epidemics, is a public health issue that requires a strong local public health system. Syndromic surveillance at the Tulsa Health Department has been implemented through a partnership with area hospitals to make early observations of clinical symptoms from emergency room records. Each patient presents to the emergency room (ER) with a chief complaint as his or her reason for seeking medical care. The TASSS is an electronic file transfer of these chief complaints, utilizing a computer program model to sort them into categories (cough, fever, rash, vomit, diarrhea, respiratory, asthma, other.) The first indication of a large-scale biological attack could be detected in these non-specific symptoms.

Importantly, the surveillance system is not designed to detect advanced illness. It is expected that such cases would be identified and reported via existing surveillance systems (including an astute clinician). An increase in early signs of illness might occur 24–48 hours prior to presentation and diagnosis of the first severe cases. The central objective of this type of disease surveillance, called "prodromal surveillance," is to alert the medical and public health community to the possibility that a significant outbreak is occurring before large numbers of patients present with advanced disease.

Currently, the data transfer from the ER is completed when one of our epidemiology staff downloads the ER data, archives it, and runs it through a computer model. Reports are generated for each category of syndrome, which are then evaluated for their statistical significance. If there is an increase in a particular syndrome, the system sends a mathematical alarm. This surveillance process requires one full-time employee seven days a week. Whenever the data trigger an alarm, an additional staff epidemiologist is required to assist in evaluating the significance of the alarm.

We are proud to be in the forefront, but we could do more in Tulsa, also. The potential exists for adding additional surveillance sites such as schools and major employers. With additional resources, the surveillance system could be tailored for addressing population changes in the community. It could examine trends in clustering of syndromes that may indicate emerging disease, flu, waterborne outbreaks,

food borne outbreaks, and asthma as related to air quality. Observing these trends takes time and diligence. Additional resources would provide the capacity to increase this type of community surveillance.

In Tulsa, we have already expanded our capacity to quickly detect, track, investigate, and contain infectious disease. Very few jurisdictions in the country have surveillance systems that are this sophisticated. Every community should be protected by similar capabilities, and this will take more resources, more trained staff, and more time, even if we were able to start today.

SOONER SPRING—PREPARING FOR SMALLPOX IN OKLAHOMA

In Tulsa, we will have the opportunity on April 12th and 13th to test and exercise our expanded capacities in a simulated bioterrorism event called "Sooner Spring". This will build upon last year's national "Dark Winter" exercise that taught the nation so many lessons about its ill-preparedness for bioterrorism. On April 12 there will be a tabletop exercise in Governor Frank Keating's office that will simulate a smallpox bioterrorism attack in Tulsa. The 13th will be a field exercise in Tulsa simulating a smallpox attack. Two other Oklahoma cities will exercise simulated attacks by two other biological agents. This bioterrorism exercise will give Oklahoma State and local community leaders and public health officials an opportunity to review key planning elements for dealing with bioterrorism within the state.

In Tulsa, the exercise will focus on an intentionally introduced outbreak of smallpox and will focus on the organizational collaborations necessary to coordinate basic public health and medical responses to any disaster or act of terrorism. Our Emergency Operations Center and Metropolitan Medical Response System will be activated. Police, fire, emergency medical transport, public health personnel, hospitals, private physician societies, military, sheriff, elected officials, volunteers and others will participate.

Just as officials test storm sirens to make sure their community can alert citizens during severe weather events, these bioterrorism exercises will help make sure the community is prepared for a potential bioterrorist attack. The federal Centers for Disease Control and Prevention will send a team of advisors to Oklahoma to provide assistance. In addition, the Tulsa Health Department will conduct a mock vaccination clinic. These exercises will be of utmost benefit as we determine what works and what can be improved. Identifying the key players in the community and their functions in the event of a terrorist attack, as well as learning how to collaborate with them to perform effectively, will help officials determine how best to keep diseases from spreading, ensure effective medical treatment and inform the public.

The basic cost to the Tulsa Health Department for preparing for this exercise will exceed $30,000. This does not include costs incurred by other state and local governments or private agencies. This is another example of the substantial new costs facing public health agencies and communities to prepare for bioterrorism.

BIOGRAPHICAL SKETCH OF GARY COX

Gary Cox has directed the Tulsa City-County Health Department for eight years. He has worked in that agency for 22 years, including 7 years serving as Legal Counsel. The Department serves a population of 570,000 in Tulsa, Oklahoma and the surrounding metropolitan area. He serves as a member of the Board of the National Association of County and City Health Officials (NACCHO). The Department has gained national recognition for excellence under his leadership, developing innovative programs with community partners and pioneering a syndromic surveillance system for infectious diseases. Mr. Cox has been highly engaged in bioterrorism preparedness planning in Oklahoma. He is a key player in planning and training for an upcoming new bioterrorism exercise that expands last year's well-publicized "Dark Winter" exercise, which examined the consequences of a smallpox outbreak.

Mr. Cox holds a B.A. degree from Northeastern State University in Oklahoma and a J.D. degree from the University of Tulsa School of Law, where he also served as an Adjunct Professor of Environmental Law for six years.

Chairman BYRD. Thank you, Mr. Cox.

QUESTIONING BY CHAIRMAN ROBERT C. BYRD

The committee will now begin its questions under a 7-minute time limitation. Senator Stevens has been here and will come back, and when he returns he will be recognized for questions. Let me begin.

The administration's budget for fiscal year 2003 is proposing drastic cuts, on the order of 35 percent, in the Byrne grant program, the local law enforcement block grant, and the COPS program, from about $2.2 billion to $1.4 billion. In its stead, the budget proposes two new block grant programs to be funded by Justice and FEMA to deal with homeland security.

Now, this seems to be an attempt to rob Peter to pay Paul. They are both good people, and we will not help both of them, but I am not sure that the right hand knows what the left hand is doing here. The needs of local law enforcement have not declined. Does this administration's proposal cause problems for local law enforcement, and what are the problems of the administration's approach that requires a 25-percent local match? Colonel Westphal.

Colonel WESTPHAL. Thank you, Mr. Chairman. The answer to your question is yes, it does create problems for local law enforcement. As I said in my testimony, at a time when there really are a lot more burdens on local law enforcement and trying to respond to some of the issues as a result of the terrorist attacks of September 11, our offices are working a lot more overtime, they are having to provide security at a lot more places than they did before, we see increased security at State buildings, at local government buildings, at dams and reservoirs, and so on and so forth, and at the same time this proposed budget is reducing the assistance from the Federal level by $750 million, and that is going to be a great burden on law enforcement.

At a time when we should be increasing our assistance from the Federal level, we are seeing a reduction, so the response to your question is yes, it is very problematic for law enforcement throughout the United States.

Chairman BYRD. Mr. Cox, a recent report released by Johns Hopkins University stated that it was imperative for the Federal Government to shut down the Nation's air travel within an hour of a diagnosed smallpox case in order to contain the outbreak. Do local health departments have the capacity to identify a smallpox outbreak in time to isolate the public's exposure?

Mr. COX. I think that varies, Mr. Chairman, across the country. I can share with you a local experience in Tulsa. We have recently developed a disease surveillance system——

Chairman BYRD. Well, that will take quite a while, and we have the appendix concerning your Tulsa experiences in the record. Could you be more responsive to the question from the standpoint of the national official capacity?

Mr. COX. From a national capacity, that word would have to come from the emergency rooms and the private physicians to the local health departments, and that is going to be a varying response across the country. Some are going to pick it up quickly that it is a suspicious, or a suspected case, and others it could take longer before that is laboratorily confirmed, but time is of the essence, and I do think we need to build the capacity to more quickly detect any sort of a biological event that may be taking place in the community.

Chairman BYRD. Colonel Westphal, last December, Congress approved a $212 million emergency supplemental for the Department of Justice to make grants to State and local governments for the

purchase of the equipment that police departments could use for homeland defense programs. We wanted to make sure that local and State law enforcement personnel had an immediate infusion of resources to develop the capacity to respond to the events of September 11. Has any of that money made it to the local police departments yet?

Colonel WESTPHAL. Mr. Chairman, in the sense of brevity you have asked for, the answer to that question is no.

Chairman BYRD. I understand that nearly 4 months after a supplemental was approved by Congress, the Department of Justice has not yet even put out a notice that States can apply for these funds. Do you know whether or not that is the case?

Colonel WESTPHAL. Mr. Chairman, as far as I am concerned, for my agency, that is the case. I have not seen a notice.

Chairman BYRD. Senator Stevens.

Senator STEVENS. Mr. Chairman, in view of the fact I had a constituent in the back room I had to confer with, I would request you recognize the person on this side, my side who would be eligible. I think it would be Senator Gregg—no, Senator Campbell.

Chairman BYRD. Senator Campbell.

QUESTIONING BY SENATOR BEN NIGHTHORSE CAMPBELL

Senator CAMPBELL. Thank you, Mr. Chairman. Let me just ask one quick question to General Alexander. Maybe I was not listening carefully, but did you say the Guard needed radio capabilities for military planes to communicate to civilian planes? I thought they could already do that.

General ALEXANDER. No, they have certain restrictions in their ability to talk to airliners as a result of not having this VHF radio.

Senator CAMPBELL. I see, so it is not a frequency they can go to to have direct communication now?

General ALEXANDER. Not to my knowledge. They have to talk down to the ground and then back up again, which is time-consuming.

Senator CAMPBELL. All right, thanks.

Mr. Chairman, just recently during our break I did a series of town meetings. I am sure my colleagues did, too, as we all do during the congressional district periods. I was rather surprised to find out there is sort of a disconnect in a lot of our small towns, at least in the State of Colorado, and most of those people who came to the town meetings still seem to have not prioritized the war on terror above local priorities, and what I got mostly was people concerned about road construction, schools, jobs, and so on, and the only people that really seemed to be aware of it and concerned about it and wanted a dialogue about it were folks such as these at this table, law enforcement people, fire people, trauma people, some hospital people, but most of them were not, and I would like to ask the panel, how do we raise the awareness of the real danger without creating some kind of fear and panic?

Yesterday, some of us heard from—former Prime Minister Netanyahu was here giving an update on the terrorism that Israel faces, and he said—and it is kind of chilling, actually. He said it is only a matter of time before American communities face the same suicide bombers that there are in Israel now, or related at-

tacks, and I have to believe that he is probably right. Sooner or later we are going to, and it seems like the longer we get away from September 11, the more many people in communities are sort of—their interest or their excitement about it is subsiding, and it seems to me that when we deal with what the folks here at this panel are going to have to deal with, it is really not just a response to something that has happened, because that already gets people excited, but the prevention that they have to take to prevent it from happening in the first place, which is almost immeasurable.

It is difficult to measure what does not happen, and I would just like, maybe a response from anybody who would like to, about how we make sure there is that awareness without creating any kind of undue fear.

Mr. STITTLEBURG. If I may, first of all, the National Volunteer Fire Council just completed its spring meeting in Colorado last week, and one of our speakers was Suzanne Menzer, who I believe is with the Governor's Office of Public Safety there, and she talked about precisely this, and the efforts that are being made in Colorado to alert law enforcement and the fire service and EMS to the challenges that are there.

How do we get the job done? I think you get it done exactly as you are doing it now. That is, you are holding the hearings, you are going to appropriate the money to get it to the people at the local level who are in a position to accomplish precisely what you need to be done. It is not going to happen from Washington. It is going to happen from the grassroots, and it is going to happen because you train us and equip us at the local level to solicit the local input and alert the populace as to what the risks are.

Senator CAMPBELL. Well, should fire departments and police departments do that in terms of, like, seminars to schools, or things of that nature, as they did during the wartime?

Mr. STITTLEBURG. Sir, I think that is absolutely critical, and I think that is part of the President's first responder initiative program.

Senator CAMPBELL. I am also interested in transportation, because I am on the Transportation Appropriations Subcommittee, as several of my colleagues are here, and we do not have bridges, as you have in the States that have seaways, but we certainly have some long tunnels, and it seems to me when I was a boy of 9 or 10 years old during World War II—I refer to that again—that there were guards literally at every bridge and every tunnel in those days, and I was wondering what States are doing now. Someone on the panel did mention that they are taking some measures to guard facilities, but specifically, do we have people, State patrol or guardsmen, or anybody else, like in the Holland Tunnel in New York, or the Eisenhower Tunnel in Colorado, or some of the bridges that go across our major waterways?

Mr. VON ESSEN. In New York City, to answer your question, there are guards and National Guard is still helping us, and police officers on both ends of the tunnels, and they are in the process of expanding the electronic surveillance inside the tunnel.

Senator CAMPBELL. Colonel Westphal.

Colonel WESTPHAL. In Colorado, Senator, first of all I would like to agree completely with your observation in your town meetings,

that it is very difficult to get the attention of the general public about the particular problem of terrorism, and immediately after September 11 there was a lot of response in trying to guard the reservoirs and the dams and the Eisenhower Tunnel in particular, and what we call targets of opportunity, in trying to harden some of those targets, including our State buildings, in the State capitol, but as time has gone on, your observation is exactly correct, that the people's perception of the danger of terrorism has waned tremendously, even to the point where we are now being asked by our own legislatures in Colorado to take the security out of the State capitol and open it up again, because they somehow feel that the threat is already over, and I am not exactly sure what the approach is, without creating the general panic with the public, in trying to educate them that this is an ongoing problem, and that we need to be ever-alert, so I think town meetings and things like that are certainly necessary, but as you say, you do not want to alarm everyone, but it is a problem. As time goes on, nobody believes that this is a concern any longer.

Senator CAMPBELL. Well, hopefully they will not have their interest rekindled by a bomb in the capitol of Colorado.

One last question, too, Mr. Chairman. That is, whenever we start the flow of money from Washington, there is always that question about whether it should go to the States and be filtered through to the local communities and the local hazmat teams and departments, or should there be a direct funding? Would it be more streamlined and more effective to tailor the response to the communities, rather than have some kind of filter-through program from the State? Does anybody have a feeling on whether it should be through the State system of funding, or directly to the Departments?

Mr. CROUSE. Senator, Mike Crouse from the firefighters. We have experienced problems with the programs going through the State and when the funds get there, not getting to the local level, and we would prefer to see some mechanisms of process in place where the funds go directly to the local affiliate, so that they can put those funds directly to their needs and uses.

Senator CAMPBELL. Well, in our State we have 80 percent of the population in just one central area around metropolitan Denver, and I know in some cases I have heard from people in the small communities that the large metro areas—that is where the State capitol is, and they pretty much soak up all the money, and some of it does not even get to the small communities.

Thank you for your testimony. Thank you, Mr. Chairman.

Chairman BYRD. Mr. Kohl.

QUESTIONING BY SENATOR HERB KOHL

Senator KOHL. I thank you very much, Mr. Chairman, and we thank you all for being here today, gentlemen.

Mr. Stittleburg, we respect the work that you have done as a volunteer firefighter for the past 30 years, as well as the work that you do as chairman of the National Volunteer Fire Council, are you concerned that the new first responder initiative, instead of the assistance to firefighters grant program, will not provide you with the

type of support that you need, and are you concerned that not all of the funding will get to where it is most needed?

Mr. STITTLEBURG. Senator, I am most deeply concerned about exactly that. As I mentioned earlier, the Fire Act grant was absolutely the most efficient way to get the money from the Federal level to the departments that need it, directly. It was very efficient in terms of time, it was done quickly, it was done with practically no administrative cost involved, the analysis as to how the grants were awarded was performed by members of the fire service who understand the needs of the organization.

To eliminate that program under the assumption that somehow the first responder initiative will supplant it, and replace it with a block grant program, is going to do a couple of things. One, it is going to add significant time and administrative cost to getting this done, and two, it is going to eliminate a lot of the money that went directly to local, rural fire departments. I simply cannot overemphasize to you, sir, the importance of funding that Fire Act at the $900 million level, and continuing it.

The base, that minimum level of responsive ability we have to have at the local level still has not been achieved, and the best way to get there is the Fire Act.

Senator KOHL. Okay. Mr. Stittleburg, as a volunteer firefighter from a rural area, would you comment on some of the needs of rural small towns and how these needs differ from major metropolitan areas?

Mr. STITTLEBURG. Well, sir, the volunteer fire service nationwide struggles routinely with money. That is a primary and paramount struggle we have that is ongoing, and it continues to be more of a problem for us because it is a time demand. It is not just a money demand.

Most volunteer fire departments are engaged in raising their funds. We go out and we sell raffle tickets, we fry pancakes, we do whatever it takes to raise the money to buy the equipment that allows us to provide the service to the public we protect. When the Government can provide us with the money to buy that equipment it literally buys us time, and that is what we need.

Senator KOHL. Mr. Stittleburg, as you noted here today, far too many fire departments across our country lack even the most basic levels of firefighter training, a situation that potentially endangers the lives of firefighters and the people they protect. What can we do to ensure that our firefighters have the basic level of training they need, and where should we be directing Federal funds in the area of training? How can we best use Federal funds to meet the diverse training requirements of rural, suburban, and urban firefighters?

Mr. STITTLEBURG. Senator, the training apparatus is in place. Training is being delivered to volunteer fire departments throughout the United States. I would not suggest to you that training funds should be designated primarily from the Federal Government to the local fire department, because they in turn then have to go elsewhere to secure that training.

Every State has a State training program in place, and that is where the Federal money that is designated toward training is best spent.

Senator KOHL. This question is for anybody, or all of you on the panel. The Justice Department's Inspector General reported just this past Monday that they failed to distribute more than $141 million in grants set aside for emergency equipment in response to the threat of terrorism. In some cases, even when the money was awarded, some States and local governments failed to spend it in a timely way, or failed to readily accept available equipment. The equipment was for police, fire departments, and emergency response teams. Can you comment on the problems that occur with these grants, and are there ways to ensure that the money and equipment gets to the people who need it in the most efficient manner?

Mr. STITTLEBURG. Senator, at least as far as I am concerned—I am not familiar with the grant program you are talking about. I am sure there are lots of grants out there, and not all of us know about all of them, but I am not familiar with the ones that are being referred to.

Colonel WESTPHAL. Senator, if I might respond, there were a couple of problems with that program. One was that it required a plan be submitted, a complete plan be submitted prior to the time funds were allocated, which certainly slowed down the process, and part of the other problem was, when equipment was provided, there was nothing provided for training or use of the equipment, and sometimes the equipment, and sometimes the equipment sits around and is not used because nobody is trained how to use it, so those are a couple of the major problems with that program.

Senator KOHL. Thank you, Mr. Chairman.

Chairman BYRD. Thank you, Senator Kohl. Senator Gregg.

Senator GREGG. I believe Senator Stevens——

Chairman BYRD. He gave up his time.

QUESTIONING BY SENATOR JUDD GREGG

Senator GREGG. I do not want to step in front of Senator Stevens—I appreciate it.

First off, Mr. Von Essen, I appreciate your reminding us of the sacrifice of Chief Fanning. I had the honor of chairing the joint hearings that were held here when Chief Fanning testified, and remember rather vividly his testimony, which was superb. Of course his tragic death in the September 11 attacks reflected his commitment to his fellow citizenry, and the deaths, obviously, of so many of his colleagues is something we all continue to deal with.

I am interested, however, to know how much of the funding that we have appropriated in the first trenche of supplemental funding, which I think was $20 billion, how much of it has actually made its way to the streets, in your opinion, relative to fire, police, and emergency managers?

Mr. VON ESSEN. We have gotten so much help from so much equipment coming in from people that have produced it, sent it to us without getting paid, I am not even sure of the bookkeeping side of it, since I have been gone the last 3 months, exactly how much has been received. I know that it is coming. I know that Mayor Bloomberg is I think reasonably happy with the progress. He has not been screaming about it, so I am sure he is okay with it.

The fire department itself has been getting all the equipment and resources that it needs as far as counseling and everything, and if it is not in cold cash that has been received from the Government, it has been all on lay-away.

Senator GREGG. I am glad to hear that.

The administration's proposal included reorganizing the manner in which we provide the funding for the first responders. Obviously, they put a significant amount of money in here, $3.5 billion. Up until 9/11 these funds had been administered by the Office of Justice Programs' Office of Domestic Preparedness. Now the administration is suggesting that most of these dollars move over to FEMA and very little of it stay with Justice. I guess I would be interested in knowing how first responders feel about where they should be getting their money.

I think Senator Mikulski defined this question. We want to make sure the money gets there and is most effectively used, and I would be interested in anyone's thoughts on which one of these agencies should have this responsibility.

Mr. CROUSE. Senator, if I may, Mike Crouse with the International Association of Fire Fighters. We would like to see FEMA be the lead agency for the terrorism part, and we would like to retain the Office of Domestic Preparedness in DOJ. Our experiences with them have demonstrated that it is a good program—it is not broke, do not fix it, and it seems to be working.

Chairman BYRD. Would you speak a little louder, please?

Mr. CROUSE. I am sorry, sir.

Chairman BYRD. Speak a little louder.

Mr. CROUSE. We would like to see FEMA be the lead agency for the terrorism part, and have DOJ continue as the lead on the Office of Domestic Preparedness. It has worked fine for us. We have not seen any problems with it.

Senator GREGG. Does anybody else have any thoughts on this area?

I am interested, General, in what your thoughts are relative to who the new CINC commander should be. If there is going to be a commander who is basically in charge of what is basically in charge of a domestic event, should it naturally be a National Guard person?

General ALEXANDER. We feel that this should be an active component four-star officer who has joint experiences. The role of the National Guard Bureau, if expanded, can fill that void in terms of communicating directly what is going on with the Governor's plan and our public safety forces by the mobilization and intervention of a CINC that would in fact mobilize the entire Guard across this country for that. However, there is a distinct advantage of having a deputy CINC commander that is a National Guard officer, a three-star, with joint experience.

Senator GREGG. What is the progress, in your opinion, that the Guard is making in—now, there was a proposal at one point to set up regional Guard centers of excellence. These would be, basically, second responders, people who go in with a hazmat capability after the first responders have already come on the scene. Where do you see the Guard's role in that?

General ALEXANDER. Regional areas of excellence, I question their value. There is a high degree of cooperation that exists between the States and all public safety forces without a particular boundary. Regional areas of excellence are hard to make compatible with all of the other regions that are out there for interagency actions. No boundaries are the same. I would submit that the States and local governments within that State are extremely capable of creating levels of excellence based upon the expertise that is there, to include the Guard.

Senator GREGG. Thank you, Mr. Chairman.

Chairman BYRD. Thank you, Senator. Senator Stevens, do you want to——

QUESTIONING BY SENATOR TED STEVENS

Senator STEVENS. If I may, yes. I apologize for having to leave during part of your testimony, gentlemen. We have got some other things working here that take time, too.

General Alexander, tell me, have funds been made available to pay for the State activation of National Guard forces for homeland defense yet?

General ALEXANDER. Those funds are yet in total to be distributed. I understand there is a significant shortfall in the title 32 funding as it relates to the 7,000 more people that we had on active duty for airports. I know the result of that, moneys have been taking from existing training and operational accounts to pay that bill.

Senator STEVENS. Well, would you let Senator Inouye and I know about that? I think that is a Defense Subcommittee problem, but we ought to look into that, and for all of you, one of the problems we encountered right off was the problem of the interoperability of communications in terms of times of crisis. I am concerned about the amount of money that is necessary to bring that about. I think that is the first thing that ought to be done, to make sure that everyone can talk to one another, and I know, Mr. Cox, we have got this problem with airplanes. I am talking about the people on the ground who really cannot talk to one another right now, not that they do not have good equipment, and not that I think we ought to have one monopolistic outfit that provides everybody their equipment.

I just think we ought to make certain that it is interoperable, and we can communicate between firemen from different States, and National Guardsmen from different States. As I understand it, much of this equipment is not interoperable, and we need to know how much funding would be necessary to meet this first goal for first responders. How much would it cost to assure that we had systems that were totally functional and interoperable? Can anybody tell me any steps that have been taken so far to meet that need?

Colonel WESTPHAL. Senator, I might respond from one person's perspective. There are many States that have tried to do statewide systems and do digital trunk systems so they would tie together, so that everybody would be interoperable, be it the fire service, or law enforcement, or anybody else. The problem has been that usually at the State level they fund these things, but for the local agencies, the smaller agencies, they are unable to acquire the ra-

dios necessary to do the interoperable operation, and I am sure that is probably true in the fire service. Some of the smaller fire services really talk about having to do fundraising just to do their training and buy their equipment. It would be the same situation.

So from the IACP's point of view, we would certainly be supportive of trying to help some of these smaller localities, local law enforcement, local fire service and so on, buy some of this equipment to be interoperable.

Senator STEVENS. Senator Hollings here, he is chairman of the committee that deals with spectrum management. As I understand it, part of the problem is spectrum allocation, but secondly, the problem is that you could have perfectly fine intrastate communications in your State, but if your people went across the border, three States east, west, north, and south of you, you might not be able to communicate with them. There is a regional problem here as well as statewide, regional and then national. I would like to make that the number 1 goal, to see that everybody can communicate on a total basis, and we would appreciate it if somebody in the task force would attack that and tell us what kind of funding would be required to meet that goal.

The last subject that I want to raise and I raised it yesterday, and I do not want to be offensive to anybody, but I have talked to some of the National Guard people at the airports up my way. There is no such thing as overtime. Some of them worked at their normal jobs and are being National Guardsmen on weekends and evenings, and there is no such thing as overtime. We are running into an overtime situation, and I do not know where to draw the line on what is an area which really should call for volunteers, and where it is legitimate that we say a person has been required to work and therefore has to have overtime.

Have any of you addressed that problem, and is it something—I am going back to the days I knew in World War II. I do not remember anyone asking to be paid. The neighborhood watch that we had, we had watch on the beach up and down California, and as I said yesterday, the Alaska Eskimo Scouts provided 100 percent coverage to half of the coastline in the United States for 4 years and was never compensated at all, and now we have an absolute demand for more money for people to take action to protect themselves. Where is the volunteer side of this operation that you all are involved in?

Is that too bad a question? I do not want to be negative, but it seems to me that each of your agencies should have a whole series of volunteers, people who will fill in when a crisis comes. Is that fair?

Mr. STITTLEBURG. Senator, certainly the 800,000 volunteer firefighters in the United States do precisely that, volunteer. Your question about overtime is an interesting one, because one would not expect that to arise with the volunteer fire service, but indeed it does in many situations where volunteer firefighters who are also employees of the municipality where they live, and the Fair Labor Standards Act frequently requires, if those volunteers are responding to fires while they are on the municipal clock, that they also be paid overtime if also they work 40 hours at their regular job assignment.

So I would simply suggest to you, sir, that as far as the volunteer fire service is concerned, our services are estimated at saving the taxpayers in excess of $60 billion a year, yet overtime is even a factor with us.

Senator STEVENS. Mr. Cox.

Mr. COX. Senator Stevens, in the public health arena there are established linkages between public health and the private medical community, particularly with planning and so on for a public health emergency. Certainly these need to be stronger, and the funding that you are talking about certainly could be used to make those stronger, but the linkages are available where the private medical community does volunteer in case of an emergency.

Senator STEVENS. I do not like to pursue it too much, Mr. Chairman, but there is an inequity here, you know. On any one of these jobs, take 9/11, there are people working out there all working on the same task, some of them are paid full-time, some of them are being paid overtime, some of them not being paid at all, and I really think that there ought to be a standard there.

Maybe we should provide per diem for the people who are really volunteers but are involved in a real crisis, because all the time the volunteers spend getting trained, people working for an entity such as yours, when they are getting trained, they are getting paid. Even if they have to work overtime, they still get paid. It is overtime pay.

There is not a level standard there, and it is a new world, those of us who came through World War II, because I just knew an enormous number of people who worked 8, 10 hours a day, and then came back at night, worked 3 or 4 hours, so they might work 3 or 4 hours in the morning and work swing shift and work all night.

I do not see that now. I do not see the public being aware of the crisis that is ahead of us, and you are absolutely right, it is just a matter of time until we face the suicide bomber, and I do not care whether it is the subway, in a train station, or in a crowd waiting to get into a mall. They are out there, and I do not think we are prepared for it at all. I do not know, Mr. Chairman, how to get that degree of awareness that we need to assure that there will be volunteers to help, that they are trained, and that they fit in with your people who have the daily job of trying to protect the country.

Enough said, and thank you very much.

Chairman BYRD. Senator Stevens, you raise a good question and made some good points. I heard one of the witnesses earlier say that the interest of the general public is waning. If the general public interest is waning, you are not going to get volunteers. Getting volunteers depends upon the interest of the public, the concerns and the perceptions of the public.

Senator Hollings, you are next.

STATEMENT OF SENATOR ERNEST F. HOLLINGS

Senator HOLLINGS. Mr. Chairman, right to the point. It is us up here who are waning, not the people. What happens is, on 9/11 we had the best of responses. We are lucky, the firemen did a magnificent job, law enforcement, National Guard moved in, the ports authority, we are very, very lucky.

Incidentally, on that morning I was briefing the leadership on the Senate side about counterterrorism, and the program that we had in the Department of Justice field. The reason I mention that is because we have had for 4 years now an ongoing program, and I wanted to commend Senator Gregg on his leadership, who has been the chairman of our little subcommittee, because it was under his leadership that we started the Office of Domestic Preparedness (ODP)—for example, we have got five training facilities who have already graduated 80,000 firefighters and law enforcement officers on the counterterrorism threat.

We have programs for the equipment. I am a cosponsor of the Fire Act and like you say, Mr. Stittleburg, it is working, and let us not formalize it where it has got to go through certain channels, like the Governor's Office, because now the grant office at FEMA makes direct grants down to these little communities, and that is what you are begging for, isn't that right?

Mr. STITTLEBURG. Perfectly said, sir.

Senator HOLLINGS. That is right, and if you give it to the Governors, that is like delivering lettuce by way of a rabbit. I mean, it is not going to get there. We have had this experience up at this particular committee level on these things. We had a Governor in Indiana that bought a beach craft for his wife to go buy her spring clothes. We had down in Hampton, Virginia, somebody buy a tank and put it out in front of the courthouse, and all of that thing, so we have been there and done that, and we do not want to disturb the good programs that are already working, because that is what you all are saying. We need more personnel, more money, more equipment, more training, just more of what we have got.

For example, the Office of Domestic Preparedness is working. So Mr. Chairman, I wanted Governor Ridge to come and say what are we trying to fix. Why are we changing it? Where it has been inadequate—inadequacy, like I say, is us, because we gave the $20 billion, but the poor Attorney General and the Department of Justice is scared to death to distribute the money, because we have got an ongoing debate about FEMA.

We are not going to transfer the ODP program to FEMA. They do not know anything about law enforcement, and we have got this ongoing program that we know understands the hitches. With respect to interoperability, Senator Stevens, we now have the equipment, the technology has been developed.

That was one of the troubles in New York. They had different frequencies, for one thing, for the law enforcement and for the firefighters. We have got to get that interoperability, otherwise we have got to get a uniform frequency to respond to an emergency of this kind so that they are not all jammed. You were trying to tell your firemen, get out of the place up on the 32nd floor, and they could not get the message because everything was jammed.

Another thing that was wrong, they did not fireproof the steel structure. They eliminated a lot of the fireproofing on that thing. It was not supposed to fall down and melt like it did.

So we have got a lot of things that we know about, but there was not anything wrong with the firemen. There was not anything wrong with the law enforcement. It was just the ongoing programs have not been properly funded.

Those five training facilities under ODP, like I say, are ongoing right now. We have got the equipment, but we need to get it out there now, and that $20 billion, Mr. Chairman, that you appropriated has got to be distributed. The log jam and the disinterest is up here.

Chairman BYRD. You got it. That is right.

Senator HOLLINGS. They have got cloning. Who is worried about cloning right now? I am worrying about domestic violence and terrorism.

We had a hearing—Senator, we had a hearing for 3 days last May, and the entire Cabinet came up over a 3-day period before our little Appropriations subcommittee. This issue is not moving because of us. The communities are interested, and I want to commend you folks who have been working out there in the vineyards and leading the way. You all have done an absolutely magnificent job.

I have got a letter from the National Sheriffs Association that I want to put into this particular record, because what they want is to not mess it all up, and stop transferring and studying and then putting in new kinds of training programs and Governors and everything else. We asked for plans 4 years ago, and on 9/11 we only had four States. Now we have got 46. Now we have got 46.

And incidentally, you are talking about the Governors. I know several of the Governors did not even know they had submitted the plans. They have not even been on the loop, but it is us up here that have got to get it moving.

Chairman BYRD. Thank you, Senator, and your correspondence will be included in the record.

Senator HOLLINGS. I appreciate it. Thank you.

[The information follows:]

NATIONAL SHERIFFS' ASSOCIATION,
Alexandria, VA, February 25, 2002.

Hon. ERNEST HOLLINGS,
Chairman, Subcommittee on Commerce, Justice, State, and the Judiciary, Washington, DC.

DEAR SENATOR HOLLINGS: The National Sheriffs' Association (NSA) is surprised and deeply concerned about the proposal by OMB to eliminate the Office of Domestic Preparedness (ODP) at the U.S. Department of Justice, and shift these responsibilities to the Federal Emergency Management Agency (FEMA). While we appreciate the efforts of OMB to consolidate functions and enhance efficiency, NSA believes this proposal would undermine the efforts of law enforcement to prevent another terrorist attack on the United States.

ODP serves as the only significant source of Federal financial assistance for Sheriffs to train for and to combat the threat of terrorism. For this reason, we applaud the recent action by Congress to increase the ODP budget from $250 to $650 million. As we now commence this long-overdue strategy to coordinate the efforts of Federal, State, and local agencies, OMB would now slash the ODP budget to "0".

Moreover, the OMB proposal seems to repeal provisions of the Patriot Act that grant to the Department of Justice responsibility to prevent and detect potential acts of terrorism. Under Sections 1005 and 1014 we note that Congress directed the Attorney General, not FEMA, to make grants to Sheriffs for terrorism prevention and anti-terrorism training.

For the Nation's Sheriffs, this proposal means more than organization and funding. This shift of authority completely contradicts the established authority of law enforcement to prevent potential terrorists acts and to protect the public from such threats. Local law enforcement will always be the first to respond to an incident, and only law enforcement has authority to take arrest action and use force during a terrorist attack. FEMA's response at the scene is appropriate and welcome only after law enforcement has determined that public safety has been secured. Law en-

forcement cannot subordinate its command responsibility to FEMA. FEMA has historically been a response agency, and NSA is concerned that this program could become response oriented instead of focused on law enforcement's efforts to prevent terrorist attacks from happening.

Presidential Decision Directives 39, 62 and 63 direct the Attorney General, not FEMA, to assume lead responsibility for the Federal Government. Through the FBI, the U.S. Department of Justice, not FEMA, serves as the central agency in a crisis. The Nation's Sheriffs have long established working relationships with ODP and the FBI at the Department of Justice, and we should not be asked to scrap all of our policies, plans, and agreements so that we can work under the authority of an agency that has no law enforcement role.

The National Sheriffs' Association believes that Congress should commend the Department of Justice for its ODP program, and continue the funding level at a minimum of the current $650 million. We ask that Congress reject this well-intentioned but misguided OMB proposal to take a successful program away from the Department of Justice and give it to an agency that has neither the experience nor the charter to get the job done.

Thank you for your consideration on this important matter and we look forward to working with you to enact sensible law enforcement policy.

Sincerely,

JOHN CARY BITTICK,
President.

QUESTIONING BY SENATOR JACK REED

Chairman BYRD. Mr. Reed.

Senator REED. Thank you very much, Mr. Chairman, and thank you, gentlemen, for your excellent testimony. I believe the questions this morning have illustrated first that we depend upon local initiative to deal with many of these issues, but the nature of these problems are not at all local. They are regional and national, and so at some point we have to also develop some type of coordination mechanisms for interoperability of radio equipment, or what data we collect in doctor's offices, and how it is reported, and so I wondered if you could, going down the line with the commissioner, just your kind of insights, what you think is the most important thing we can do to help foster these kinds of national standards but maintain local initiatives, any problems you see, or advice you can just give us.

Mr. Commissioner.

Mr. VON ESSEN. Well, I think we have to do a better job of making people accountable for money that they get, so there is less duplication and more measured performance, just like you see in the private sector. You know, you give us money, we should be accountable for it, it should be spent properly.

You talk about a national issue, it is the spectrum that we need more availability for our emergency services to be able to communicate, and that is a bigger issue than we can solve. That is what you have to solve with the Federal Communications Commission, and I was hoping Senator Leahy would stay, but that is an issue that is really critical to us nationally for us to get more spectrum. It has got to be taken away from television stations, which we cannot do. You have to do.

Thank you.

Mr. CROUSE. Yes, Senator, if I can. As Senator Hollings pointed out, I think the systems are in place. FEMA has demonstrated to us their abilities and desires to coordinate the events such as 9/11. There are several agencies that come into play, and if those sys-

tems can be enhanced and improved upon, I think we can learn from the problems, the mistakes that may have been made.

But I think what really needs to be focused on, and again repeating what Senator Hollings pointed out, is listening to what the local needs are, and from our perspective the fire service today has spoken with one voice and one concern. We are on the same page with the need, with respect to staffing the fire departments, providing the appropriate equipment, and the required training for not only the basic fire fighting evolutions, but for the add-ons, the EMS hazardous material, and weapons of mass destruction.

We have a system in place right now that I think is working fairly well, and I think it just needs to be funded, and the folks at the local level that we represent need to be heard.

Senator REED. Without preempting the other witness, let me interject. Is there some mechanism now presentable that your colleagues in the fire service are comparing about standardizing the acquisition of radios, for example? Is that going on?

Mr. CROUSE. To my knowledge, I am not aware of that, sir. Maybe I will defer to the commissioner who now has a personal interest in the radio issue, but I am not aware of any efforts to standardize. Now, in the fire service in general we are looking at ways of standardizing apparatus and protecting clothing standards and those type of things.

Senator REED. I guess my concern is that we give money and it is accountable by the locals, they go buy equipment, they do not use it for a raffle or for tickets to the Giants, that they buy a system that someone sold them, and the fire department next door buys a system that they think is great, but they are not interoperable. Where do we put this together in a very detailed, practical sense?

Mr. CROUSE. I think again it is communications that has to start up at the top level of the process that is put in place, and if those funds are going to be made available through the Federal Government, then I think we should force the local communities, whether it is the city, State, county levels, to communicate, so when they do procure those type of things they are talking to one another and can purchase equipment that is interchangeable, and can interact with each other.

Just by way of example, in my experience as a Federal firefighter at the Department of Defense, we put in a communications system in the State of California through the San Diego Naval Facility down there, and working through the various agencies, not just the military and the Air Force and Army and Navy community that were there, but also to the highway patrol and DEA and FBI. They were able to get Federal funds from their various sources and put in a communication program that was statewide, where our Federal firefighters could actually communicate with the surrounding municipal departments, or if they needed to get the Border Patrol or DEA or something. So it is doable, but I just think we have to, again, forge that process.

Senator REED. Thank you. Gentlemen, please, and I think my time is running, so if you can be brief.

Mr. STITTLEBURG. Senator, what you can do for the volunteer fire service is assist us in promoting volunteering to the fire service.

There are 100,000 less volunteer firefighters in this Nation than there were 20 years ago, yet we staff 90 percent of the fire stations.

Mr. Crouse appropriately spoke about staffing. Recruitment and retention is our staffing. That is what the Federal Government can do for us. We have a 1–800 fire line to encourage people to volunteer. That is something you could promote for us. That is where it is at with us.

Senator REED. Thank you, Chief. Colonel.

Colonel WESTPHAL. Thank you, Senator. I will try to be real quick. One quick comment about the communications issue. There are standards, there are international standards. It is the public communication officer standards, APCO 25. Not all vendors are complying with those standards, but if we could get everybody to adhere to those we could probably all communicate.

From our point of view, your original question was what can be done at the local level, and how do we bring that into the national level. From law enforcement's point of view, we do not want to lose sight of the fact that if we did everything right, the local fire service would not have to respond to any more terrorist attacks because we would prevent them, and what we would like to see, as I mentioned in my opening statements, we had 16,000 agencies and 700,000 officers who gather a lot of intelligence, and if we had a good system of gathering that intelligence together at a Federal level and then do a good analysis, we could do something real good about trying to stop terrorist attacks.

You know, we are over in Afghanistan and other nations trying to track down the terrorists, the President has tried to put a stop to their funding sources, but unless we do something here in the United States of America to try and find out who these people are and what they are up to, we are not going to stop terrorism, and I think that is a key role for law enforcement, along with the Federal agencies.

Senator REED. Thank you, colonel. General.

General ALEXANDER. In the area of communications, the National Guard would need to have contingency steps that included off-the-shelf radios that would be interoperable with first responders and periodically communications exercises to facilitate that. I would assume that this would be of significant value prior to and during mobilization, because once the Guard is totally mobilized for weapons of mass destruction they are still going to be following the lead and being interoperable with our first responders, who know more about it than we do.

Senator REED. Thank you, General.

General ALEXANDER. But we do need to be able to talk to them.

Mr. COX. Senator, I think from a local public health standpoint the key thing would be to help us to expand our capacity, to quickly detect and quickly control and effectively control communicable disease, because this in turn is really going to take a load off first responders, because it will be controlled more quickly, as well as take a tremendous load off of the medical care system, which could be quickly inundated and overloaded.

Senator REED. Thank you, gentlemen. Thank you, Mr. Chairman.

Chairman BYRD. Thank you, Senator Reed. Senator Inouye.

QUESTIONING BY SENATOR DANIEL K. INOUYE

Senator INOUYE. Thank you, Mr. Chairman. Before proceeding, Senator Stevens and I just came back from an extended journey to Asia, and one of the countries we visited was Singapore, usually looked upon as the Switzerland of Asia, gracious living, high per capita income. Just before our arrival, the security and intelligence of that country uncovered a plot to use 100 tons of explosives to blow up the American Embassy. When one considers that it took 3 tons for Oklahoma City, 100 tons is a lot of explosives, so I hope people in the United States consider that terrorism is available everywhere on this globe.

Gentlemen, whenever we discuss terrorism, the words, targets of opportunity will pop up, and targets of opportunity are not distributed equally throughout the 50 States. Some States have more and some have less, some have none. You have the Golden Gate Bridge, psychological, the arch at St. Louis, we have military bases in many parts of our land, you have high density population areas. Should these funds be allocated on the basis of targets of opportunity?

Colonel WESTPHAL. Well, I might respond by saying, targets of opportunity really defines how easy a target is to attack, and what we describe in law enforcement is trying to make it a hardened target, and to make it a hardened target, you do what you have done here at the Nation's Capital, and people have a hard time accessing this building. Cars are searched, persons are searched, and you make it a hard target, so even though this certainly is a primary target of terrorists, it is not a target of opportunity. It is a very difficult target.

So a terrorist will look around and find a target that probably will have the most impact and get the most print, but that is an unhardened target, so your question is, should money be directed towards those hardened targets, and I believe that might be difficult to do, because it is going to be kind of like shooting ducks on a pond. It is sort of a moving target, and it is going to shift all the time. If we direct money toward one target and harden it, they are just going to shift their efforts towards another one, so I think it is going to be very difficult to identify particular targets that need to be dealt with financially.

Mr. STITTLEBURG. Senator, if I may follow up on those remarks, I think the Colonel is absolutely on point. I think the way we address this is by having the local agencies prepared and trained and able to identify those potential targets in their own districts.

Senator INOUYE. That was my only question. Any others?

Chairman BYRD. Anybody else want to respond to that question?

General ALEXANDER. I think it goes to the void we have in the diffusion of intelligence that is in the hands of many agencies, that do not allow responders on the ground to be aware of a threat in the environment, and having some awareness of that, a capability-based force that would be available to deal with that environment would be something to consider, based upon the diversity of the targets that are out there. There is just so much we do not know and should know, that other agencies know, that is not being shared, and that results in our inability to prepare and respond.

Chairman BYRD. Mr. Cox.

Mr. COX. Senator, I think it would be helpful to give a great deal of thought in the bioterrorism area to the unexpected. I mean, who would have ever thought that terrorists would have taken a commercial airliner and turn it into a terrorist weapon, and so in the area of bioterrorism it would be good to give some thought to where a terrorist might strike from an unexpected viewpoint or angle, such as a genetically altered bioagent or other things that we need to give some planning and thought to, because they are going to strike at our weakness.

Senator INOUYE. In other words, all of us are in the action. Thank you.

Chairman BYRD. Thank you, Senator. Mr. Domenici.

QUESTIONING BY SENATOR PETE V. DOMENICI

Senator DOMENICI. Thank you very much, Mr. Chairman, and I apologize for being as late as I was this morning, but I could not avoid it and as a result I get to listen to everybody else, which has been very interesting.

Mr. Chairman, since we have 7 minutes, I would understand if we could use that for opening remarks or assessing the situation and it not all be questions, so I would like to just open with a comment. First, I appreciate the panel's focusing in on the first responder training programs that are supported by the Federal Government, either your indication that you support them, or your concern about whether they are working, or whether they are all in the right places or not.

The history of first responders is very, very important, because some people think nobody was concerned about mass destruction conduct occurring in the United States until they bombed the towers, but the truth of the matter is, in 1996 on the floor of the Senate a major amendment—could have been a bill—was adopted that created the first responders, for certain New York, you were one of those first responder cities.

That created 120 cities, first responder cities, and a rather substantial amount of money was spent, but it did not get to all the cities, and so Senator Judd Gregg in an appropriation bill created a National Domestic Preparedness Consortium, and it is in the law because it is in the appropriations bill for the Department of Justice.

As a result of the combination of the two, 120 cities prior to 9/11 already had first responder training and first responder designation, so I assume, Mr. Von Essen, that New York City was a first responder city and they had for at least 2 years, maybe 3, put together the communication, the ability to deliver the kinds of services in health and the like. You had those all in some kind of a system when that vicious act occurred, is that not correct?

Mr. VON ESSEN. In a limited capability, yes.

Senator DOMENICI. So it would seem to me that right off it would be interesting to know—and of course I cannot get this today, but maybe the chairman would consent to a detailed question to New York City, but I would think the first thing we ought to do with reference to first responders is to ask New York City what the shortcomings of the first responder funding that we already have

and assumed was in place, because you are the only one that has actually experienced how well it worked, and what shortcomings you found.

The second one is to find out from the jurisdictions here, near the Pentagon, how did the first responders fail them with reference to their location, because I think we will find that the first responder did not include the Pentagon at any time, and consequently the Maryland and Virginia forces that were pooled to assist in this serious episode did not have a similar communication on many of the things that you all in New York City would have assumed would have been available for a disaster, so it would seem like we could learn from those and do a better job with the first responder system.

Now, could I ask, as far as New York City, Mr. Von Essen, I am not sure if you know enough about how it was obtained, how you got trained, and what you did, or am I mistaken? Do you?

Mr. VON ESSEN. No, I was actually the president of the union before it took place, and then the commissioner when it was in place, and there was an awful lot of work together with the International Association of Fire Fighters providing training and providing additional volunteers to take on additional responsibility within the New York City Fire Department, spreading that out to maybe 30 or 40 engine companies in New York City to begin that program, the metropolitan program that we put in place.

When I said it was limited, I mean, we have 210 engine companies in New York City, so it was the beginning of a program, and I am not sure where you are actually going with the comparison, because you can have a first responder program, you can have this level of training, this level of preparation and capability, and you can have two major airline planes crash into two of the largest buildings in the world. Your first responder program was not ready for that.

Senator DOMENICI. But I think what we have to eventually do is, we have to know they are ready to direct their attention. We do not have that done, either.

Mr. VON ESSEN. No. That is basically I think what everybody is here today trying to get the Government to get us help with some kind of a national standard for everybody to know what is expected at the minimum level, at the next level, and at the highest level, what level of training that you are going to help us pay for, what level of equipment you are going to help us pay for, or what level of preparation.

We all want to be as prepared as we possibly can, and you talked before about targets. Of course, New York City, and San Francisco, and L.A., and Chicago, and some of the other major cities will provide more targets. That does not mean that the first responder firefighter responding in the smallest city in New Mexico should not also have a level of training somewhere that we have to decide is at least adequate.

So this is major stuff, and a lot of us have been working on it for a long time. Unfortunately, there has not been as much interest, I do not think, at the Federal level since—you know, except for this horrible incident that we had last September, so we are getting help now that we have been asking for for a long time in the

fire service, trying to get the levels of training and manning, equipment and everything else that is needed, so we are relying on your continued support.

Senator DOMENICI. Mr. Chairman, I do want to lay before the witnesses, not to ask them any questions about it, but just to comment on a capacity that exists in the country that is just becoming known. Believe it or not, last year, because of the Appropriations Committee, the computerized system called NISAC, N-I-S-A-C—and that stands for National Infrastructure Simulation and Analysis Center, NISAC. It is now put together, Mr. Chairman and fellow Americans.

It is put together because of the supercomputing capacity of the defense laboratories on nuclear weapons. That is the most sophisticated and powerful computer systems in mankind, and in their spare time they have put together a system which will permit you to determine what happens if a target, for instance, Hoover Dam is hit. You just punch it in and you ask, what is the result of Hoover Dam being demolished, and it will tell you exactly the effect and where in the United States as a result of that.

If you go to the New York area and you have tunnels, and major waterworks, this simulation has literally thousands of facilities with capacity that furnish something to the American people, and it will tell you what will happen if one of these is damaged or destroyed by those who are doing what they did to New York City, or planning it.

I believe what we are finding out in this committee, Mr. Chairman, thanks to you, is that there are some things that are going to have to be done nationally. There are some centers for getting out the information that are going to have to be at least regional, and there is going to have to be some way of determining the standard you have been talking about, and that is going to have to be one versus another.

You cannot give the same protection for an area that has no targets that this evaluator would tell you has a chance of doing far more damage, and thus would be looked up on by terrorists as an opportunity, better than another place where the damage would be very little or none.

So I hope that we can find that magic balance between what the Federal Government should be doing directly with States, and what we ought to be doing by way of creating some of our own centers. I also want to say to you, Mr. Chairman, it does point up to me, just the 2 days of hearings, very, very emphatically, that there must be a big, big coordination at the national level.

I do not believe this program is going to work with six Cabinet members all getting funded by the Appropriations Committee and that they have pieces of the program. Unless there is some national simulation or evaluation, I do not see how we are going to know what we are doing, and to that end, I think you have been referring to it in another way. You want to hear a witness. I am not so interested in hearing the witness, but I think what you were saying is, who is in charge?

Chairman BYRD. That is right.

Senator DOMENICI. That is what you have been asking, and I think eventually we are going to have to ask who is in charge. It

is going to be very hard to fund something and know that we are going to get what they are telling us we ought to get, that will even be inventoried in 2 years and we will know where our money went.

Thank you very much, Mr. Chairman.

Chairman BYRD. I thank you, Senator, and I believe that Governor Ridge would be the person to answer that question, to pose that question to, and I hope he will come before the committee and respond to that question. It is an important question. We are talking about people's lives. We are talking about the taxpayer's money, and I thank the Senator for his perceptions and all of his contributions that he makes.

Senator DOMENICI. I thank you.

Chairman BYRD. He has started several programs through this committee. I think of the human genome, and another thing, he referred to another program just a minute ago.

Senator DOMENICI. Well, Mr. Chairman, I would say to you, you know, as a result of the concern on first responders there are five universities under one consortium, headed by the University of Alabama that are teaching the fundamentals of first responder needs through the cities' leaders across America, and thousands have been educated as to what it means to be a first responder and how you put the thing together, and so it is not automatic. These are nice words, but it is not just an accomplishment because you say, I have a first responder. It is very, very difficult to set it up right.

Chairman BYRD. Thank you, Senator.

Senator DOMENICI. Thank you.

Chairman BYRD. Senator Mikulski.

QUESTIONING BY SENATOR BARBARA A. MIKULSKI

Senator MIKULSKI. Thank you very much, Mr. Chairman, and again I want to thank you for holding these 2 days of hearings on this very important issue.

I think it builds on the hearings that Senator Gregg and Senator Hollings held last year, and I think it also points out, Mr. Chairman, from our colleagues' questions, we are already doing a lot, and we need to almost talk among ourselves on what the initiatives are, but I really think it is compelling that Governor Ridge come with the appropriate Cabinet people, or Cabinet-level people like FEMA, so that we can stop acting like technocrats and start acting like an antiterrorist organization.

We cannot be technocrats, fooling around with little pieces of paper and who should come and who has authority and who has executive privilege. I am afraid if Bin Laden was watching this he would say, as long as they keep bumping into each other over what is the right organization chart, I have targets of opportunity.

I do not want us to be technocrats. I want us to organize ourselves like a fighting antiterrorist organization to protect this Nation.

Chairman BYRD. Amen.

Senator MIKULSKI. And the money that we spend will make us all-hazards. It will be double value to strengthen our police and fire to be ready for all hazards, whether you are going to fight a fire

because it was caused by a malevolent attack or a naturally—you are fit for duty, along with our police.

An outbreak could come from food, by accidental food poisoning at a sports event, or a meningitis attack at a college, or it could be another kind of attack, and God bless our National Guard. My 29th Division, as you know, is one of the best and bravest, and they are already doing the heavy lifting for peacekeeping.

So this is what I want us to be, and I will say that while we are working on our funding—and I am going to get to a few of the questions—first of all, I do know that there is this plan to combine the Office of National Preparedness under Justice from the police department with the fire at FEMA. Until we get real clarity, I am not going to move on that. I like our fire grant program, and I know our fire fighting community likes that fire grant program. The money comes to you, it is peer-reviewed, it is not earmarked, and it meets a compelling need, and last year we got $3 billion worth of requests. If we funded that, we would be on the right track.

So we are absolutely on your side, and I support Hollings and Gregg, but let us not move that Office of National Preparedness to do that.

I am not going to talk about the funding mechanisms. I do not think we should find new ways to rearrange the line items. I think we have to help you who are on the front line, and that means let us keep the programs organized the way we want, let us put the money where it is, and let us start organizing ourselves.

And to that point, let me go to you, Chief, because I am concerned about the underfunding of our police, the underfunding of our fire for protecting the protector and getting the right equipment and the right training. Are you aware that the President is also proposing a Citizens Corps to be operated under FEMA to do, I am not sure.

I really want to support the President, but why do we need a Citizens Corps if we have volunteer fire departments that are already struggling for enough volunteers and enough funding to support the volunteers. Are you aware of the Citizens Corps?

Mr. STITTLEBURG. Only in the most general terms, Senator. I understand that the Citizens Corps has been proposed. I believe there is a proposal of funding it to the level of $230 million, I believe, in fiscal year 2003, at least as best I have heard it. I am pretty fuzzy on what its ultimate goals are.

Senator MIKULSKI. I am pretty fuzzy, too.

Mr. STITTLEBURG. As to what the specifics are, I do not——

Senator MIKULSKI. And I do not think we can be warm and fuzzy about it.

Mr. STITTLEBURG. And that, I guess, Senator, is indeed our concern. It is a lot of money. Certainly, we support anything that will contribute to the opportunity for the emergency services to better serve the public, and as I understand, the Citizens Corps that is structured, a lot of it, as a volunteer sector, and certainly we support anything that will encourage volunteerism. Beyond that, we do not have enough of a handle on what is proposed to tell you what our position is.

Senator MIKULSKI. Well, let me just encourage you, because I am concerned, too. Within the funding request for this year's appropriation is $230 million to fund the Citizens Corps. That would be $86 million I think for funds through organizations—that was unclear—and $144 million to set up councils.

Now, just to put it in perspective, last year, we were fighting just to add $360 million to the fire grant program, the whole fire grant program. Do you remember that?

Mr. STITTLEBURG. How well I do, ma'am.

Senator MIKULSKI. You remember that. So I would really encourage the fire fighting community, as well as the law enforcement community, to meet with this Office of Volunteerism, or Freedom Corps, that the President has. I support the call for volunteerism, but I would like to see it also go where there is an existing framework, like the volunteer firefighters, where there would be a recruitment energizing inspiration tool so that you would get the next generation you need, and then we would help provide the resources to train them and equip them so you are not doing this through fish fries and bingos.

Mr. STITTLEBURG. That is precisely our sentiment. That is just exactly our sentiment, Senator.

Senator MIKULSKI. Well, please—because I do not want to fund this unless there is clarity, and I do not want to be in opposition to the President until there is clarity.

I would like to go to the issue of bioterrorism, Mr. Cox. Is it Mr. Cox, or Dr. Cox.

Mr. COX. Mr.—just Gary.

Senator MIKULSKI. Mr. Cox, on the issue of bioterrorism, I think you have made an excellent statement of what our public health agencies need. Their infrastructure is quite tattered.

Let me raise another issue, as we are working on legislation. When bioterrorism hits, like it hit Brentwood, like it hit the Senate, et cetera, I was concerned about two things, one, the management of the public health incident, but the management of the communication around the incident. As all of the people at the table know, the fear and panic results from terrorism, even if it is an attack on a small population, but if it is an attack on you it does not matter whether it is 10 or 10,000.

Could you give for us, number 1, your observations on how the communication strategies were handled, and number 2, what would be the recommendation of the public health community on how we cannot only manage a public health incident, but how we can have a better communication way so that we can manage the fear, and ultimately fear leads to panic?

Mr. COX. An excellent question, Senator.

I think first of all, on the incident itself, probably a good way to get the communication information out to the public is to have first of all a single voice, a voice of a person, if it is a bioterrorism action, that has a public health background, a medical background, to speak with a clear voice of understanding and authority.

As far as getting information out to the public—and I say a second part of that would be to establish, as is usually the case, a joint information center so that public information folks from sev-

eral different agencies all group together and come up with a common message that needs to be communicated to the public.

Senator MIKULSKI. Does that exist now?

Mr. COX. It does in some areas.

Senator MIKULSKI. But it is uneven, and it is unmandated?

Mr. COX. Yes.

Senator MIKULSKI. Well then, that takes me to another set of questions that really affect everyone at the table. When we held our hearings under Gregg-Hollings on terrorism 1 year ago, one of the questions we asked was, at an incident, the question was, who was in charge? The FBI said, we are in charge, because we are crisis management.

FEMA says, well, we are in charge in terms of the casualty management, and their whole preparedness framework.

Then we had a local sheriff who said, really, I am the one in charge, because I am the first one there, making sure that the fire department and whatever is.

Do you think that there is a real clarity about, when there is an incident, number 1, who is in charge of managing the incident at the scene, number 2, calling in the appropriate resources, and number 3, ensuring that there is more communication out to the people so that there is not panic around, or a management of people so that panic and fear do not take over? Do you know? Can you tell me who in your own community, who would be in charge? Colonel, would it be the FBI?

Colonel WESTPHAL. Well, the FBI would be in charge if it was a terrorist attack, and for the investigation, but the general answer to your question is that most communities have adopted an incident management system which kind of defines who is going to be in charge based on the incident, and I would assume that most of the major agencies—certainly I know New York City has adopted that, and there are very defined guidelines about who is in charge of what, and how they do the logistics and so on and so forth, so for the agencies that have been trained in the incident management system and use that, that is not necessarily a problem.

But what you are addressing is probably more in the arena of sometimes when the Federal agencies show up, and then there is a dispute about who is going to investigate the particular crime.

Senator MIKULSKI. No, no, no, I am not talking about investigation.

Colonel WESTPHAL. Just the response itself?

Senator MIKULSKI. Yes.

Colonel WESTPHAL. So my response would be that for those agencies that have adopted this incident management system, we have really eliminated that problem, but I know that that is not the case all over the country.

Senator MIKULSKI. Would that really be under a mayor, or a local county executive, whoever is the head of local government, and their designee?

Colonel WESTPHAL. Generally, yes, if it is in a locality, yes, generally that would be the case.

Senator MIKULSKI. Do any of you want to comment?

Mr. STITTLEBURG. Senator, I agree with the Colonel that for those that are using IMS, or incident management system, these

issues certainly are addressed. However, how broadly the IMS system is being utilized around the country is a real mixed bag, and I would suggest to you that one of the key factors involved in development of IMS is training, which again I believe leads us back to the Fire Act.

Senator MIKULSKI. IMS stands for the incident management system?

Mr. STITTLEBURG. Yes, ma'am.

Senator MIKULSKI. And who is in charge of that?

Mr. STITTLEBURG. That is what the IMS defines. The incident management system defines who the incident commanders are. It may be a combined command, but that is a system that deals with precisely what you are addressing, who is in charge, and who is in charge of what.

Senator MIKULSKI. Who calls up what?

Mr. STITTLEBURG. Yes, ma'am.

Senator MIKULSKI. In other words, different levels would be called in.

Mr. STITTLEBURG. And obviously it is also interdisciplinary, in the sense that we are not just dealing with fire. Fire has to interact with police, police has to interact with the EMS, EMS has to interact with utility companies and contractors, and you bring in heavy equipment and various other things, depending upon the nature of the call.

Senator MIKULSKI. Do you think that in that area, though, that there is enough training and exercises to make sure that local communities who have high threat regions—we are in the capital region, so it speaks for itself. I do not want to outline why we would be a threat, not only the continuity of Government, but major Federal installations. There are other areas, and there are different threats and risks around the Nation. Some communities are at greater risk than others.

Do you feel that there is enough training, and then in actual exercises, and do you think that is important to do, and pay for?

Mr. STITTLEBURG. As to the first question, no, ma'am, I do not think we are anywhere near at that point yet. Second, yes, there is certainly a need for it, and when we talk about targets of opportunity—that term was used earlier—I would suggest to you that targets may develop through an unintended fashion.

For instance, one of the calls that is overlooked for September 11 was the crash in Somerset, Pennsylvania, which was responded to by volunteer fire departments. Certainly that area was not something that someone would have defined as probably a high likelihood of a terrorist event, yet that is exactly what it became, so these can develop in a serendipitous fashion.

Senator MIKULSKI. Does anybody else want to comment?

Mr. VON ESSEN. Senator, the system works when people listen to it. The incident management system is designed for complicated situations that we run into, and it works, but you cannot have enough training, you cannot have enough making everybody aware of it, and a big issue, a big problem like we had in New York City, everybody worked together, and we were able to get everything done.

Senator MIKULSKI. Well, I know my time has expired. To each and every one of you in the professional organizations that you represent, I just want to say thank you. I know even before September 11 you worked around the clock, standing sentry to protect America from all hazards, and I know that September 11 and its consequences have placed additional stress on each and every one of the ordinary people who work for you, the policemen, the firemen, the National Guard guy or gal, as well as our dedicated public health people, so I just want to say thank you, and we have got to get our act together to help you perform your acts of courage.

Thank you very much.

Chairman BYRD. Thank you, Senator Mikulski.

Senator Burns.

Senator BURNS. Thank you, Mr. Chairman, I understand we have got a vote that is going to start around noon, or sometime around noon, and we have got three stacked votes, so things may get a little discombobulated.

Chairman BYRD. On that, would the Senator yield to me?

Senator BURNS. Yes, sir. I always yield to chairmen.

Chairman BYRD. I thank the Senator.

Let me ask the panelists, are you at liberty, and are you free to stay for a little while? We do have three votes, and I think it is important enough that some additional questions be asked, and following Senator Burns' questions—and in the meantime I will go to the floor and try to vote—I wonder if the panelists could all remain. I will be back as soon as I can come. I have some questions that I would like to ask. Does anyone disagree with this?

Colonel WESTPHAL. Senator, I will not be able to remain. I have to leave.

Chairman BYRD. How soon would the Colonel have to leave?

Colonel WESTPHAL. I need to be out of here by 12:15.

Chairman BYRD. All right. I had some good questions. You gave some good testimony, Colonel, but if you have to go I will certainly understand, but others of you can stay. Thank you. Thank you, Senator.

Senator BURNS. I will not take long, and it looks like the vote just started.

Chairman BYRD. I will go now.

QUESTIONING BY SENATOR CONRAD BURNS

Senator BURNS. All right. I want the panel to just maybe enlighten us all a little bit on 9/11. As you know, a couple of years ago, through the efforts of a lot of us here on the Appropriations Committee, but most of us on the Commerce Committee, we passed E–911, and that is that cell phones, as you well know, before that time, you dial 9–1–1, you are liable to end up anywhere. If you are out of your home district or you are in roaming you may get the Six-Center Cafe in Miles City, Montana, and that is not going to help you out much.

But E–911, clearly we have a task force operating in just about every State that I know of, with the exception of a few, that are implementing that technology. The vendors have the telephones available, or they are going to be available to the public, but nobody had any clue 5 years ago how many cell phones we would be

using at this time, 5 years later. I mean, there was a lot of estimates, but we have gone way past that. Cell phones now every kid in high school darned near has one.

But also in that, we have to look at the implementation of that technology. When that call comes in to the nearest first responder, we have got to take a look at communications centers. As you know, in my town of Billings, Montana, we have one communications center. That dispatches fire, it dispatches the city police, and also it dispatches the sheriff's department.

By the way, those people who ask who is in charge of these counties, the sheriff is. I am going to tell you that right now. There is no more powerful man in any county than the sheriff. He has the last word, and so let's make no doubt about that. I was a county commissioner, so I know all about that, and so they have to be involved in this. We have got a lot of people here, but you have got to remember, the sheriff of the county is the most powerful official there in that county, or it is in Montana, anyway. They even have hanging authority, so we listen to those folks quite a lot.

I got to thinking about, Colonel, when we were talking about targets of opportunity, it would have been nice if those three airplanes could have hit Pikes Peak.

Colonel WESTPHAL. Thank you, Senator.

Senator BURNS. It would have sure saved the Trade Center, and they would have been empty going in.

But I just wonder, how many of you all are satisfied, in your own jurisdictions, with the progress that communications centers have made, and I want to ask the folks in New York who dealt with that up there. I assume that you have the same situation up there. You have one single communications center that dispatches everybody, is that correct?

Mr. VON ESSEN. In New York it is a little different, all 9–1–1 calls from one police dispatching system, then we break it down.

Senator BURNS. You do it from there. Also—and is it the same in those centers, in those five different regions are your city police and your county sheriff's department, are they dispatched from the same center?

Mr. VON ESSEN. No. All the 9–1–1 calls go to the police. The fire calls then would be given to one of our five dispatchers in the boroughs to be sent from the local district.

Senator BURNS. Well, I would say, you know, we pass that bill, and we are dealing with new spectrum reform, and we will probably come up with a bill sometime this year. It will not pass this year, so do not get all excited about ginning up your lobbyists and people to talk about reform of spectrum, because this will be as big an issue as the Telco Act of 1996, I will tell you that, because it involves not only your—everything from a garage door opener to your channel changer on your television, to broadcasters, to first responders, and also satellite and terrestrial, so this will be a big issue, and it will be a big issue nationwide. I know Colonel Westphal has to deal with a State that has got mountains between Denver and Grand Junction, and the difficulty he has just communicating from his headquarters in Denver to somebody in the Saylor Valley, and to your people in cars, so it is going to deal with a lot of different things.

We would invite your input when we start down that road, and as we complete that, and I think we will finally go to models that will include your health departments as far as those communication centers being able to sort of do a reverse 9–1–1. In other words, when a call comes in and it is a terrorist act, and we determine what it is, that an automatic call goes out to Gary Cox and his group in Oklahoma City. I think that is—where are you from?

Mr. COX. Tulsa, sir.

Senator BURNS. Tulsa. I spent a week there one night.

A lot of people have.

But in other words, a reverse 9–1–1 is to notify on that, notify what the action was, and the disaster, or the crisis identify, and so you will start making plans to do it.

The model that Senator Domenici talked about is something that I think every city and every county ought to be working on right now, using every scenario. What if they throw something in this pumping station in Billings, Montana, in the water, what happens, who is affected, and how do we deal with it, so that we hit one key on the computer, and we have got a model in front of us.

Now, that is going to take a few dollars. It is going to take some people looking at it, but I am not real sure that county commissioners and city councils would not be amenable in doing those kinds of things to handle these kinds of disasters.

But Colonel, your and my job is a little bit different. Your big problem is to try to prevent it. Now, if these people are willing to die in the commitment of such a heinous act, I would prefer that they died before they got it done, and I think yours is a different challenge, maybe, because I think your investment, you are the intelligence arm—and if we are going to talk about volunteers, that is where we ought to be talking about some volunteers, to pick up little bits of information that can be put together, and I know that is what happened in Singapore. I know that is what happened in Hamburg, in foreign countries, where we pick up little bits of information and all at once we have got analyst that is up there that says, wait a minute, this leads to this, this leads to this, we have got a problem out there, and a red light goes up.

And so I know your challenge is a lot different than the rest of these, because these are going to respond. They are going to respond. Yours is a problem of preventing, and so your challenge is a great thing.

So I am going to go through most of your testimony here, and I think we know pretty well what our role is going to be, and what your role is. We had a great hearing as far as spectrum is concerned in New York City over at the Commerce Committee just after September 11, so we kind of understand what is going on there.

I do not know what the chairman has got left up there, but I think I will go vote. A while ago they mentioned food. It is lunchtime. I have never missed a meal.

Nor do I plan to, even though we have got this illustrious group in front of us, and a very powerful chairman, so what I am going to do is—I'm sure he is on his way back, but there are three votes. How are we going to handle that? Okay, let us do that, let us just recess this committee hearing until the chairman gets back, or sub-

ject to the call of the Chair, and Colonel, if you have got to catch an airplane, nice seeing you. Glad you came from west of the 100th meridian. We need more people who come from out there.

Colonel WESTPHAL. Thank you, Senator.

Senator BURNS. And watch those policemen when you cross that Wyoming line headed south, boy, they will hit you.

QUESTIONING BY CHAIRMAN ROBERT C. BYRD

Chairman BYRD. Thank you all. The committee will resume its hearing, and thank you for your courtesies and your kindnesses.

Mr. Cox, last December this committee proposed, and the Congress appropriated, $1 billion in supplemental funds designed to help public health departments and hospitals prepare for a bioterrorism attack. We have begun to hear some concerns that not enough of these funds are making it to the local level. I am from a rural State, a rural State. I want to make sure that rural areas get the training and infrastructure they need to be prepared.

In addition, the Secretary of Health and Human Services has only given States 20 percent of these funds as of now, with the rest of it given out later, when States submit their plans. I understand that only two States have submitted their plans. That means that it will be a while before States get the full amount of their bioterrorism money.

We have also heard that the hospital money that we appropriated last year, $135 million, is only enough for planning. While the President has asked for a quadrupling of these funds in next year's budget, I am concerned that this may not be soon enough. If a bioterrorism attack happens now, how will a hospital deal with the flood of cases? Do you think that local governments and hospitals could use more of the money now, rather than later? Would you please comment?

Mr. COX. Yes, sir. You are absolutely correct, Mr. Chair, the money that I am aware of has not reached the local level, and that needs to proceed as quickly as possible, because without those funds we cannot be prepared to respond to a bioterrorist event, and to control that event, and that goes for hospitals as well as the public health community as well, at the local level.

Chairman BYRD. During a speech before the Fletcher Conference and Institute for Foreign Policy Analysis in Washington last November, Governor Ridge said, and I quote him, "the Defense Department takes a long-range approach to its budget needs. Homeland security will do likewise, with a multiyear budget plan. We need to give our Nation's first responders—the firefighters, the police, the medical professionals and other emergency officials—the tools with which to do their job better.

"Before September 11, many in our country never thought of these men and women as first responders, as the first line of defense in our Homeland Security Corps. Today, every American understands their critical mission. We would never send soldiers into harm's way without proper training and without proper equipment. We owe the same commitment to our domestic first responders," close quote.

Let me ask you, any or all of you, does the funding in the President's budget adequately fund your needs, as America's front line of defense?

Mr. STITTLEBURG. Senator, if I may, the issue with us is not as much the amount as whether the money gets to us. That is the critical issue with us. The question that you and your committee have to answer is how best to fund the fire service in the United States, and I can tell you that the Fire Act was the best possible vehicle you have ever come up with to do that, and I would strongly encourage you to look in that direction, where you are talking about the funds.

So our thrust is not even as much, how much, as it is, get it to us quickly.

Chairman BYRD. Well, our problem is both.

Mr. STITTLEBURG. I understand, sir.

Chairman BYRD. Does anyone else wish to comment?

Mr. VON ESSEN. Mr. Chairman, I would like to comment. I think it is critical to concentrate additionally, rather than just getting the money to us right away, a commitment for a long-term plan for training and equipment that is going far out. There is only so much that you can do in a 6-month period, when you have—I will just use New York City as an example.

If you have 16,000 firefighters, officers, paramedics, EMT's, there is only so much training and preparation that you can do in a 6-month period, so you cannot handle more than that in that period, so to plan and to allocate resources going out over the next 10 years would be a better way to do it, I think, than to try to concentrate so much money early on.

Chairman BYRD. But to make a commitment, don't we have to know what the plan is?

Mr. VON ESSEN. Yes.

Chairman BYRD. Do we know what the long-term plan is?

Mr. VON ESSEN. Yes.

Chairman BYRD. We do?

Mr. VON ESSEN. Yes.

Chairman BYRD. Where is it?

Mr. VON ESSEN. You do not have it.

Chairman BYRD. We do not have it, okay. How can we get it?

Mr. VON ESSEN. You have got to ask us. You have got to ask us what we need, and that is what we are trying to do here today.

Chairman BYRD. We are doing our part, you are doing yours, but what about the long-term plans?

Mr. VON ESSEN. Well, you said before, you and I think it was Senator Domenici that had asked you, who is in charge?

Chairman BYRD. Right.

Mr. VON ESSEN. You will decide who is in charge, you will tell us who is in charge, we will tell them what we need, and you will get a plan.

Chairman BYRD. Well, the President decided who was in charge when he named Mr. Ridge, didn't he?

Mr. VON ESSEN. Yes.

Chairman BYRD. Okay. Have you been asked by the Federal agencies for an inventory of your existing equipment, or for an analysis of what you may need as you adapt to the new realities

of the threat of catastrophic terrorism in America? We will start with you.

Mr. CROUSE. No, sir, we have not. We have not been asked that question by the administration or by others. We have generated that information, I believe, through the Fire Act program, where our communities have attempted to communicate to the Federal Government their needs based on their observations of what is going on in their respective communities.

Chairman BYRD. Anyone else?

Mr. STITTLEBURG. Yes, sir. There was a survey distributed, I believe, by FEMA last December, that went to all fire departments in the United States, and I do not believe I have yet seen the tabulation of the results of that, but that survey did deal with such things as types of department, it had some information in terms of what types of equipment was available, and things of that nature.

Chairman BYRD. General.

General ALEXANDER. Mr. Chairman, the Guard ability to support homeland security is directly related to the readiness of the units that it currently has in its inventory. Prior to September 11, those units were not fully resourced to accomplish their mission, and obviously with the additional requirements post September 11, we are not resourced to provide proper support to the civilian responders to the extent that we feel we should be.

Chairman BYRD. Mr. Cox, do you know? What comment do you have on that question, if any? Let me ask it again. Have you been asked by the Federal agencies for an inventory of existing equipment, or for an analysis of what you may need as you adapt to the new realities of the threat of catastrophic terrorism in America?

Mr. COX. Not directly. Indirectly, there has been some communication from some local health departments to the State level about what the needs are.

Chairman BYRD. Has the Office of Homeland Security given you any view, any goals or benchmarks by which to assess your state of readiness to respond to acts of terrorism?

Mr. STITTLEBURG. Not to my knowledge, sir.

Chairman BYRD. Sir.

Mr. STITTLEBURG. Not to my knowledge.

Chairman BYRD. Mr. Crouse.

Mr. CROUSE. No, sir.

Chairman BYRD. Mr. Von Essen.

Mr. VON ESSEN. No, sir.

Chairman BYRD. General Alexander.

General ALEXANDER. Not to my knowledge, sir.

Chairman BYRD. Mr. Cox.

Mr. COX. No, sir.

Chairman BYRD. This is a question for the firefighter representatives. Last December, Congress approved a $210 million emergency supplemental for FEMA grants to local fire departments. When combined with the $150 million contained in the fiscal year 2002 VA-HUD act, we provided $360 million for this vital program last year.

FEMA received over $2.2 billion and 19,500 applications—I think I have heard references to that figure a number of times—for the $360 million program. Instead of proposing a supplemental for the

program, the administration has proposed to eliminate the program in fiscal year 2003.

Now, I have heard some comments already that have touched upon this question, but let me ask you to describe the types of equipment and training that the local fire departments would purchase and undertake right away if more resources were provided for the fire fighting program, and also your comments with respect to the proposing of a supplemental for the program. Instead of proposing such a supplemental, the administration has proposed to eliminate the program.

Mr. Crouse.

Mr. CROUSE. Mr. Chairman, if I may, the IAFF opposes the administration's position. We believe the Fire Act program is much more different than the first responders proposal in that the Fire Act was designed to provide the fire departments locally the basic needs of what I refer to as putting the wet stuff on the red stuff, basic fire fighting techniques, fire apparatus, protective clothing, breathing apparatus as such, whereas the administration's current proposal is designed to address the terrorism issues themselves, which is an additional proficiency within the fire service that requires additional knowledge, skills, and abilities, trainings, and equipment to accomplish those tasks, and I think all three of the organizations here today are on the same page, that those two proposals should stand alone, be treated individually, and funded appropriately.

We think the funding that was authorized last year for $900 million I believe is an appropriate way to fund a Fire Act, and whatever it takes to fund the terrorism piece, then we could support that as well.

And just by way of information, a survey that we have done with respect to your question about what type of equipment our locals are looking to have, 43 percent of our fire departments surveyed were in need of basic turnout gear, coats, gloves, helmets, boots, 50 percent of the fire departments were in need of additional respirators, breathing apparatus, 70 percent of the fire departments, believe it or not, did not have adequate maintenance programs to maintain the protective gear that they did have, and 66 percent of the fire departments were in need of better communications equipment, which obviously you have heard most people up here talk about today.

So basically, just in closing, we support those two programs individually.

Chairman BYRD. Anybody else?

Mr. VON ESSEN. No, the Fire Chiefs Association concurs 100 percent.

Mr. STITTLEBURG. Likewise, the Volunteer Fire Council is absolutely in total agreement with Mr. Crouse's remarks.

In terms of, what would we buy, and what do we buy when we get that money, we buy things as basic as the clothes we put on our backs when we respond to calls. This is not sophisticated equipment, as Mr. Crouse correctly points out. We are talking about equipping people with the most basic needs they have to provide responses.

Chairman BYRD. Mr. Cox, yesterday, this committee heard from city and county officials who talked about the ability of local hospitals to respond to a biological or chemical weapon attack, and one mayor said that his response plan involved turning the local ice rink into a morgue. What is the capacity of local health departments to treat an outbreak of smallpox, or the plague, and what kind of investment is needed so that city and county health departments are able to identify pathogens? Just comment on those questions.

Mr. COX. Yes, sir. Well, certainly we need to develop nationwide surveillance systems to detect disease, and this is going to require cooperation with hospitals, with pharmacies, with schools, major places of employment, and with private physician groups and laboratories. That is—now, as far as—the second part of your question, sir, was?

Chairman BYRD. Well, I had two questions. What is the capacity of local health departments to treat an outbreak of smallpox or the plague, and the second question, what kind of investment is needed so that city and county health departments are able to identify pathogens?

Mr. COX. Thank you, sir. Well, the capacity of local public health departments will vary, because some have really been underfunded for years. Most health departments would have the capacity to really, in an emergency situation, a bioterrorist event, to stop what they are doing routinely and shift those resources to the emergency, and that is what many would do. They would have the ability to give prophylaxis or medications.

Certainly there is a great need to rebuild the capacity in public health to get new epidemiologists, to be able to track the disease down, to trace the disease, to isolate it, and to work with the private medical community, which is going to be, in a large event would be beyond local public health's capacity to actually treat, but certainly to work with hospitals and private medical providers, and health departments would be on hand with their clinics as well.

Chairman BYRD. You say in your statement—I am not sure you read this part. You did streamline your remarks here. You say in your statement, and I quote, "under your leadership, Congress provided new fiscal year 2002 funding for upgrading State and local public health capacity. At this point in time, funds have not yet reached local public health agencies. Most do not know yet how much they will receive from the State, and for what purposes. For that reason, they have not yet been able to hire or train new staff for bioterrorism preparedness."

It has been 7 months since the tragedies of September 11, and you say, I heard you say earlier, the sooner that new funds reach the local level, the sooner the local public health agencies and their community partners can begin making real, measurable progress. Can you elaborate on this? Where is the bottleneck? What is wrong? What is the problem we have to resolve here?

Mr. COX. Well, I do not know exactly where the bottleneck is. I can tell you where it is not, it is not at the local level, but I do not know where the money is. I know the States have received, it is my understanding, 20 percent of the allocations so far. The plans are due on April 15.

I know that some—some—local health departments have been so impressed with the need to begin gearing up that they perhaps borrowed from their own funds, out of their own pocket, but quite frankly, that pocket has a hole in it, and is going to have to be mended pretty soon.

Chairman BYRD. You say also that the experience of local public health agencies in the States have been mixed. Many are involved to a greater degree than ever before in their State's planning on how to use the funds. Some others you say, however, are greatly concerned that their communities may benefit very little because the States have not been including them in a meaningful fashion. Would you care to elaborate on that statement?

Mr. COX. Yes, sir. NACCHO has selected several sentinel local health departments to monitor the progress of this system, and reports that we have gotten back have been exactly as you say, Mr. Chair. It has been mixed. Some have been included in the planning process, and some have not.

Some States, as you are aware, have a more centralized health system where they control the local health departments, and others do not, so there is a wide variance, but many have not been included.

Chairman BYRD. Very well. I guess there will be a second vote starting soon. Now, I want to thank you again for your generosity with your time. I know you are busy people, very busy, and yet you have been very, very liberal with your time, and I want to thank you for all the work that you have done in preparing for these hearings and the time that you have consumed away from your other tasks to come here this morning and help us in our desire to appropriate the people's moneys meaningfully. Thank you for the information you have given to the committee, and for the information that people have received as a result of these hearings.

This afternoon, we will continue our efforts with a number of experts on such critical matters as port security, nuclear plant security, and the safety of our water supply, all of which are absolutely essential to the security of our homeland. We will also hear from our former colleague from New Hampshire, Warren Rudman, who was a member of this committee when he served in the Senate. Senator Rudman was the co-chairman of the U.S. Commission on National Security in the 21st Century. He will testify on that commission's findings.

COMMITTEE RECESS

I thank all of our witnesses again for coming to Washington to share with the committee your insights and judgments. Continue in your good work. We will try to do our part here.

Thank you again for coming. The committee is in recess until 2 p.m. this afternoon.

[Whereupon, at 12:34 p.m., Thursday, April 11, the committee was recessed, to reconvene at 2 p.m., the same day.]

(AFTERNOON SESSION, 2:06 P.M., THURSDAY, APRIL 11, 2002)

OPENING STATEMENT OF CHAIRMAN ROBERT C. BYRD

Chairman BYRD. The committee will resume its hearings. This afternoon we will hear testimony from our former very distinguished colleague from New Hampshire, Warren Rudman. He is a former member of this committee and performed great service on this committee. He will testify with regard to the report of the U.S. Commission on National Security/21st Century. Senator Rudman was the co-chairman—I do not know anything about co-chairs—co-chairman of that commission and he will focus on the homeland security portion of the commission's final report.

He will be followed by a number of experts who will discuss the security of our infrastructure. Here we are concerned with such critical matters as port security, nuclear plant security, and the safety of our water supply. Such entities undergird the functioning of our economy and our way of life, and their destruction could devastate commerce, the economy, and could potentially cost thousands, tens of thousands, of lives. These particular vulnerabilities have to be at the top of any list of targets to protect from potential attacks.

So I look forward to hearing the next round of testimony and to the wisdom of our panel this afternoon. Again, I want to thank all of our witnesses for coming to Washington, those who have had to travel from far away parts or near here. I thank all of them for sharing with the committee their insights and judgments.

Now, my friend and colleague Senator Ted Stevens is recognized for any comments he may wish to make.

STATEMENT OF SENATOR TED STEVENS

Senator STEVENS. Mr. Chairman, I am looking forward to the comments of Senator Rudman as the co-chairman of the commission and I will have some questions later. Thank you.

Chairman BYRD. Thank you. Thank you, Senator Stevens.

Thank you, Senator Rudman, again. We have missed you. We are glad to have you back this afternoon. Ah, how great it is just to reminisce about the days gone by. Things have changed somewhat since you were here. We want to hear what you have to say on this great subject. We are talking about our homeland security, homeland defense. That is as much a part of national defense as it could be.

So we know that you have given considerable study to this matter, you and former Senator Gary Hart, as has former Senator Sam Nunn. So we are waiting with eagerness to hear you.

STATEMENT OF HON. WARREN RUDMAN, FORMER UNITED STATES SENATOR, CO-CHAIR, U.S. COMMISSION ON NATIONAL SECURITY/ 21ST CENTURY

Senator RUDMAN. Mr. Chairman, thank you for that gracious welcome. Let me say that it is a special privilege to appear before this committee, where I served, as you stated, Mr. Chairman, for 12 years. In many ways Ted Stevens was my mentor when I came into the Senate in 1980 and he gave me many opportunities, as did you, Senator, as chairman of the committee. So I am particularly pleased to appear before the two of you here today.

The United States Commission on National Security was conceived of by the Congress and the President back in 1996 to decide what our structures for national security ought to look like in the 21st century. As you will both recall, although not serving in the body at the time—Senator Byrd came shortly thereafter—President Truman in 1946, along with General Marshall, decided that the entire structure of U.S. national security ought to be looked at and a major commission was undertaken which ended up creating the United States Department of Defense, the CIA, the United States Air Force, and a total reorganization of the State Department.

Since 1946 no one had taken a look at this entire matter. We were asked to look at it. To our great surprise, at the end of 3½ years of study, to mirror somewhat what the chairman said in his opening, we came to the conclusion that the greatest threat to the United States' security was an asymmetrical threat. It was homeland security. We had great armed forces, a great Department of Defense, but we were naked to the acts of international terrorism that we unfortunately predicted in 1999 and again in the year 2000 would occur.

Let me briefly, Mr. Chairman, I think for the overview that I have watched develop by this committee—and I have looked at your witness list for this series of hearings. I think an overview would be better, and let me tell you why we reached our conclusions and why we think they're persuasive.

We debated two fundamental approaches to homeland security. As this committee is well aware, there are 43 different agencies that have some piece of homeland security, and we decided it was essential that there be some coordination. We proposed either a White House coordinator whose mission would be to persuade, or to integrate the mission into a National Security Council process and establish a coherent function to develop the strategy.

We believed that any solution had to be consistent with our Cabinet form of Government, with accountability, and integrated into a strengthened NSC process that incorporates homeland security into the overall national security framework, rather than separating it as a stand-alone mission.

We proposed creating a National Homeland Security Agency whose director or secretary would represent this mission at the NSC level. Parenthetically, we thought that that particular agency—and I testified on that just this morning before Senator Lieberman's committee—ought to take the border protection function and integrate the Coast Guard, Customs, INS, Border Patrol, and FEMA, with a Cabinet-level secretary who would be directly accountable to the Congress.

We believed that the enduring nature of the problem required new institutions that could deal with homeland security effectively over time and not depend upon the fear of the moment or any strong personal relationship between a coordinator and a President at that time.

We wanted to propose an agency that created no additive structure. We wanted to reduce the seams between many malpositioned agencies and rearrange them into a logical fashion along core homeland security functions. We were not proposing a highly centralized and unresponsive Federal bureaucracy. We did not propose the spending of vast new sums of money. As a matter of fact, the consolidation of those agencies that we proposed in our report would actually save money on the baseline of the year 2000.

Lastly, we believed the Congress should have, obviously, complete oversight over homeland security to ensure accountability to the American people and to protect our fundamental freedoms and our civil liberties.

What did we propose? We proposed that the President should develop a comprehensive strategy to heighten America's ability to prevent and protect against all forms of attack on the homeland and to respond to such attacks if prevention and protection fail. We thought the Congress should adopt and the President should propose a National Homeland Security Agency with responsibility for planning, coordinating, and integrating all U.S. Government functions involved in homeland security. We believed that FEMA would be the building block of this agency, with the other agencies that I previously mentioned being transferred from their present assignments in various Cabinet agencies.

One directorate would focus on border control, a second would focus on direct response, and the third would consolidate both the physical and the cyber aspects of critical infrastructure protection. One thing that we came to a very quick conclusion on is that one of the greatest threats is cyber attacks on our transportation networks, our banking systems, our financial networks, and all of the things that cyber controls in this country.

A great way to paralyze our economy would be with a smart cyber attack and we have no reason to believe there are not those in the world who are thinking along those lines. In fact, we know that they are.

We recommended that the international component of reducing proliferation and terrorism overseas remain in the realm of diplomacy and defense, but integrated into homeland security. The purely military aspects of homeland defense should remain with DOD, though we recognized the need to better integrate DOD's support to civil authorities and to reorient the National Guard on the additional mission of homeland security.

To better integrate homeland security into DOD, we recommended the establishment of an assistant secretary of defense for homeland security within the Office of Secretary of Defense. We also recommended, I think you may recall, that there be a, if you will, a USCOM, and I that Secretary Rumsfeld is proposing establishing essentially a CINC for homeland defense.

We recognized the need to better integrate homeland security intelligence efforts. We did not envision the new agency to be an in-

telligence agency, spying on Americans, but we identified the clear need to create a single point to contact, request, get, and distribute intelligence relating to homeland security. We recommended that the National Intelligence Council include homeland security as an area of analysis, assign that portfolio to a national intelligence officer, and produce a national intelligence estimate on that threat.

We did not recommend that the National Homeland Security Agency take over any law enforcement functions. We saw the need to better exchange information and to get the Justice Department out of crisis management. A fundamental conflict exists between efforts to preserve evidence and efforts to save lives.

We recommended that the Congress establish a special body to deal with homeland security issues, as has been done effectively with intelligence oversight.

Finally, we wanted the Congress to have a voice in creating this entity. We wanted legislation to establish a charter and felt it necessary for the Congress to provide a proper oversight to ensure that civil liberties are guaranteed. The absence of effective strategies and organizations threatens civil liberties. The best way to ensure that we violate the United States Constitution is not organize, plan, and train for this mission.

Finally, the commission strongly believes that any lesser or more tenuous solutions would merely perpetuate bureaucratic confusion and diffusion of responsibility. No homeland czar can possibly hope to coordinate the hopeless dispersal of authority that currently characterizes the 40 or more agencies with some piece of the action for protecting our homeland.

There are thoroughly debated reasons of constitutional principles and practices that cause us to strike the balance that we did. The national homeland security agency should not have police or military authority. It should not be an intelligence collection agency or have responsibility for counterterrorism. It should not be a military agency. It should be the central coordinating mechanism for anticipating, preventing, and responding to attacks on the homeland.

Finally, Mr. Chairman, let me say that nothing that we propose is to be taken as a criticism of what the President did post September 11th. What he had to do could only be done by Executive Order. We believe it is now time for the Congress, working with the administration, to work its way through to develop an effective structure.

[The information follows:]

ROAD MAP FOR NATIONAL SECURITY: IMPERATIVE FOR CHANGE

THE PHASE III REPORT OF THE U.S. COMMISSION ON NATIONAL SECURITY/21ST CENTURY

I. SECURING THE NATIONAL HOMELAND

One of this Commission's most important conclusions in its Phase I report was that attacks against American citizens on American soil, possibly causing heavy casualties, are likely over the next quarter century.[7] This is because both the technical means for such attacks, and the array of actors who might use such means, are proliferating despite the best efforts of American diplomacy.

These attacks may involve weapons of mass destruction and weapons of mass disruption. As porous as U.S. physical borders are in an age of burgeoning trade and

[7] *See New World Coming*, p. 4, and the Report of the National Defense Panel, *Transforming Defense: National Security in the 21st Century* (Washington, DC: December 1997), p. 17.

travel, its "cyber borders" are even more porous—and the critical infrastructure upon which so much of the U.S. economy depends can now be targeted by non-state and state actors alike. America's present global predominance does not render it immune from these dangers. To the contrary, U.S. preeminence makes the American homeland more appealing as a target, while America's openness and freedoms make it more vulnerable.

Notwithstanding a growing consensus on the seriousness of the threat to the homeland posed by weapons of mass destruction and disruption, the U.S. government has not adopted homeland security as a primary national security mission. Its structures and strategies are fragmented and inadequate. The President must therefore both develop a comprehensive strategy and propose new organizational structures to prevent and protect against attacks on the homeland, and to respond to such attacks if prevention and protection should fail.

Any reorganization must be mindful of the scale of the scenarios we envision and the enormity of their consequences. We need orders-of-magnitude improvements in planning, coordination, and exercise. The government must also be prepared to use effectively—albeit with all proper safeguards—the extensive resources of the Department of Defense. This will necessitate new priorities for the U.S. armed forces and particularly, in our view, for the National Guard.

The United States is today very poorly organized to design and implement any comprehensive strategy to protect the homeland. The assets and organizations that now exist for homeland security are scattered across more than two dozen departments and agencies, and all fifty states. The Executive Branch, with the full participation of Congress, needs to realign, refine, and rationalize these assets into a coherent whole, or even the best strategy will lack an adequate vehicle for implementation.

This Commission believes that the security of the American homeland from the threats of the new century should be the primary national security mission of the U.S. government. While the Executive Branch must take the lead in dealing with the many policy and structural issues involved, Congress is a partner of critical importance in this effort. It must find ways to address homeland security issues that bridge current gaps in organization, oversight, and authority, and that resolve conflicting claims to jurisdiction within both the Senate and the House of Representatives and also between them.

Congress is crucial, as well, for guaranteeing that homeland security is achieved within a framework of law that protects the civil liberties and privacy of American citizens. We are confident that the U.S. government can enhance national security without compromising established Constitutional principles. But in order to guarantee this, we must plan ahead. In a major attack involving contagious biological agents, for example, citizen cooperation with government authorities will depend on public confidence that those authorities can manage the emergency. If that confidence is lacking, panic and disorder could lead to insistent demands for the temporary suspension of some civil liberties. That is why preparing for the worst is essential to protecting individual freedoms during a national crisis.

Legislative guidance for planning among federal agencies and state and local authorities must take particular cognizance of the role of the Defense Department. Its subordination to civil authority needs to be clearly defined in advance.

In short, advances in technology have created new dimensions to our nation's economic and physical security. While some new threats can be met with traditional responses, others cannot. More needs to be done in three areas to prevent the territory and infrastructure of the United States from becoming easy and tempting targets: in strategy, in organizational realignment, and in Executive-Legislative cooperation. We take these areas in turn.

A. The strategic framework

A homeland security strategy to minimize the threat of intimidation and loss of life is an essential support for an international leadership role for the United States. Homeland security is not peripheral to U.S. national security strategy but central to it. At this point, national leaders have not agreed on a clear strategy for homeland security, a condition this Commission finds dangerous and intolerable. We therefore recommend the following:

1. *The President should develop a comprehensive strategy to heighten America's ability to prevent and protect against all forms of attack on the homeland, and to respond to such attacks if prevention and protection fail.*

In our view, the President should:

—Give new priority in his overall national security strategy to homeland security, and make it a central concern for incoming officials in all Executive Branch departments, particularly the intelligence and law enforcement communities;
—Calmly prepare the American people for prospective threats, and increase their awareness of what federal and state governments are doing to prevent attacks and to protect them if prevention fails;
—Put in place new government organizations and processes, eliminating where possible staff duplication and mission overlap; and
—Encourage Congress to establish new mechanisms to facilitate closer cooperation between the Executive and Legislative Branches of government on this vital issue.

We believe that homeland security can best be assured through a strategy of layered defense that focuses first on prevention, second on protection, and third on response.

Prevention.—Preventing a potential attack comes first. Since the occurrence of even one event that causes catastrophic loss of life would represent an unacceptable failure of policy, U.S. strategy should therefore act as far forward as possible to prevent attacks on the homeland. This strategy has at its disposal three essential instruments.

Most broadly, the first instrument is U.S. diplomacy.—U.S. foreign policy should strive to shape an international system in which just grievances can be addressed without violence. Diplomatic efforts to develop friendly and trusting relations with foreign governments and their people can significantly multiply America's chances of gaining early warning of potential attack and of doing something about impending threats. Intelligence-sharing with foreign governments is crucial to help identify individuals and groups who might be considering attacks on the United States or its allies. Cooperative foreign law enforcement agencies can detain, arrest, and prosecute terrorists on their own soil. Diplomatic success in resolving overseas conflicts that spawn terrorist activities will help in the long run.

Meanwhile, verifiable arms control and nonproliferation efforts must remain a top priority. These policies can help persuade states and terrorists to abjure weapons of mass destruction and to prevent the export of fissile materials and dangerous dual-use technologies. But such measures cannot by themselves prevent proliferation. So other measures are needed, including the possibility of punitive measures and defenses. The United States should take a lead role in strengthening multilateral organizations such as the International Atomic Energy Agency.

In addition, increased vigilance against international crime syndicates is also important because many terrorist organizations gain resources and other assets through criminal activity that they then use to mount terrorist operations. Dealing with international organized crime requires not only better cooperation with other countries, but also among agencies of the federal government. While progress has been made on this front in recent years, more remains to be done.[8]

The second instrument of homeland security consists of the U.S. diplomatic, intelligence, and military presence overseas.—Knowing the who, where, and how of a potential physical or cyber attack is the key to stopping a strike before it can be delivered. Diplomatic, intelligence, and military agencies overseas, as well as law enforcement agencies working abroad, are America's primary eyes and ears on the ground. But increased public-private efforts to enhance security processes within the international transportation and logistics networks that bring people and goods to America are also of critical and growing importance.

Vigilant systems of border security and surveillance are a third instrument that can prevent those agents of attack who are not detected and stopped overseas from actually entering the United States.—Agencies such as the U.S. Customs Service and U.S. Coast Guard have a critical prevention role to play. Terrorists and criminals are finding that the difficulty of policing the rising daily volume and velocities of people and goods that cross U.S. borders makes it easier for them to smuggle weapons and contraband, and to move their operatives into and out of the United States. Improving the capacity of border control agencies to identify and intercept potential threats without creating barriers to efficient trade and travel requires a sub-strategy also with three elements.

First is the development of new transportation security procedures and practices designed to reduce the risk that importers, exporters, freight forwarders, and transportation carriers will serve as unwitting conduits for criminal or terrorist activities. Second is bolstering the intelligence gathering, data management, and information sharing capabilities of border control agencies to improve their ability to target

[8] *See International Crime Threat Assessment* (Washington, DC: The White House, December 2000).

high-risk goods and people for inspection. Third is strengthening the capabilities of border control agencies to arrest terrorists or interdict dangerous shipments before they arrive on U.S. soil.

These three measures, which place a premium on public-private partnerships, will pay for themselves in short order. They will allow for the more efficient allocation of limited enforcement resources along U.S. borders. There will be fewer disruptive inspections at ports of entry for legitimate businesses and travelers. They will lead to reduced theft and insurance costs, as well. Most important, the underlying philosophy of this approach is one that balances prudence, on the one hand, with American values of openness and free trade on the other.[9] To shield America from the world out of fear of terrorism is, in large part, to do the terrorists' work for them. To continue business as usual, however, is irresponsible.

The same may be said for our growing cyber problems. Protecting our nation's critical infrastructure depends on greater public awareness and improvements in our tools to detect and diagnose intrusions. This will require better information sharing among all federal, state, and local governments as well as with private sector owners and operators. The federal government has these specific tasks:

—To serve as a model for the private sector by improving its own security practices;
—To address known government security problems on a system-wide basis;
—To identify and map network interdependencies so that harmful cascading effects among systems can be prevented;
—To sponsor vulnerability assessments within both the federal government and the private sector; and
—To design and carry out simulations and exercises that test information system security across the nation's entire infrastructure.

Preventing attacks on the American homeland also requires that the United States maintain long-range strike capabilities. The United States must bolster deterrence by making clear its determination to use military force in a preemptive fashion if necessary. Even the most hostile state sponsors of terrorism, or terrorists themselves, will think twice about harming Americans and American allies and interests if they fear direct and severe U.S. attack after—or before—the fact. Such capabilities will strengthen deterrence even if they never have to be used.

Protection.—The Defense Department undertakes many different activities that serve to protect the American homeland, and these should be integrated into an overall surveillance system, buttressed with additional resources. A ballistic missile defense system would be a useful addition and should be developed to the extent technically feasible, fiscally prudent, and politically sustainable. Defenses should also be pursued against cruise missiles and other sophisticated atmospheric weapon technologies as they become more widely deployed. While both active duty and reserve forces are involved in these activities, the Commission believes that more can and should be done by the National Guard, as is discussed in more detail below.

Protecting the nation's critical infrastructure and providing cyber-security must also include:

—Advanced indication, warning, and attack assessments;
—A warning system that includes voluntary, immediate private-sector reporting of potential attacks to enable other private-sector targets (and the U.S. government) better to take protective action; and
—Advanced systems for halting attacks, establishing backups, and restoring service.

Response.—Managing the consequences of a catastrophic attack on the U.S. homeland would be a complex and difficult process. The first priority should be to build up and augment state and local response capabilities. Adequate equipment must be available to first responders in local communities. Procedures and guidelines need to be defined and disseminated and then practiced through simulations and exercises. Interoperable, robust, and redundant communications capabilities are a must in recovering from any disaster. Continuity of government and critical services must be ensured as well. Demonstrating effective responses to natural and manmade disasters will also help to build mutual confidence and relationships among those with roles in dealing with a major terrorist attack.

All of this puts a premium on making sure that the disparate organizations involved with homeland security—on various levels of government and in the private sector—can work together effectively. We are frankly skeptical that the U.S. government, as it exists today, can respond effectively to the scale of danger and damage

[9] Note in this regard Stephen E. Flynn, "Beyond Border Control," *Foreign Affairs* (November/December 2000).

that may come upon us during the next quarter century. This leads us, then, to our second task: that of organizational realignment.

B. Organizational realignment

Responsibility for homeland security resides at all levels of the U.S. government—local, state, and federal. Within the federal government, almost every agency and department is involved in some aspect of homeland security. None have been organized to focus on the scale of the contemporary threat to the homeland, however. This Commission urges an organizational realignment that:

—Designates a single person, accountable to the President, to be responsible for coordinating and overseeing various U.S. government activities related to homeland security;
—Consolidates certain homeland security activities to improve their effectiveness and coherence;
—Establishes planning mechanisms to define clearly specific responses to specific types of threats; and
—Ensures that the appropriate resources and capabilities are available.

Therefore, this Commission strongly recommends the following:

2. The President should propose, and Congress should agree to create, a National Homeland Security Agency (NHSA) with responsibility for planning, coordinating, and integrating various U.S. government activities involved in homeland security. The Federal Emergency Management Agency (FEMA) should be a key building block in this effort.

Given the multiplicity of agencies and activities involved in these homeland security tasks, someone needs to be responsible and accountable to the President not only to coordinate the making of policy, but also to oversee its implementation. This argues against assigning the role to a senior person on the National Security Council (NSC) staff and for the creation of a separate agency. This agency would give priority to overall planning while relying primarily on others to carry out those plans. To give this agency sufficient stature within the government, its director would be a member of the Cabinet and a statutory advisor to the National Security Council. The position would require Senate confirmation.

Notwithstanding NHSA's responsibilities, the National Security Council would still play a strategic role in planning and coordinating all homeland security activities. This would include those of NHSA as well as those that remain separate, whether they involve other NSC members or other agencies, such as the Centers for Disease Control within the Department of Health and Human Services.

We propose building the National Homeland Security Agency upon the capabilities of the Federal Emergency Management Agency (FEMA), an existing federal agency that has performed well in recent years, especially in responding to natural disasters. NHSA would be legislatively chartered to provide a focal point for all natural and manmade crisis and emergency planning scenarios. It would retain and strengthen FEMA's ten existing regional offices as a core element of its organizational structure.

While FEMA is the necessary core of the National Homeland Security Agency, it is not sufficient to do what NHSA needs to do. In particular, patrolling U.S. borders, and policing the flows of peoples and goods through the hundreds of ports of entry, must receive higher priority. These activities need to be better integrated, but efforts toward that end are hindered by the fact that the three organizations on the front line of border security are spread across three different U.S. Cabinet departments. The Coast Guard works under the Secretary of Transportation, the Customs Service is located in the Department of the Treasury, and the Immigration and Naturalization Service oversees the Border Patrol in the Department of Justice. In each case, the border defense agency is far from the mainstream of its parent department's agenda and consequently receives limited attention from the department's senior officials. We therefore recommend the following:

3. The President should propose to Congress the transfer of the Customs Service, the Border Patrol, and Coast Guard to the National Homeland Security Agency, while preserving them as distinct entities.

Bringing these organizations together under one agency will create important synergies. Their individual capabilities will be molded into a stronger and more effective system, and this realignment will help ensure that sufficient resources are devoted to tasks crucial to both public safety and U.S. trade and economic interests. Consolidating overhead, training programs, and maintenance of the aircraft, boats, and helicopters that these three agencies employ will save money, and further efficiencies could be realized with regard to other resources such as information technology, communications equipment, and dedicated sensors. Bringing these separate,

but complementary, activities together will also facilitate more effective Executive and Legislative oversight, and help rationalize the process of budget preparation, analysis, and presentation.

Steps must be also taken to strengthen these three individual organizations themselves.—The Customs Service, the Border Patrol, and the Coast Guard are all on the verge of being overwhelmed by the mismatch between their growing duties and their mostly static resources.

The Customs Service, for example, is charged with preventing contraband from entering the United States. It is also responsible for preventing terrorists from using the commercial or private transportation venues of international trade for smuggling explosives or weapons of mass destruction into or out of the United States. The Customs Service, however, retains only a modest air, land, and marine interdiction force, and its investigative component, supported by its own intelligence branch, is similarly modest. The high volume of conveyances, cargo, and passengers arriving in the United States each year already overwhelms the Customs Service's capabilities. Over $8.8 billion worth of goods, over 1.3 million people, over 340,000 vehicles, and over 58,000 shipments are processed daily at entry points. Of this volume, Customs can inspect only one to two percent of all inbound shipments. The volume of U.S. international trade, measured in terms of dollars and containers, has doubled since 1995, and it may well double again between now and 2005.

Therefore, this Commission believes that an improved computer information capability and tracking system—as well as upgraded equipment that can detect both conventional and nuclear explosives, and chemical and biological agents—would be a wise short-term investment with important long-term benefits. It would also raise the risk for criminals seeking to target or exploit importers and cargo carriers for illicit gains.[10]

The Border Patrol is the uniformed arm of the Immigration and Naturalization Service. Its mission is the detection and prevention of illegal entry into the United States. It works primarily between ports of entry and patrols the borders by various means. There has been a debate for many years about whether the dual functions of the Immigration and Naturalization Service border—control and enforcement on the one side, and immigration facilitation on the other—should be joined under the same roof. The U.S. Commission on Immigration Reform concluded that they should not be joined.[11] We agree: the Border Patrol should become part of the NHSA.

The U.S. Coast Guard is a highly disciplined force with multiple missions and a natural role to play in homeland security. It performs maritime search and rescue missions, manages vessel traffic, enforces U.S. environmental and fishery laws, and interdicts and searches vessels suspected of carrying illegal aliens, drugs, and other contraband. In a time of war, it also works with the Navy to protect U.S. ports from attack.

Indeed, in many respects, the Coast Guard is a model homeland security agency given its unique blend of law enforcement, regulatory, and military authorities that allow it to operate within, across, and beyond U.S. borders. It accomplishes its many missions by routinely working with numerous local, regional, national, and international agencies, and by forging and maintaining constructive relationships with a diverse group of private, non-governmental, and public marine-related organizations. As the fifth armed service, in peace and war, it has national defense missions that include port security, overseeing the defense of coastal waters, and supporting and integrating its forces with those of the Navy and the other services.

The case for preserving and enhancing the Coast Guard's multi-mission capabilities is compelling. But its crucial role in protecting national interests close to home has not been adequately appreciated, and this has resulted in serious and growing readiness concerns. U.S. Coast Guard ships and aircraft are aging and technologically obsolete; indeed, the Coast Guard cutter fleet is older than 39 of the world's 41 major naval fleets. As a result, the Coast Guard fleet generates excessive operating and maintenance costs, and lacks essential capabilities in speed, sensors, and interoperability. To fulfill all of its missions, the Coast Guard requires updated platforms with the staying power, in hazardous weather, to remain offshore and fully operational throughout U.S. maritime economic zones.[12]

The Commission recommends strongly that Congress recapitalize the Customs Service, the Border Patrol, and the Coast Guard so that they can confidently perform key homeland security roles.

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[10] See the *Report of the Interagency Commission on Crime and Security in U.S. Seaports* (Washington, DC: Fall 2000).

[11] See the *Report of the U.S. Commission on Immigration Reform* (Washington, DC: 1997).

[12] See Report of the Interagency Task Force on U.S. Coast Guard Roles and Missions, *A Coast Guard for the Twenty First-Century* (Washington, DC: December 1999).

NHSA's planning, coordinating, and overseeing activities would be undertaken through three staff Directorates. The Directorate of Prevention would oversee and coordinate the various border security activities, as discussed above. A Directorate of Critical Infrastructure Protection (CIP) would handle the growing cyber threat. FEMA's emergency preparedness and response activities would be strengthened in a third directorate to cover both natural and manmade disasters. A Science and Technology office would advise the NHSA Director on research and development efforts and priorities for all three directorates.

Relatively small permanent staffs would man the directorates. NHSA will employ FEMA's principle of working effectively with state and local governments, as well as with other federal organizations, stressing interagency coordination. Much of NHSA's daily work will take place directly supporting state officials in its regional offices around the country. Its organizational infrastructure will not be heavily centered in the Washington, DC area.

NHSA would also house a National Crisis Action Center (NCAC), which would become the nation's focal point for monitoring emergencies and for coordinating federal support in a crisis to state and local governments, as well as to the private sector. We envision the center to be an interagency operation, directed by a two-star National Guard general, with full-time representation from the other federal agencies involved in homeland security (See Figure 1).

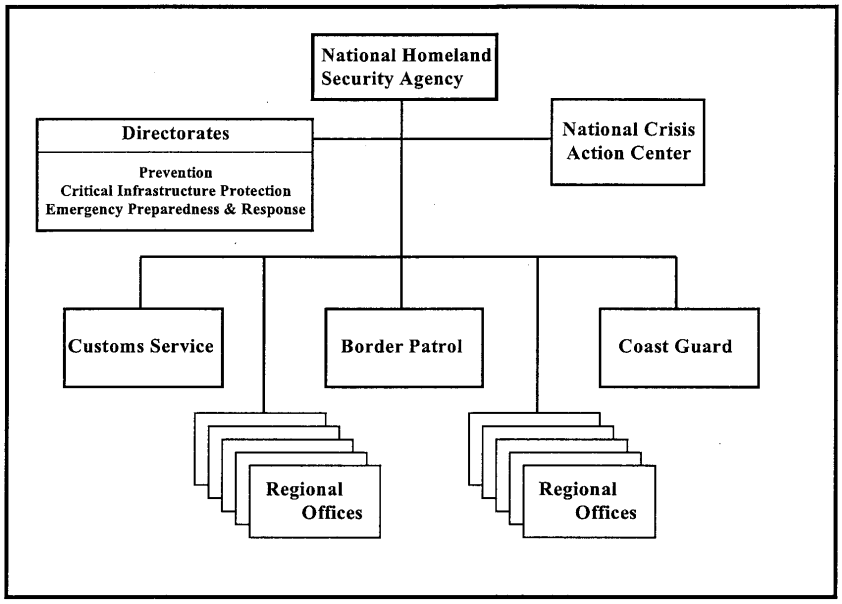

Figure 1: National Homeland Security Agency

NHSA will require a particularly close working relationship with the Department of Defense. It will need also to create and maintain strong mechanisms for the sharing of information and intelligence with U.S. domestic and international intelligence entities. We suggest that NHSA have liaison officers in the counter-terrorism centers of both the FBI and the CIA. Additionally, the sharing of information with business and industry on threats to critical infrastructures requires further expansion.

NHSA will also assume responsibility for overseeing the protection of the nation's critical infrastructure. Considerable progress has been made in implementing the recommendations of the President's Commission on Critical Infrastructure Protection (PCCIP) and Presidential Decision Directive 63 (PDD–63). But more needs to be done, for the United States has real and growing problems in this area.

U.S. dependence on increasingly sophisticated and more concentrated critical infrastructures has increased dramatically over the past decade. Electrical utilities, water and sewage systems, transportation networks, and communications and energy systems now depend on computers to provide safe, efficient, and reliable serv-

ice. The banking and finance sector, too, keeps track of millions of transactions through increasingly robust computer capabilities.

The overwhelming majority of these computer systems are privately owned, and many operate at or very near capacity with little or no provision for manual backups in an emergency. Moreover, the computerized information networks that link systems together are themselves vulnerable to unwanted intrusion and disruption. An attack on any one of several highly interdependent networks can cause collateral damage to other networks and the systems they connect. Some forms of disruption will lead merely to nuisance and economic loss, but other forms will jeopardize lives. One need only note the dependence of hospitals, air-traffic control systems, and the food processing industry on computer controls to appreciate the point.

The bulk of unclassified military communications, too, relies on systems almost entirely owned and operated by the private sector. Yet little has been done to assure the security and reliability of those communications in crisis. Current efforts to prevent attacks, protect against their most damaging effects, and prepare for prompt response are uneven at best, and this is dangerous because a determined adversary is most likely to employ a weapon of mass disruption during a homeland security or foreign policy crisis.

As noted above, a Directorate for Critical Infrastructure Protection would be an integral part of the National Homeland Security Agency. This directorate would have two vital responsibilities. First would be to oversee the physical assets and information networks that make up the U.S. critical infrastructure. It should ensure the maintenance of a nucleus of cyber security expertise within the government, as well. There is now an alarming shortage of government cyber security experts due in large part to the financial attraction of private-sector employment that the government cannot match under present personnel procedures.[13] The director's second responsibility would be as the Critical Information Technology, Assurance, and Security Office (CITASO). This office would coordinate efforts to address the nation's vulnerability to electronic or physical attacks on critical infrastructure.

Several critical activities that are currently spread among various government agencies and the private sector should be brought together for this purpose. These include:

—Information Sharing and Analysis Centers (ISACs), which are government-sponsored committees of private-sector participants who work to share information, plans, and procedures for information security in their fields;

—The Critical Infrastructure Assurance Office (CIAO), currently housed in the Commerce Department, which develops outreach and awareness programs with the private sector;

—The National Infrastructure Protection Center (NIPC), currently housed in the FBI, which gathers information and provides warnings of cyber attacks; and

—The Institute for Information Infrastructure Protection (I^3P), also in the Commerce Department, which is designed to coordinate and support research and development projects on cyber security.

In partnership with the private sector where most cyber assets are developed and owned, the Critical Infrastructure Protection Directorate would be responsible for enhancing information sharing on cyber and physical security, tracking vulnerabilities and proposing improved risk management policies, and delineating the roles of various government agencies in preventing, defending, and recovering from attacks. To do this, the government needs to institutionalize better its private-sector liaison across the board—with the owners and operators of critical infrastructures, hardware and software developers, server/service providers, manufacturers/producers, and applied technology developers.

The Critical Infrastructure Protection Directorate's work with the private sector must include a strong advocacy of greater government and corporate investment in information assurance and security. The CITASO would be the focal point for coordinating with the Federal Communications Commission (FCC) in helping to establish cyber policy, standards, and enforcement mechanisms. Working closely with the Office of Management and Budget (OMB) and its Chief Information Officer Council (CIO Council), the CITASO needs to speak for those interests in government councils.[14] The CITASO must also provide incentives for private-sector participation in Information Sharing and Analysis Centers to share information on threats,

[13] We return to this problem below in Section IV.

[14] The Chief Information Officer Council is a government organization consisting of all the statutory Chief Information Officers in the government. It is located within OMB under the Deputy Director for Management.

vulnerabilities, and individual incidents, to identify interdependencies, and to map the potential cascading effects of outages in various sectors.

The directorate also needs to help coordinate cyber security issues internationally. At present, the FCC handles international cyber issues for the U.S. government through the International Telecommunications Union. As this is one of many related international issues, it would be unwise to remove this responsibility from the FCC. Nevertheless, the CIP Directorate should work closely with the FCC on cyber issues in international bodies.

The mission of the NHSA must include specific planning and operational tasks to be staffed through the Directorate for Emergency Preparedness and Response. These include:

—Setting training and equipment standards, providing resource grants, and encouraging intelligence and information sharing among state emergency management officials, local first responders, the Defense Department, and the FBI;

—Integrating the various activities of the Defense Department, the National Guard, and other federal agencies into the Federal Response Plan; and

—Pulling together private sector activities, including those of the medical community, on recovery, consequence management, and planning for continuity of services.

Working with state officials, the emergency management community, and the law enforcement community, the job of NHSA's third directorate will be to rationalize and refine the nation's incident response system. The current distinction between crisis management and consequence management is neither sustainable nor wise. The duplicative command arrangements that have been fostered by this division are prone to confusion and delay. NHSA should develop and manage a single response system for national incidents, in close coordination with the Department of Justice (DoJ) and the FBI. This would require that the current policy, which specifies initial DoJ control in terrorist incidents on U.S. territory, be amended once Congress creates NHSA. We believe that this arrangement would in no way contradict or diminish the FBI's traditional role with respect to law enforcement.

The Emergency Preparedness and Response Directorate should also assume a major resource and budget role. With the help of the Office of Management and Budget, the directorate's first task will be to figure out what is being spent on homeland security in the various departments and agencies. Only with such an overview can the nation identify the shortfalls between capabilities and requirements. Such a mission budget should be included in the President's overall budget submission to Congress. The Emergency Preparedness and Response Directorate will also maintain federal asset databases and encourage and support up-to-date state and local databases.

FEMA has adapted well to new circumstances over the past few years and has gained a well-deserved reputation for responsiveness to both natural and manmade disasters. While taking on homeland security responsibilities, the proposed NHSA would strengthen FEMA's ability to respond to such disasters. It would streamline the federal apparatus and provide greater support to the state and local officials who, as the nation's first responders, possess enormous expertise. To the greatest extent possible, federal programs should build upon the expertise and existing programs of state emergency preparedness systems and help promote regional compacts to share resources and capabilities.

To help simplify federal support mechanisms, we recommend transferring the National Domestic Preparedness Office (NDPO), currently housed at the FBI, to the National Homeland Security Agency. The Commission believes that this transfer to FEMA should be done at first opportunity, even before NHSA is up and running.

The NDPO would be tasked with organizing the training of local responders and providing local and state authorities with equipment for detection, protection, and decontamination in a WMD emergency. NHSA would develop the policies, requirements, and priorities as part of its planning tasks as well as oversee the various federal, state, and local training and exercise programs. In this way, a single staff would provide federal assistance for any emergency, whether it is caused by flood, earthquake, hurricane, disease, or terrorist bomb.

A WMD incident on American soil is likely to overwhelm local fire and rescue squads, medical facilities, and government services. Attacks may contaminate water, food, and air; largescale evacuations may be necessary and casualties could be extensive. Since getting prompt help to those who need it would be a complex and massive operation requiring federal support, such operations must be extensively planned in advance. Responsibilities need to be assigned and procedures put in place for these responsibilities to evolve if the situation worsens.

As we envision it, state officials will take the initial lead in responding to a crisis. NHSA will normally use its Regional Directors to coordinate federal assistance,

while the National Crisis Action Center will monitor ongoing operations and requirements. Should a crisis overwhelm local assets, state officials will turn to NHSA for additional federal assistance. In major crises, upon the recommendation of the civilian Director of NHSA, the President will designate a senior figure—a Federal Coordinating Officer—to assume direction of all federal activities on the scene. If the situation warrants, a state governor can ask that active military forces reinforce National Guard units already on the scene. Once the President federalizes National Guard forces, or if he decides to use Reserve forces, the Joint Forces Command will assume responsibility for all military operations, acting through designated task force commanders. At the same time, the Secretary of Defense would appoint a Defense Coordinating Officer to provide civilian oversight and ensure prompt civil support. This person would work for the Federal Coordinating Officer. This response mechanism is displayed in Figure 2.

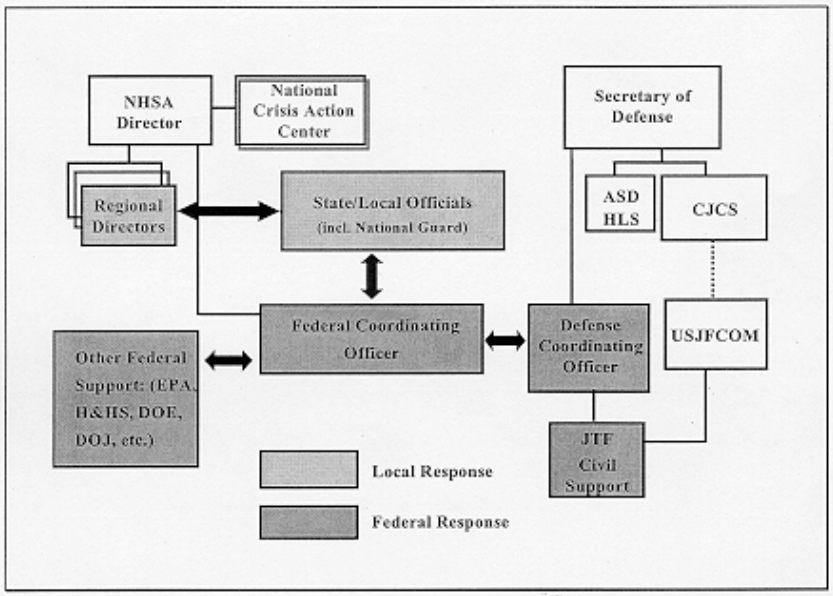

Figure 2: Emergency Response Mechanisms

To be capable of carrying out its responsibilities under extreme circumstances, NHSA will need to undertake robust exercise programs and regular training to gain experience and to establish effective command and control procedures. It will be essential to update regularly the Federal Response Plan. It will be especially critical for NHSA officials to undertake detailed planning and exercises for the full range of potential contingencies, including ones that require the substantial involvement of military assets in support.

NHSA will provide the overarching structure for homeland security, but other government agencies will retain specific homeland security tasks. We take the necessary obligations of the major ones in turn.

Intelligence Community.—Good intelligence is the key to preventing attacks on the homeland and homeland security should become one of the intelligence community's most important missions.[15] Better human intelligence must supplement technical intelligence, especially on terrorist groups covertly supported by states. As noted above, fuller cooperation and more extensive information-sharing with friendly governments will also improve the chances that would-be perpetrators will be detained, arrested, and prosecuted before they ever reach U.S. borders.

[15] We return to this issue in our discussion of the Intelligence Community in Section III.F., particularly in recommendation 37.

The intelligence community also needs to embrace cyber threats as a legitimate mission and to incorporate intelligence gathering on potential strategic threats from abroad into its activities.

To advance these ends, we offer the following recommendation:

4. The President should ensure that the National Intelligence Council: include homeland security and asymmetric threats as an area of analysis; assign that portfolio to a National Intelligence Officer; and produce National Intelligence Estimates on these threats.

Department of State.—U.S. embassies overseas are the American people's first line of defense. U.S. Ambassadors must make homeland security a top priority for all embassy staff, and Ambassadors need the requisite authority to ensure that information is shared in a way that maximizes advance warning overseas of direct threats to the United States.

Ambassadors should also ensure that the gathering of information, and particularly from open sources, takes full advantage of all U.S. government resources abroad, including diplomats, consular officers, military officers, and representatives of the various other departments and agencies. The State Department should also strengthen its efforts to acquire information from Americans living or travelling abroad in private capacities.

The State Department has made good progress in its overseas efforts to reduce terrorism, but we now need to extend this effort into the Information Age. Working with NHSA's CIP Directorate, the State Department should expand cooperation on critical infrastructure protection with other states and international organizations. Private sector initiatives, particularly in the banking community, provide examples of international cooperation on legal issues, standards, and practices. Working with the CIP Directorate and the FCC, the State Department should also encourage other governments to criminalize hacking and electronic intrusions and to help track hackers, computer virus proliferators, and cyber terrorists.

Department of Defense.—The Defense Department, which has placed its highest priority on preparing for major theater war, should pay far more attention to the homeland security mission. Organizationally, DOD responses are widely dispersed. An Assistant to the Secretary of Defense for Civil Support has responsibility for WMD incidents, while the Department of the Army's Director of Military Support is responsible for non-WMD contingencies. Such an arrangement does not provide clear lines of authority and responsibility or ensure political accountability. The Commission therefore recommends the following:

5. The President should propose to Congress the establishment of an Assistant Secretary of Defense for Homeland Security within the Office of the Secretary of Defense, reporting directly to the Secretary.

A new Assistant Secretary of Defense for Homeland Security would provide policy oversight for the various DOD activities within the homeland security mission and ensure that mechanisms are in place for coordinating military support in major emergencies. He or she would work to integrate homeland security into Defense Department planning, and ensure that adequate 24 resources are forthcoming. This Assistant Secretary would also represent the Secretary in the NSC interagency process on homeland security issues.

Along similar lines and for similar reasons, we also recommend that the Defense Department broaden and strengthen the existing Joint Forces Command/Joint Task Force-Civil Support (JTF–CS) to coordinate military planning, doctrine, and command and control for military support for all hazards and disasters.

This task force should be directed by a senior National Guard general with additional headquarters personnel. JTF–CS should contain several rapid reaction task forces, composed largely of rapidly mobilizable National Guard units. The task force should have command and control capabilities for multiple incidents. Joint Forces Command should work with the Assistant Secretary of Defense for Homeland Security to ensure the provision of adequate resources and appropriate force allocations, training, and equipment for civil support.

On the prevention side, maintaining strong nuclear and conventional forces is as high a priority for homeland security as it is for other missions. Shaping a peaceful international environment and deterring hostile military actors remain sound military goals. But deterrent forces may have little effect on non-state groups secretly supported by states, or on individuals with grievances real or imagined. In cases of clear and imminent danger, the military must be able to take preemptive action overseas in circumstances where local authorities are unable or unwilling to act. For this purpose, as noted above, the United States needs to be prepared to use its rapid, long-range precision strike capabilities. A decision to act would obviously rest

in civilian hands, and would depend on intelligence information and assessments of diplomatic consequences. But even if a decision to strike preemptively is never taken or needed, the capability should be available nonetheless, for knowledge of it can contribute to deterrence.

We also suggest that the Defense Department broaden its mission of protecting air, sea, and land approaches to the United States, consistent with emerging threats such as the potential proliferation of cruise missiles. The department should examine alternative means of monitoring approaches to the territorial United States. Modern information technology and sophisticated sensors can help monitor the high volumes of traffic to and from the United States. Given the volume of legitimate activities near and on the border, even modern information technology and remote sensors cannot filter the good from the bad as a matter of routine. It is neither wise nor possible to create a surveillance umbrella over the United States. But Defense Department assets can be used to support detection, monitoring, and even interception operations when intelligence indicates a specific threat.

Finally, a better division of labor and understanding of responsibilities is essential in dealing with the connectivity and interdependence of U.S. critical infrastructure systems. This includes addressing the nature of a national transportation network or cyber emergency and the Defense Department's role in prevention, detection, or protection of the national critical infrastructure. The department's sealift and airlift plans are premised on largely unquestioned assumptions that domestic transportation systems will be fully available to support mobilization requirements. The department also is paying insufficient attention to the vulnerability of its information networks. Currently, the department's computer network defense task force (JTF-Computer Network Defense) is underfunded and understaffed for the task of managing an actual strategic information warfare attack. It should be given the resources to carry out its current mission and is a logical source of advice to the proposed NHSA Critical Information Technology, Assurance, and Security Office.

National Guard.—The National Guard, whose origins are to be found in the state militias authorized by the U.S. Constitution, should play a central role in the response component of a layered defense strategy for homeland security. We therefore recommend the following:

6. The Secretary of Defense, at the President's direction, should make homeland security a primary mission of the National Guard, and the Guard should be organized, properly trained, and adequately equipped to undertake that mission.

At present, the Army National Guard is primarily organized and equipped to conduct sustained combat overseas. In this the Guard fulfills a strategic reserve role, augmenting the active military during overseas contingencies. At the same time, the Guard carries out many statelevel missions for disaster and humanitarian relief, as well as consequence management. For these, it relies upon the discipline, equipment, and leadership of its combat forces. The National Guard should redistribute resources currently allocated predominantly to preparing for conventional wars overseas to provide greater support to civil authorities in preparing for and responding to disasters, especially emergencies involving weapons of mass destruction.

Such a redistribution should flow from a detailed assessment of force requirements for both theater war and homeland security contingencies. The Department of Defense should conduct such an assessment, with the participation of the state governors and the NHSA Director. In setting requirements, the department should minimize forces with dual missions or reliance on active forces detailed for major theater war. This is because the United States will need to maintain a heightened deterrent and defensive posture against homeland attacks during regional contingencies abroad. The most likely timing of a major terrorist incident will be while the United States is involved in a conflict overseas.[16]

The National Guard is designated as the primary Department of Defense agency for disaster relief. In many cases, the National Guard will respond as a state asset under the control of state governors. While it is appropriate for the National Guard to play the lead military role in managing the consequences of a WMD attack, its capabilities to do so are uneven and in some cases its forces are not adequately structured or equipped. Twenty-two WMD Civil Support Teams, made up of trained and equipped full-time National Guard personnel, will be ready to deploy rapidly, assist local first responders, provide technical advice, and pave the way for additional military help. These teams fill a vital need, but more effort is required.

This Commission recommends that the National Guard be directed to fulfill its historic and Constitutional mission of homeland security.—It should provide a mobi-

[16] See the *Report of the National Defense University Quadrennial Defense Review 2001 Working Group* (Washington, DC: Institute for National Strategic Studies, November 2000), p. 60.

lization base with strong local ties and support. It is already "forward deployed" to achieve this mission and should:

—Participate in and initiate, where necessary, state, local, and regional planning for responding to a WMD incident;
—Train and help organize local first responders;
—Maintain up-to-date inventories of military resources and equipment available in the area on short notice;
—Plan for rapid inter-state support and reinforcement; and
—Develop an overseas capability for international humanitarian assistance and disaster relief.

In this way, the National Guard will become a critical asset for homeland security.

Medical Community.—The medical community has critical roles to play in homeland security. Catastrophic acts of terrorism or violence could cause casualties far beyond any imagined heretofore. Most of the American medical system is privately owned and now operates at close to capacity. An incident involving WMD will quickly overwhelm the capacities of local hospitals and emergency management professionals.

In response, the National Security Council, FEMA, and the Department of Health and Human Services have already begun a reassessment of their programs. Research to develop better diagnostic equipment and immune-enhancing drugs is underway, and resources to reinvigorate U.S. epidemiological surveillance capacity have been allocated. Programs to amass and regionally distribute inventories of antibiotics and vaccines have started, and arrangements for mass production of selected pharmaceuticals have been made. The Centers for Disease Control has rapid-response investigative units prepared to deploy and respond to incidents.

These programs will enhance the capacities of the medical community, but the momentum and resources for this effort must be extended. We recommend that the NHSA Directorate for Emergency Preparedness and Response assess local and federal medical resources to deal with a WMD emergency. It should then specify those medical programs needed to deal with a major national emergency beyond the means of the private sector, and Congress should fund those needs.

C. Executive-legislative cooperation

Solving the homeland security challenge is not just an Executive Branch problem. Congress should be an active participant in the development of homeland security programs, as well. Its hearings can help develop the best ideas and solutions. Individual members should develop expertise in homeland security policy and its implementation so that they can fill in policy gaps and provide needed oversight and advice in times of crisis. Most important, using its power of the purse, Congress should ensure that government agencies have sufficient resources and that their programs are coordinated, efficient, and effective.

Congress has already taken important steps. A bipartisan Congressional initiative produced the U.S. effort to deal with the possibility that weapons of mass destruction could "leak" out of a disintegrating Soviet Union.[17] It was also a Congressional initiative that established the Domestic Preparedness Program and launched a 120-city program to enhance the capability of federal, state, and local first responders to react effectively in a WMD emergency.[18] Members of Congress from both parties have pushed the Executive Branch to identify and manage the problem more effectively. Congress has also proposed and funded studies and commissions on various aspects of the homeland security problem.[19] But it must do more.

A sound homeland security strategy requires the overhaul of much of the legislative framework for preparedness, response, and national defense programs. Congress designed many of the authorities that support national security and emergency preparedness programs principally for a Cold War environment. The new

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[17] Sponsored by Senators Sam Nunn and Richard Lugar.

[18] Public Law 104–201, *National Defense Authorization Act for Fiscal Year 1997: Defense Against Weapons of Mass Destruction*. This legislation, known as the Nunn-Lugar-Domenici Amendment, was passed in July 1996.

[19] We note: the Rumsfeld Commission [*Report of the Commission to Assess the Ballistic Missile Threat to the United States* (Washington, DC: July 15, 1998)]; the Deutch Commission [*Combating Proliferation of Weapons of Mass Destruction* (Washington, DC: July 14, 1999)]; Judge William Webster's Commission [*Report on the Advancement of Federal Law Enforcement* (Washington, DC: January 2000)]; the Bremer Commission [*Report of the National Commission on Terrorism, Countering the Changing Threat of International Terrorism* (Washington, DC: June 2000)]; and an advisory panel led Virginia Governor James Gilmore [*First Annual Report to the President and the Congress of the Advisory Panel to Assess Domestic Response Capabilities for Terrorism Involving Weapons of Mass Destruction* (Washington, DC: December 15, 1999)].

threat environment—from biological and terrorist attacks to cyber attacks on critical systems—poses vastly different challenges. We therefore recommend that Congress refurbish the legal foundation for homeland security in response to the new threat environment.

In particular, Congress should amend, as necessary, key legislative authorities such as the Defense Production Act of 1950 and the Communications Act of 1934, which facilitate homeland security functions and activities.[20] Congress should also encourage the sharing of threat, vulnerability, and incident data between the public and private sectors—including federal agencies, state governments, first responders, and industry.[21] In addition, Congress should monitor and support current efforts to update the international legal framework for communications security issues.[22]

Beyond that, Congress has some organizational work of its own to do. As things stand today, so many federal agencies are involved with homeland security that it is exceedingly difficult to present federal programs and their resource requirements to the Congress in a coherent way. It is largely because the budget is broken up into so many pieces, for example, that counterterrorism and information security issues involve nearly two dozen Congressional committees and subcommittees. The creation of the National Security Homeland Agency will redress this problem to some extent, but because of its growing urgency and complexity, homeland security will still require a stronger working relationship between the Executive and Legislative Branches. Congress should therefore find ways to address homeland security issues that bridge current jurisdictional boundaries and that create more innovative oversight mechanisms.

There are several ways of achieving this. The Senate's Arms Control Observer Group and its more recent NATO Enlargement Group were two successful examples of more informal Executive-Legislative cooperation on key multi-dimensional issues. Specifically, in the near term, this Commission recommends the following:

7. *Congress should establish a special body to deal with homeland security issues, as has been done effectively with intelligence oversight. Members should be chosen for their expertise in foreign policy, defense, intelligence, law enforcement, and appropriations. This body should also include members of all relevant Congressional committees as well as ex-officio members from the leadership of both Houses of Congress.*

This body should develop a comprehensive understanding of the problem of homeland security, exchange information and viewpoints with the Executive Branch on effective policies and plans, and work with standing committees to develop integrated legislative responses and guidance. Meetings would often be held in closed session so that Members could have access to interagency deliberations and diverging viewpoints, as well as to classified assessments. Such a body would have neither a legislative nor an oversight mandate, and it would not eclipse the authority of any standing committee.

At the same time, Congress needs to systematically review and restructure its committee system, as will be proposed in recommendation 48. A single, select committee in each house of Congress should be given authorization, appropriations, and oversight responsibility for all homeland security activities. When established, these

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[20] The Defense Production Act was developed during the Korean War when shortages of critical natural resources such as coal, oil, and gas were prioritized for national defense purposes. [See Defense Production Act of 1950, codified at 50 USC App. § 2061 et seq. Title I includes delegations to prioritize and allocate goods and services based on national defense needs.] Executive Order 12919, *National Defense Industrial Resources Preparedness*, June 6, 1994, implements Title I of the Defense Production Act. Congressional review should focus on the applicability of the Defense Production Act to homeland security needs, ranging from prevention to restoration activities. Section 706 of the Communications Act of 1934 also needs revision so that it includes the electronic media that have developed in the past two decades. [See 48 Stat. 1104, 47 USC § 606, as amended.] Executive Order 12472, *Assignment of National Security and Emergency Preparedness Telecommunications Functions*, April 3, 1984, followed the breakup of AT&T and attempted to specify anew the prerogatives of the Executive Branch in accordance with the 1934 Act in directing national communications media during a national security emergency. It came before the Internet, however, and does not clearly apply to it.

[21] For more than four years, multiple institutions have called on national leadership to support laws and policies promoting security cooperation through public-private partnerships. See, for example, the President's Commission on Critical Infrastructure Protection, *Critical Foundations, Protecting America's Infrastructures* (Washington, DC: October 1997), pp. 86–88 and *Report of the Defense Science Board Task Force on Information Warfare* (Washington, DC: November 1996).

[22] This includes substantial efforts in multiple forums, such as the Council of Europe and the G8, to fight transnational organized crime. See *Communiqué* on principles to fight transnational organized crime, Meeting of the Justice and Interior Ministers of the Eight, December 9–10, 1997.

committees would replace the function of the oversight body described in recommendation 7.

In sum, the federal government must address the challenge of homeland security with greater urgency. The United States is not immune to threats posed by weapons of mass destruction or disruption, but neither is it entirely defenseless against them. Much has been done to prevent and defend against such attacks, but these efforts must be incorporated into the nation's overall security strategy, and clear direction must be provided to all departments and agencies. Non-traditional national security agencies that now have greater relevance than they did in the past must be reinvigorated. Accountability, authority, and responsibility must be more closely aligned within government agencies. An Executive-Legislative consensus is required, as well, to convert strategy and resources into programs and capabilities, and to do so in a way that preserves fundamental freedoms and individual rights.

Most of all, however, the government must reorganize itself for the challenges of this new era, and make the necessary investments to allow an improved organizational structure to work. Through the Commission's proposal for a National Homeland Security Agency, the U.S. government will be able to improve the planning and coordination of federal support to state and local agencies, to rationalize the allocation of resources, to enhance readiness in order to prevent attacks, and to facilitate recovery if prevention fails. Most important, this proposal integrates the problem of homeland security within the broader framework of U.S. national security strategy. In this respect, it differs significantly from issue-specific approaches to the problem, which tend to isolate homeland security away from the larger strategic perspective of which it must be a part.

We are mindful that erecting the operational side of this strategy will take time to achieve. Meanwhile, the threat grows ever more serious. That is all the more reason to start right away on implementing the recommendations put forth here.

QUESTIONING BY CHAIRMAN ROBERT C. BYRD

Chairman BYRD. Thank you, Senator Rudman. In light of what has happened since your report was issued, how would you change your recommendations, or what additional recommendations would you have, number 1? Number 2, what are the shortcomings of the Office of Homeland Security? Perhaps the word "shortcomings" is the wrong word. How do you see the Office of Homeland Security as it has been established and as it is presently operating with broad responsibilities under the Executive Order? How do you see that as against what you had in mind when you wrote your report?

Senator RUDMAN. Let me take them in order. Mr. Chairman, the only major change that we would make has in fact been incorporated into legislation offered by Senator Lieberman, Congressman Thornberry in the House, and I believe Senator Specter. We believe that the homeland security agency, in addition to Border Patrol and FEMA and Coast Guard and INS and so forth, there are several other parts of certain agencies which ought to be transferred in there. That would be the major change from that recommendation.

As to your second question, we of course in our recommendation did not anticipate the President appointing, if you will, a National Security Council for Homeland Security, which is essentially what has been done here. I mean, in many ways Governor Ridge is Condoleeza Rice's counterpart, with national security and national homeland security being handled quite separately.

We had recommended the integration of a coordinating agency within the NSC. The President has chosen to set it up separately, which probably is every bit as good.

For the long term, however, we believe there has to be some statutory oversight for any coordination of what's going to be $35 or $40 billion worth of funds. Let me simply explain in a minute why.

Right now, as we all know—and I see my friends Senator Hollings, Senator Inouye, and Senator Domenici have joined us—we have all served on committees that had to do with national defense. We know that the National Security Adviser is a junction, if you will, for all of those issues.

But when it comes to the Congress having oversight, although the National Security Adviser traditionally will not testify, we get our testimony from the Secretary of Defense, from the Secretary of State, from the Director of Central Intelligence. Obviously, the secretary of homeland security would be able to fill a large part of that, and for the strategic end of it I suppose you would call for the Director of OMB to come and testify as to what the coherent approach was of the administration to any particular issue. So that is how I would answer your second question.

Chairman BYRD. Well, as you say, Condoleeza Rice, the National Security Adviser, has someone above her who does testify before the Congress. There is the Secretary of State, the Secretary of Defense. So we indeed do not have to have her. But in the case of Mr. Ridge, there is nobody above him. He is the point man for the administration. The President is the man who is above Mr. Ridge.

Senator RUDMAN. And that is why there has to be major reorganization in my view. You could not continue and I do not think the White House would seriously—I do not speak for them, obviously, but I cannot imagine that the administration would believe that the Congress would allow $35 billion to $40 billion of money to be appropriated every year that was uncoordinated in a strategic way.

But I would say in their defense, it has only been 6 months and I hope that between the Congress and the administration this can be worked out. That was the subject of our testimony this morning before the Government Affairs Committee.

Chairman BYRD. Senator Stevens.

QUESTIONING BY SENATOR TED STEVENS

Senator STEVENS. Senator, we do not see any plan yet. The real problem is where the plan is, and that is one of the reasons that I joined Senator Byrd in trying to get Governor Ridge to come before our committee to give us a plan. Our alternative right now is to call those 43, we think it is 44, agencies that are all going to get a piece of this money. And we would not do it. It would be the subcommittees that would do that, and there would be no real coordination even here with the overall subject of homeland defense unless we have some sort of an entity.

Has your organization backed the bill that is introduced? I think it is Senators Lieberman and Thompson, is it not?

Senator RUDMAN. I believe Senator Thompson did join the bill. I did not want to mention his name. I was not sure of that. But if it was, it is the Lieberman-Thompson bill. I think Senator Thompson may take exception to title 2 of that bill. I am not sure.

Senator STEVENS. I am on that committee, but I do not know whether he co-sponsored it or not.

Senator RUDMAN. Basically, there is a lot of agreement on much of the bill. The first part of the bill does the reorganization. The second part deals with what you and Senator Byrd have been talking about and that is what goes on in the White House. They kind

of set it up a bit like the drug czar, who is confirmed by the Congress, I believe, and reports to the Congress.

Senator STEVENS. I do not want to offend my chairman. I think there is a little bit of politics going on in that bill and I am not sure where it is going to go. I would like to see some solution to this matter and I really believe we need a coordinating committee, such as an entity like NHSA that you, and your group, have suggested. But I sort of shy back because you want the Coast Guard to be in that. The Coast Guard's mission is far in excess of homeland security.

Senator RUDMAN. Absolutely.

Senator STEVENS. The Coast Guard has been operating overseas since the days of the Persian Gulf War. Now, you want to put even more of it in the Department of Defense?

Senator RUDMAN. No, we do not, and if I can respond, we talked to the Coast Guard people rather at length about this. The Coast Guard would not change. It would not change its mission, it would not change its equipment, it would not change its organization. It, however, would reside in a department which we believe is a more likely place for it to reside than residing with the Department of Transportation. Its function would not change.

Senator STEVENS. But it has been residing in the Department of Transportation, but most of its modernization money has been coming from the money that Senator Inouye and I have urged the Department of Defense to provide the Coast Guard.

Senator RUDMAN. Exactly. But we think it is better off in the department of homeland security, which is a more sensible place for it to be than in Transportation.

Senator STEVENS. But you do admit in your report that the problem with it is capitalization.

Senator RUDMAN. Absolutely, and we at length discuss that and we applaud what the committee has done. The Coast Guard is hurting. It has a myriad of missions and not the resources to discharge them. When you consider what has been added on, now homeland security, the war on drugs—15 years ago, those were not missions of the United States Coast Guard. So I could not agree with you more.

Senator STEVENS. My real problem with that, Senator, is that we have had this array of witnesses, we have got more coming, and they are all talking about a need for money for capitalization. Every entity that has been here so far wanted more money, and to put the Coast Guard into an entity that is going to be having—it is like an enormous nest of chicks, little baby birds with open mouths. This one is already a grown bird, and I think it will be starved if it is part of that entity.

I have some real reservations about it, I have got to tell you, real reservations about putting the Coast Guard into the national entity you all have recommended.

Senator RUDMAN. Let me just respond in this way, and I certainly respect your view and understand it. I think, coming from Alaska, you have a great deal of interface——

Senator STEVENS. We have half the coast line of the United States.

Senator RUDMAN [continuing]. With the Coast Guard. Let me just make an observation. You know, we have 50,000 containers coming into this country every day, 50,000. Less than 1 percent are inspected. If you want to see an act of terrorism waiting to happen, that is where I would look. I would not look much at airports right now.

The Coast Guard is doing yeoman work in trying to do inspection on incoming ships, as you well know. We believe that that is going to be such an incredibly important function that it ought to be in the homeland security agency. But I understand your objection, and I simply tell you that after looking at all of the objections, we found this was probably the best place to put it.

Although I am not sure how many will testify publicly, many of the Coast Guard people who were ranking told us they would love to be in a different agency. So we will leave it there.

Chairman BYRD. Senator Landrieu.

QUESTIONING BY SENATOR MARY L. LANDRIEU

Senator LANDRIEU. Thank you, Senator.

Thank you very much, Senator, for appearing and helping us sort through these great challenges. If I could just acknowledge for all the members, who are very familiar with your work and your career, how much we have appreciated the Hart-Rudman report and that you were working on this excellent piece of work prior to September 11th and at least it gave us quickly something we could reach to on that day. Some of our committees had already begun looking at some of the recommendations of that report, and of course the events of September 11th propelled us to move forward rather quickly on that.

But let me ask, since we are on the governance issue, just a question about a very excellent witness that was part of the panel that the chairman and the ranking member had invited yesterday, Ashton Carter, about his suggestion that I thought was very insightful and very encouraging about the role of the Office of Homeland Security, not so much as a czar but as an architect.

Because of the complicated nature of so many of our agencies having pieces of this great challenge, he suggested that having this new role evolve more towards the framework of an architect, laying out, if you will, a blueprint and then allowing the standing committees of Congress, mostly through this Appropriations Committee, to force those fundings down to that architecture.

Have you read his work? Are you familiar with his work? Could you comment about it? Do you think his work is——

Senator RUDMAN. Very familiar with Ashton Carter's work. We have consulted with Ashton Carter. He has read all of our work, we have read all of his work. I know him personally. He is one of the most outstanding people up at Harvard at the Kennedy School, so we certainly are familiar.

I do not think there is anything particularly mutually exclusive about Ashton Carter's proposal versus ours. We certainly agree. He wants to call it architecture; I would prefer to call it a strategy for homeland security. It means to me the same thing.

As to how you organize it, I am convinced of two things. There has to be some consolidation of a number of agencies out of these

43 or 44 that we currently are looking at into a lot fewer, organized along structural and operational lines. Secondly, there has to be a central place for defining the strategy, if you will, or the architecture, if you will, as to how you, A, are going to organize it and, B, how are you going to spend the funds or, more particularly, how are you going to convince the Congress that you need the funds. So I do not disagree with Ashton Carter at all.

Senator LANDRIEU. Well, just to comment, though, what I thought I heard him say—and I listened as carefully as I could—was that he thought that any attempt at too much consolidation would fail under the general weight of trying to move agencies that are very geared and anchored into their traditional ways; that he would argue for a clear strategy at the top and then forcing it down through the agencies, with maybe less consolidation than you will have.

I do not want to harp on this, but I think that is an important point to drive a consensus about what is the best way, because we could spend a lot of time getting agencies fighting and then leaving our flanks open to the next attack, and what I am interested in is trying to move forward in the most effective way so that when the next attack comes—and I am convinced, as your report suggests, that—you predicted, not the specifics of the attack, but in your report you said there will be an attack on American soil, and you were right in your report. So I am assuming, because you were right in that prediction, that there is some urgency about getting this right before the next attack comes.

Senator RUDMAN. Let me respond that, as far as what Ashton Carter has said generally, we do not disagree with it. But I will tell you where we feel very strongly. We spent 3½ years looking at it. Maybe we are wrong; I do not think so. If you look at the list of the people who served on this commission, we had a lot of weight on this commission. It was totally divided down the middle, Democrats, Republicans. There was no partisanship whatsoever on this.

We were absolutely convinced that we have a dysfunction and a disconnect in terms of border security. If you cannot protect the borders of the United States, you better give up on almost everything else you are doing—nuclear security and this security and airport security. If you get enough people into this country who should not be here, then we are going to have a lot of trouble.

We believe that that consolidation is absolutely essential. If you spent the time talking to the people from the Border Patrol, the INS, Customs, Coast Guard, and many others, you would come to the same conclusion we did. So to the extent that Ashton Carter does not think that it is necessary, we disagree with that.

Senator LANDRIEU. Well, I do not want to put those words in his mouth. He might not think it was that strong. I just thought that having one centralized agency might be too much to reach to, so this was an alternative.

Let me ask a second question. There is a lot of uneasiness, is the way I would describe it—different committees have looked at it; the Armed Services Committee has looked at it—about the new expanding role of the military, given this new threat. The military has been structured to keep us safe by fighting wars off of our shores. Now we find ourselves in some ways under attack, not

knowing when the next attack will come, but it surely will come. We do not know what form.

Can you comment about the way that you see, with your experiences, having been on the Armed Services, what we could be suggesting to our military that they need to be looking at differently? And not maybe shying away from this, but engaging more, because they have the expertise, they do this very well. They could be very, very helpful to our local civilians and agencies that are very new to this protection, national security. The military has been doing it well for hundreds of years.

Could you comment about the role of the military, and are they right to be this reluctant? Is it understandable, or should we press them into a more direct role?

Senator RUDMAN. The military and its role is very well covered in the report, not only in this report but, as you know, there were three. There was a 1999, a 2000, and a final report. The one thing we made it very clear is that there ought to be strong civilian control over homeland security, that the primary mission should be a civilian mission; but in the event of a major emergency, such as a nuclear, chemical, or biological attack, it is only the military that could respond with the communications, transportation, hospitals, and so forth.

So that is why we recommended a strong role for the Department of Defense in planning to help local communities in times of great stress. We also, as I am sure you know, made a strong recommendation that the National Guard ought to be dual-trained in homeland security.

Senator LANDRIEU. Thank you, Mr. Chairman.

Chairman BYRD. Thank you Senator.

Senator Domenici, then Senator Inouye.

QUESTIONING BY SENATOR PETE V. DOMENICI

Senator DOMENICI. Thank you very much, Mr. Chairman.

Very good to see you, Senator Rudman. One of the things we do not do enough is see each other. It is a big void in our lives.

Frankly, I do not have enough time in 7 minutes to engage you on this subject. But I am a little worried about when we are going to find out how we should allocate resources to put our Nation on a path of responding to what happened. I think the President and his people for a short period of time, the little bit of time they have had, have done a pretty good job. But I myself am concerned that we are a Nation of great diversity, we are a Nation of great diversity both as to assets that should be mobilized to be used in this new sense of homeland security, and I do not quite understand how we are going to get to an inventory of this with a conclusion as to what we use that is out there, and how we continue to keep ourselves modern in terms of what we should be doing.

I think you are reading my mind as I talk about this, because we have some national laboratories, not only the three nuclear laboratories but a few others that are part of the Defense Department and civilian research. They have a great capacity to organize and tell us where and what we have got as a Nation, what is cutting edge, and what is ready. I do not quite understand under the struc-

ture suggested by the President how we are going to take heed of those and use them.

As you looked at this in your studies—I will just give you another one: What will happen to instrumentalities that have been developed for one purpose but are very good for another purpose. I cited for the committee here this morning and maybe you have heard of a process that two laboratories, the nuclear labs in New Mexico, developed called NISAC. I think, being as interested as you are, you would have heard of it.

I think the general that used to be the chairman of the Coal Caucus, Senator Byrd, has just been assigned to investigate the potential for this NISAC and where it should be lodged. It is a process whereby the supercomputers at the national laboratories have already been used to inventory all the infrastructure of America, all the dams, all the tunnels, all the power plants, all the electric generating plants, et cetera.

That system, when operated appropriately by the right kind of talent, tells you the impact on society of destroying or harming any of the infrastructure you would like to ask it about. You would ask it about a power plant way up there in New York, if somebody was going to do it. You ask it, say that was done what is the impact, and it will tell you whose lights will go out, et cetera.

I think it is a good tool for the terrorists, but it is not secret. At least it is not now.

But I am kind of wondering. Can you talk about how we should go about putting these in a place where they would be used properly and would the organization and the utility of that be in the hands, at the discretion of the Governor, the Governor that our President has put in charge? He is not a line—he has no line operation, from what I understand. What would you do about it?

Senator RUDMAN. That would not be—in fact, we covered in the report—in the main body, I believe, and in the indices, one of the things we talked about was, interestingly, long before September 11th, was that science and technology exists and the potential exists in both the private and the public sector—you are referring to the public sector, some of those laboratories, and some are private—that have science and technology that is suitable for one thing which well could add in homeland security.

Let me give you a very good example. One of the serious problems facing us that is being looked at today is how do you handle these containers coming into the country. Every one ought to be examined for nuclear, chemical, or biological contents. How do you do that? What kind of equipment is available?

I am sure that residing in some of our laboratories around the country there are some answers. The fact is that those of us who worked in the defense area know all about DARPA and the remarkable work DARPA has done over, what, a 40 or a 50-year period. We believe there has to be a science and technology arm of the department of homeland security to exploit the very things that the Senator from New Mexico is talking about.

Senator DOMENICI. Well, I am not going to ask any other questions. Mr. Chairman, that is exactly what I have been thinking about in terms of presenting to the committee, that there is a huge amount of money that the President has set aside in his request

for appropriations, it is called research and development, that would impact on the positive side on our ability to cope with this kind of war.

I am hopeful that we will be ingenious enough to make sure that we set up within our Government a way to capture the dual purpose science that is going on because of the Defense Department and the private sector dual-use potential. There are many, many things in our laboratories that are directed at nuclear weapons that have a use to protect us in this war we now have on terrorists.

I cited one for you that clearly is going to make a dramatic impact. It is going to be somewhere in our Government, and I am concerned how we are going to address it as appropriators. Are we going to give them no money because we do not know where it is or are we going to give it loose money and say somebody is going to take care of it even if they are not quite the appropriate place to have it? We will work on some of those and present something to the committee long before we start appropriating.

Thank you, Mr. Chairman.

Chairman BYRD. All right.

Senator Inouye, then Senator Hollings.

QUESTIONING BY SENATOR DANIEL K. INOUYE

Senator INOUYE. Thank you very much.

Senator Rudman, I wanted to be here earlier this afternoon to greet you, but the problems and emergencies of Hawaii usually erupt between 7:00 and 8:00 in the morning in Hawaii, which is 1 p.m. and 2 p.m. here. So I was delayed a little.

Warren, if I may call you that, sir, since September 11th I have had occasion to do much reading and much traveling—Afghanistan, Uzbekistan, Pakistan, China, Indonesia, Philippines, Singapore. There are certain conclusions I have reached. This terrorism is global, as the President has indicated; that terrorists do not necessarily wear beards. In fact, the one who struck Oklahoma had no beard and he was a Christian. Some of the most vicious terrorists were from Japan, the Red Army.

I am also convinced that we can never look upon this as a short-term matter, that it is going to be with us, as it has been with us, for many, many decades, if not centuries. Therefore, I agree with you completely when you recommend that this should be a position of the highest level, at the least a Cabinet position.

That is why we are hoping that, even if that designee is not a Cabinet member at this time, he comes to us and helps us in organizing what we hope to be the most effective system or agency that can cope with this global problem. You are definitely agreed upon that it should be a Cabinet position?

Senator RUDMAN. Oh, absolutely. We believe that the department of homeland security, which would be the focal point in any administration for all of these functions, although they would not perform them all—obviously, the FBI, CIA, HHS has functions—but they would be the focal point and they would be the coordinators, they would set the budgets as to what they ought to be, and they would be the ones who would be primarily accountable to the Congress.

Senator INOUYE. And the Director of Homeland Security today is the man who is supposed to be doing that?

Senator RUDMAN. It is a superhuman effort that he has been assigned. I looked at the numbers in the proposals of the administration. We are talking $35 billion in homeland security functions for this year and I think $38 billion for next. That is four times the size of many of what we call independent agencies. It is a lot of money.

Senator INOUYE. Do you consider this a long-term problem?

Senator RUDMAN. Oh, our report says that this will be with us for many, many years and into the indefinite future, and we also sadly believe there will be other terrorist attacks on this country, and we unfortunately believe that the greatest threat is nuclear, chemical, and biological over the next 5 to 15 years, which is why we think it is urgent.

Senator INOUYE. Does your commission also recommend that the Congress should have a special committee for this?

Senator RUDMAN. We do, and we think you should take the expertise of Defense, Judiciary, Foreign Relations, HHS, make sure the committee draws broadly from the expertise of the members, and establish, if you will, a special committee that could deal.

One of the problems, I must say, and I knew it when I was here and I think I still know it, is that sometimes, no ill intention of anyone, some of these Cabinet secretaries spend more time up here than probably is beneficial for their departments, with all of the various committees they have to testify before. It is necessary for certainly some of them, but in this area we would hope it could be at least pulled down a bit.

Senator INOUYE. It is good to see you, sir.

Senator RUDMAN. Great to see you.

Senator STEVENS. Would you yield for just one thing?

What is wrong with this committee, Senator?

Senator RUDMAN. Nothing at all. I always thought this was the greatest committee on the Hill, Senator Stevens.

Senator STEVENS. It has 13 subcommittees to cover all 44 of those agencies.

Senator RUDMAN. You might decide to do it that way, but I dare say you have got about, what, 82 people that might not agree with that.

Senator STEVENS. The buck stops here.

Senator RUDMAN. I always thought so.

Chairman BYRD. Senator Hollings, then Senator Murray.

QUESTIONING BY SENATOR ERNEST F. HOLLINGS

Senator HOLLINGS. Senator Rudman, you know my high regard and affection for you. It has been a wonderful privilege to work with you and everything else. But getting right to the point, darned if you do not sound like you belong on a campus.

Senator RUDMAN. That I belong on a campus?

Senator HOLLINGS. On a campus rather than in politics. I mean, yes, I could make the same study and sign the books, but we live in the real world. Seemingly, nobody came up here and talked to us who has been dealing directly with this. We have the Border Patrol and it is on course, it is doing a good job. Customs is doing a good job—both of them need way more money and way more agents.

Now, that immigration department, like I told Ziglar when he took it over, and I fussed at the previous President to get us somebody who was hard-nosed, get a Warren Rudman who could run the thing, it is the worst department in Government. They have got computers all over everywhere that cannot talk to each other. I can give you 50 different problems. We have been giving them the money and it is like quicksilver. Every time you think you have got the agency in the palm of your hand, it jumps out, they have got another problem.

I do not want to visit the immigration department's problem with the Border Patrol or the Customs Service or the Coast Guard. I know what the Coast Guard is doing. You are right. We increased the size of the United States by one-third when we passed the Magnuson Act and everything else of that kind. Then we promptly cut the budget, so Senator Stevens and Senator Inouye here and Senator Byrd have to rob 050, the defense function, to supplement the Coast Guard.

Now we have superimposed port security. We have been working with them. Interestingly, where we know you had the Coast Guard, the Immigration, Border Patrol, and the Customs Service, you did not have the FAA. We know what planes come in because we track them. We have not known what ships are coming in, until recently. Now I have got a weather satellite from NOAA that is looking down in the oceans and is beginning to track ships, by putting transponders on them. We have got a requirement that they send their manifests 3 days ahead of time, like an airplane coming in, passengers and so forth like that.

So we are working on all those things. The only reason I say this is that we live in the real world and everybody regrets that Governor Ridge—everybody knows he is an outstanding individual, but I am glad he is not even coming because, I hate to disappoint him, because none of this is going to happen, and I have got a good excuse. I got to say, well, the fellow would not come and testify to take the Border Patrol or put the Customs into the Border Patrol.

They have got different duties. They are working closely. We have got to give them more money and more agents and everything else. I have been down to the border. We produced 4,000 agents last year down there in my own back yard. We are doubling the class this year and everything of that kind. We need more.

Another incident was to take cops on the beat. You were up here when we were debating that back and forth. Now we have got cops on the beat, we have got community policing. The system is working. High crime rates are down. Just Monday they had the Hispanic population, their crime rates are down and everything else. So it is working, but the administration wants to get rid of it. They also want to take the Office of Domestic Preparedness and put it over in FEMA. Heavens above, they do not know anything about law enforcement. They do not have the schools, they do not have the training, they do not have the FBI and the coordination that we do have.

In other words, my good friend, I just do not see any of this happening. We are going to do our best by way of the administration. We know they are sincere. But actually, this homeland defense security agency—to put it all together and have a military inter-

national security and then a homeland security like the Pentagon. You and I remember Pete Kassada, who commanded the 8th Air Force in World War II, and when Pete came back he had never seen the Pentagon, the largest office building in the entire world. He turned to the taxi driver and said: My heavens, he said, how many people work in a building like that? The taxi driver without hesitation said: About half.

Look here. I can get reelected on a toilet seat that costs, you know, over in the Defense Department it costs $1,500 and that kind of stuff. When you get the economies of size, they are not economies. You see what I am trying to say?

Senator RUDMAN. I do, but I do not agree.

Senator HOLLINGS. You and I do not have to agree, but I am in and you are out.

And I want you to know, you do not have a closer friend than me and it is not going to happen and I do not want you to be disappointed.

Senator RUDMAN. Senator Hollings, let me respond. First, we spent 3½ years on this because we were asked to. Obviously, we are not the policymakers. We have made recommendations we think are sound and we respect that the Congress and the President will decide what to do.

But I have got to take issue with one thing you said. If you look at the report carefully, we are not putting the Customs Service into the Border Patrol or the Border Patrol into the Coast Guard or the Customs Department into the Border Patrol or the INS into the Customs Service. What we are saying is if you look at where each of these reside now, it makes little sense for them to be where they are. They do not get the attention from the top of those departments because there are other major parts of those departments that people really do care about.

We say the Customs Service, the Border Patrol, yes, we say the Coast Guard and the INS, staying identically as they are, but less a lot of overhead, should be in a small Cabinet-level agency that makes it possible when you give them all that money for information technology that it gets spent correctly.

We believe they are lost in the departments they are in now, and that is exactly what they told us behind closed doors. I suggest you talk to some of them yourself.

Senator HOLLINGS. Well, I understand. Of course, we work with them. We do not have to talk behind closed doors. We do both. We had the public hearings and everything else.

To your counterpart's credit, Senator Judd Gregg of New Hampshire, he started ODP in our little subcommittee. He was the chairman. Last May we had a full Cabinet hearing, over 3 days, on counterterrorism, and we had a budget all set.

So we had thought about the problem; in fact, we have been providing funding for it. We have already got five training facilities in the five States and we have graduated 80,000 police and firemen and those kind of things. We have got the technology now need to get the interoperability of the radios and everything else. That has just been brought on line so everybody is talking with each other. We got with FBI Director Mueller, who is about the best FBI Director we have had in a long time.

He came to us last October and he said: You give me about $250 million and I will have the FBI systems interoperable. He started off and the contractor who told him he could do it is not doing it, and we have already wasted $70 million. So to his credit, he was watching it closely and everything else of that kind.

These things are not easily done, and I do not want you to work all this period of time, come up here and make this wonderful presentation, and then, my friend Warren, go away and say, they totally ignored me. It is not that we ignore you. It is just we live in the real world and we are going to continue the operations that are working.

They might say Coast Guard would like to get out from under Transportation or Customs does not like Treasury, but it is working and they are doing a good job, and they have been cut. The Customs has been cut. Everybody has come to Government, you know, and said downsize, downsize, get rid of the revenues. Now we have got $216 billion already in the red this fiscal year and it is not half over.

So I just wanted you to know that we are paying attention and we like Governor Ridge, but he has done this subcommittee chairman a favor because he has not justified it.

I had the Attorney General before the subcommittee. He is not for this. He has got to say he is for it. I know how to read the body language. When General Ashcroft came and we had our hearing on the same thing, about ODP and everything else like that: Well, yes, I support the President's initiative. That is what they have got to say. But you can tell. That has not been vetted.

I do not know any of these people who came up here or who they talked to—these Senators have been working here for 30 years on these problems and working out the kinks. And to come with this proposal—like I say, academically, that looks pretty, to have it all under one agency and one border and one authority and everything else like that, however it is just not going to happen.

Senator RUDMAN. Well, Senator Hollings, let me just say to you that I respect you very much. I totally disagree with everything you have just said.

Chairman BYRD. Senator Murray, then Senator Mikulski.

QUESTIONING BY SENATOR PATTY MURRAY

Senator MURRAY. Thank you, Mr. Chairman.

Thank you, Senator Rudman, for your tremendous amount of work and time on this issue. We all really do appreciate your doing that and coming before our committee today.

Let me just say to Senator Hollings as well that I had a hearing on port security last week on my Transportation Subcommittee and it revealed that the Coast Guard requirement for the 96-hour advance notice is of very little value because the Coast Guard cannot actually verify the names of the crew men against the watch list. So we have work to do on the coordination, and I am sure Senator Rudman understands that issue as well.

I did want to pick up on the issue you raised, Senator, or that actually Ted Stevens raised with you. I really agree with you completely that we have got to take measures to deal with the 6 million containers that enter our ports every year. I have the third

largest container port in my home State of Washington and we are going to be talking more about this on the next panel. There are a lot of challenges there.

The Commandant of the Coast Guard already testified before my subcommittee that his increased effort in port security next year is going to come at the expense of fisheries enforcement, marine environmental protection, and search and rescue efforts. The public already has expressed their real deep concerns about search and rescue in particular and the declining ability to do that.

What do you expect would come of missions like fisheries enforcement, marine environmental protection, search and rescue if we were to put the Coast Guard under some kind of homeland security agency?

Senator RUDMAN. You know, I must tell you, Senator Murray, that I have not looked at that issue, but these are all important functions you speak of. Certainly from a commerce point of view, the fisheries issues are very important. They are important to the east coast and the west coast.

Senator MURRAY. Economic issues, correct.

Senator RUDMAN. They are very important. In terms of security issues, there is nothing any more important, no matter who does it, Customs or Coast Guard, than to make sure that we know what is in those containers coming to this country. I do not know if you were aware—you must be aware that when they come into, let us say, Seattle——

Senator MURRAY. I am extremely aware of the challenges.

Senator RUDMAN. I know you know what happens when they come in there. They get offloaded, uninspected, and may go to St. Louis, and never opened for 6 weeks. Who knows what is in them?

So I do not know how you allocate. I do not know how you prioritize. But I will tell you this. From our commission's point of view, that is a gaping problem in U.S. security.

Senator MURRAY. I think there is a gaping problem at port security and I think we have some real challenges. Like I say, we will talk about it on the next panel, I know. And I know that very few of those containers are inspected. I am on the ports a lot. I am very, very familiar with them. Senator Hollings has dealt with this issue as well.

But I am not certain that combining the Coast Guard with all the other agencies will not create another problem, and that would be that they would no longer be paying attention to their other really critical issues. We cannot lose sight of those. Those are also very important.

I would just say, search and rescue saves lives, too, and that is already decreasing in the Coast Guard's priority because of the things we have put on them. If we put them in another agency and tell them that their primary mission is homeland security and we start losing people on ships because there are not folks out there to take care of that, then we have created another problem as well.

All I am asking you is have you thought about the other missions the Coast Guard has besides homeland security if we were to put them into an agency defined as homeland defense?

Senator RUDMAN. We certainly have, and we have talked to people from the Coast Guard at high levels during the 3½ years. It

is not our intention to change their mission at all, to change its ratio, to change its funding, but to simply say that they have a lot of functions that just fit with the border security agencies because they are, in addition to everything else, a border security agency.

But we do not change their function. We do not change their name, their uniform, their equipment, their system. We simply put them in a different place.

Senator MURRAY. Thank you very much, Mr. Chairman.

Chairman BYRD. Thank you.

Senator Mikulski.

QUESTIONING BY SENATOR BARBARA A. MIKULSKI

Senator MIKULSKI. Senator Rudman, it is really great to see you again. First of all, it is just good to hear you again. I mean, your many years of experience in Government and the Yankee common sense and so on.

As you know, I chair the subcommittee that funds FEMA. If I could ask, under your conceptual framework for the national homeland security agency, where do you see FEMA, and what do you see FEMA doing? Do you see FEMA dissolving? How does this work?

Senator RUDMAN. No, none of these agencies dissolve. FEMA is an independent agency right now.

Senator MIKULSKI. Yes.

Senator RUDMAN. We believe it would be the building block of the new department of homeland security. It is a responder. The others tend to be preventers.

Senator MIKULSKI. So I do not know what a building block is. Is under your idea the homeland security agency going to be like a federation of agencies, each acting the way they do now, but under kind of like a federation chairman?

Senator RUDMAN. The secretary of the homeland security agency would essentially be the one that the head of each of those agencies reported to.

Senator MIKULSKI. I see.

Senator RUDMAN. They would be able to consolidate some of their financial functions, some of their human resource functions, probably some substantial savings in terms of that consolidation. They would stay precisely as they are in terms of organization, unless that Cabinet officer, with the consent of the Congress, decided over the years to change some of that organization.

The difference would be they would have a shared information technology system and they would have a much better link to the intelligence communities and the law enforcement community. That is how this proposal was concocted.

Senator MIKULSKI. All of which they need. So FEMA would be part of this. And so FEMA would keep on doing what it is doing.

Senator RUDMAN. Exactly.

Senator MIKULSKI. Now, in terms of the Coast Guard, would you see that the functions related to search and rescue, drug interdiction, which I know you have been so supportive of, environmental protection out on the waterways, do you see them continuing to do those same functions under homeland security or would those functions have to move someplace else?

Senator RUDMAN. No, they would be precisely the same functions. No one else can do them as well or, frankly, for as little money as the Coast Guard has been doing them for—a very efficient organization. We leave them exactly like that. But our witnesses and our experts—and we had many over the 3½ year period—made a strong case to us that Transportation was not the right place for them, and particularly in view of our homeland security argument.

By the way, when we did this September 11th had not happened. This was 1 year before the 11th of September.

Senator MIKULSKI. I read this.

Senator RUDMAN. This is 1 year before, the 1999 report. So we were not looking at trying to fix something right away. We were looking at it deliberately, and we came to the conclusion that the first and most important thing in the area of homeland security was to secure the borders. So we took those agencies which had major border security functions.

But the Coast Guard, as Senator Murray pointed out, has its overwhelming function doing other things, 70, 80 percent. It would stay the same.

Senator MIKULSKI. Well, I am glad I understand the framework——

Senator RUDMAN. As would FEMA.

Senator MIKULSKI. Yes.

Senator RUDMAN. As would FEMA.

Senator MIKULSKI. I also agree with you, Senator, on what I call the double benefit. Senator Domenici used the term "dual use," which is often a military term. I think if we strengthen FEMA to be an all-hazards agency, we then protect our local communities even far more effectively than we do now. We have several chemical factories in Baltimore. If there is an explosion at one, either because of a malevolent attack or an accident, our firefighters have to respond the same way, or the fire in the Baltimore Tunnel last summer.

The better prepared our first responders are, we are literally making all of our communities better prepared, not only against terrorist attacks, but against accidents or any other natural disaster and so on. That is the way I envision it. Is that the way you——

Senator RUDMAN. That is the way we viewed it.

Senator MIKULSKI. So it is double value for the dollar.

Senator RUDMAN. Not only that, but FEMA has proven to be a very good agency, very efficient. You get some complaints, but lately in the disasters that have happened they have done a pretty first rate job. They did a good job up in New York. So I must say that FEMA becomes essentially central to this proposal.

Senator MIKULSKI. Thank you.

Thank you very much, Mr. Chairman.

Chairman BYRD. Thank you, Senator.

QUESTIONING BY SENATOR ARLEN SPECTER

Senator SPECTER. Thank you, Mr. Chairman.

Senator Rudman, on your brief departure over the past decade, it seems that you have been doing more Senator's work on the outside than——

Senator RUDMAN. Senator Hollings reminded me of that before you got here, actually.

Senator SPECTER [continuing]. Than most of us do on the inside.

I heard your exchange with Senator Hollings. My recollection is pretty firm about Gramm-Rudman-Hollings.

Senator RUDMAN. For a while.

Senator SPECTER. You were the middle name for a time.

Senator RUDMAN. Right.

Senator SPECTER. That was quite a landmark piece of legislation. I enjoyed the exchange you had, and you are still indefinite and tentative and not decisive in your responses, which is prototype Senator Warren Rudman.

Senator Rudman, on the specifics, where you have Governor Ridge, a man of enormous ability, we all agree, saying that no one will say no to the President, a proposition with which we all agree, but adding that he can go down the hall and get matters resolved, theoretically it is not possible to run down the hall all the time. However, you have been on the scene. Would you have anything to offer and, if you have something, care to state as to how that really has not worked as Governor Ridge has tried to wrestle with so many agencies to bring them around to his way of thinking, but not having the authority to do so?

Senator RUDMAN. Senator Specter, after you left the Government Affairs Committee this morning we had a thorough discussion about that on Senator Lieberman's, and I believe Senator Thompson sponsors at least some part of that bill. I made it very clear—and let me say parenthetically, the President had no choice but to do exactly what he did. You could not get organized without an Executive Order and start doing the things that had to be done. No one can fault that.

But now we are looking ahead. We are looking at this committee looking at $35 to $38 billion worth of appropriations, $35 to $38 billion out of a total budget that are assigned under OMB and CBO assignments, which I got so I could prepare myself for this hearing to look at where it was all assigned. They are assigned essentially to each of these subcommittees here, every one of this $38 billion.

There is no way that a coordinator without statutory authority will ever be able to get their arms about that. In addition to that, you have got to have someplace, somewhere, where the national strategy is formulated. I dare say Congress has to play some role in that. So the various proposals that are pending before Congress right now are to find some way to make a statutory position, as the drug czar is, of that position and other proposals.

That was not our proposal. That does not mean that ours is the best proposal. We had a proposal which is formulated in a different way. But you have got this big debate about whether Governor Ridge is going to come up here and testify. I understand all the legal arguments, you know. I could argue either side of it from a constitutional point of view. But the bottom line is that this is no longer a legal argument; this is a very important argument about

national strategy on homeland security, and you have got to find a way to make it work that everybody is comfortable with.

I say you do it in a traditional way, with somebody who is confirmed by the United States Senate, who is then accountable to the Congress. I do not see any other way to get there. With a secretary of a homeland defense agency, at least you have got someone who had the primary say on the budget as it would be related in that area to the other agencies that are outside his or her agency.

Senator SPECTER. So do you think it would be preferable to have Governor Ridge come testify before all 13 of our subcommittees or perhaps just come before Senator Byrd's full committee?

Chairman BYRD. Both. Let him appear before the subcommittees and the full committee.

Senator SPECTER. Well, now we have 14 invitations out.

Senator RUDMAN. Mr. Chairman, do I really have to get involved in this fight?

Chairman BYRD. That is what other secretaries do. That is what other secretaries do.

Senator RUDMAN. I believe——

Senator SPECTER. We have just raised the ante considerably, Senator Rudman, Senator Byrd.

Senator RUDMAN. I believe the way it will work is the secretary of homeland security will probably, if there is one, will appear before this committee and whatever appropriate subcommittees of the parts of his department, but as far as the other parts of the budget that are outside of it, they will still come before other committees, such as Defense, HHS, and others. That is my view.

Senator SPECTER. Senator Rudman, on the aspect of specifics, where we could make a case, as we lawyers like to do with evidence, that it just does not work for somebody in Governor Ridge's position through the Executive Order without statutory authority over specific agencies, do you have anything to enlighten us about that would be hard evidence in that regard?

Senator RUDMAN. Hard evidence of?

Senator SPECTER. Well, where Governor Ridge has tried to deal with an agency, for example, and they have in effect, politely or not, told him they are not going to go along.

Senator RUDMAN. I am not personally familiar of that happening. That is not to say it has not happened. I just do not know that it has happened.

Senator SPECTER. On the mild disagreement between Senator Rudman and Senator Hollings as to——

Senator RUDMAN. Oh, it was mild. You should have heard some of the other disagreements.

Senator SPECTER. Well, I have heard some of your disagreements, Senator Rudman. That is why I said it was mild.

The question is how we do it. You are a pretty practical man from a lot of experience and a lot of lions. What would you suggest in trying to tame all these lions inside the cage and bringing them into line so we can get some of this legislation done? How do we just get real tough about it, starting with this committee?

Senator RUDMAN. Well, I only know what I read in the press about this, because I have not talked to any of the principals. But it seems to me that the administration is pretty hard over on the

separation of powers doctrine, that they do not want someone who is not confirmed to come up here and testify. If that is the case, I think you have one place you can go and you have every right to go there and get a total explanation of the strategy and that is from the Director of OMB. I assume that is the one place you could go.

Senator SPECTER. My yellow light is on. Senator Rudman, I conclude by thanking you for your continuing public service.

Thank you, Mr. Chairman.

Chairman BYRD. Before I call on Senator Dorgan: I do not see the separation of powers doctrine. I do not see that at all. I think that the administration is trying to claim executive privilege. There is no separation of powers there. I think the President has a point when he says that Governor Ridge is a staff person or an adviser, he has a point. But it goes far beyond that. This is a staff person that has powers, responsibilities, that are light-years ahead of the average Presidential staff person.

We have got the power of the purse here. That is the greatest power in Government. The administration I think made a mistake. I think the President was ill-advised by somebody when they drew that line.

Now, they have drawn the line and I think they are trying desperately to hold that line, even though it is becoming more and more obvious that the people's interests out there are not being served. The people need to hear Governor Ridge, not just the members of this committee. The people need to hear him in a formal hearing. We have done it this way since 1816. The committee system was established in 1816, the standing committees. So for 186 years now that is the way it has been done.

If we are going to start down this road of having Presidents appoint staff persons or "advisers" and then say that they cannot come up before the Appropriations Committee when it comes to hearing their budgets, then the committee structure is doomed and every committee person in this Senate, and I suppose everybody is on a committee, ought to be concerned about that. It is not just the Appropriations Committee.

It is not just the Senate, it is not just the Congress. It is the American people out there who are entitled to hear what Mr. Ridge has to say. We have indicated to Mr. Ridge and to the President that Mr. Ridge will not have to testify before this committee concerning any private discussions he may have had with the President. This is not an investigation that we are talking about.

If he does not have anything to hide, why does he not come on up here before this committee? He goes around and talks with everybody else, has his little private discussions. He has offered to come up here for a briefing. Well, we can get briefings any time. We need testimony on the record. This is the taxpayers' money. It ought to be on the record. The taxpayers ought to hear it in a formal meeting, such as the Appropriations Committee has always had.

I have been in this Senate and House 50 years now this year, and it is laughable. When I first came to the House, Senator Rudman, Joe Martin of Massachusetts, Republican, was the Speaker, John Tabor of New York, Republican, was chairman of the House

Appropriations Committee. They would turn over in their graves today if they heard such a proposal. It is laughable.

I am just sorry that the administration has drawn this line. I think they made a terrible mistake. I think it ought to find a way to get out from behind that line, because it is in the interests of the American people. It is not my interests. I like Governor Ridge. I think he is a fine man, I think he is a fine public servant, I think he has an excellent record of service. I personally believe that, if it was left up to Governor Ridge, he would come. He has been in the House, he has been a Governor. He understands these things.

But the President said when he came to Washington he was going to change the tone. He has not done it. This has worsened the tone. I have never heard anything like this in my 50 years here, Mr. Rudman, Senator Rudman, and I think the American people ought to understand it is their money and they ought to know what is being done with it here.

I am sorry. I thank you, Senator Dorgan, for letting me say these things before you begin. Thank you.

QUESTIONING BY SENATOR BYRON L. DORGAN

Senator DORGAN. Mr. Chairman, you say them with great passion. I might observe that the funding request for Mr. Ridge comes to the subcommittee that I chair and they are proposing that he has a staff of 135 people. They are asking for some $24 million plus detailees. So we are talking about a very significant function in the White House. 135 people is not one adviser. That seems to me to be a significant role and perhaps an operational role. But that is a subject perhaps for a different time.

I did want to say, Senator Rudman, that you left just before I came 10 years ago, but I have long admired the work you have done in a range of areas. I regret to tell you that I probably side more with Senator Hollings on this question. Homeland security is a very important issue and I worry about some who think that we might solve problems by making or creating larger Federal agencies. I seldom think creating a larger agency has ever solved many problems.

I do think, though, and I am sure you agree, that we need to define clearly the roles of all of these agencies and the relationship of agencies to one another, and then hold people accountable for performing. It is a profound embarrassment to hear that an agency dealing with immigration 6 months later sends a visa to Mohammed Atta after September 11th. Those are the kinds of things that demonstrate a much broader point about accountability and about what is actually happening inside the agency.

But your contribution is significant here. I think this is a great discussion to have. I was chairing a committee and I was not able to be here to hear your testimony. I regret that.

But I do just to say I certainly do not want to visit the immigration, the INS problems, or any other agencies. I think we have got to do a much better job in all of these agencies, including the coordination between agencies, in order to address what is a very serious problem, homeland security.

Senator RUDMAN. Senator Dorgan, let me just comment on that. I would argue that our recommendation says that we have got Fed-

eral agencies that are too big and that is one of the reasons you have got the problems. I submit to you—and you have got certainly the resources to do it—take a good look at the way some of these small agencies operate within giant agencies—I am talking about Justice or Treasury or State or anywhere else—and look at how effective some of them are.

The bigger these agencies get, the less attention the smaller components of them receive. We in our proposal try to address that by essentially creating one very effective, much smaller Federal agency to take care of these homeland security functions. So it was a matter of size, but we looked at it from probably the other side.

Senator DORGAN. Mr. Chairman, thank you.

Chairman BYRD. Thank you.

Senator Feinstein.

QUESTIONING BY SENATOR DIANNE FEINSTEIN

Senator FEINSTEIN. Thank you very much. Thank you, Mr. Chairman.

As Mr. Rudman knows, we had the pleasure of hearing his testimony in the Judiciary Subcommittee on Technology and Terrorism. I wanted to ask you about a different subject than we talked about before and that is port security. One of our Judiciary Committee hearings looked at improving seaport security by "pushing the borders out" and this past week I was in Hong Kong and I met with the Secretary of Commerce as well as the head of the port there. That is a huge port, a huge port. I think they employ 300,000 people. It runs 24 hours a day. They have got very advanced mechanized cranes and sophisticated X-ray machines.

In talking with the chief executive of the port, who used to be a shipping person, he thought that it might well be possible to push the border out and to be able to develop a system whereby you could essentially X-ray overseas containers going to the United States. And I looked at some of the X-rays machines they use. So we should X-ray, certify, and seal U.S.-bound containers overseas.

Did your committee, the Hart-Rudman Committee, look at that aspect of terrorism policy and which ports might take the lead? Hong Kong is so big in terms of what it sends into the west coast that my suggestion to them was that they take the lead in the International Port Association.

Senator RUDMAN. Senator Feinstein, we did in fact and I believe, if I am not mistaken, that we did recommend to your subcommittee that Commander Stephen Flynn of the United States Coast Guard come up and help your staff to work on the issue you were talking about. Commander Flynn is currently, I believe, still a Senior Fellow at the Council on Foreign Relations, a brilliant young Coast Guard officer who has done a lot of work for our commission on the entire issue of port security, containers, Coast Guard issues, and so forth.

That in fact is exactly one of the things that will make it work. If you try to handle 50,000 containers a day in U.S. ports, you get kind of bottlenecked, but you can at least push some of it out to get them inspected, tested, and sealed. Some of the technology which Senator Domenici talked about earlier is precisely the kind

of technology that is needed for certain kinds of emissions, and I will leave it at that.

It seems to me that that is a sound proposal and one that the Customs Service ought to look at. We currently have Customs Service employees overseas, as you know, and we need more and we need more equipment, we need better liaison relationships with some of the agencies of foreign governments that are exporters to the United States.

Senator FEINSTEIN. You will be pleased to know that we have followed up on your suggestion. Senator Kyl, who is the ranking member, and I have a working group on seaport security and Mr. Flynn has been helping us on that working group try to come up with some specific legislation in this area.

Senator RUDMAN. We were very fortunate to have not only his services, but the services of several hundred of some of the best people in and out of Government on all of these issues. This report was an effort of hundreds of people over almost a 4-year period.

Senator FEINSTEIN. Thank you very much, Mr. Chairman. I appreciate it.

Chairman BYRD. Thank you, Senator Feinstein.

Well, Senator Rudman, thank you for this opportunity to hear you again. It has been a real treat for me. We miss you on this committee. Senator Gregg has been doing a very fine job on the committee. If you will come back, we will see if we cannot have two Senators from the same State.

Senator Bennett, just in time. Senator Bennett.

QUESTIONING BY SENATOR ROBERT F. BENNETT

Senator BENNETT. Thank you, Mr. Chairman. I had expected to catch the flow of the questioning and get into it. But the chairman will not be surprised, Senator Rudman, with what my concern is. I have something of an obsession with cyber terrorism, the hackers coming in and destroying the critical infrastructure. I made my speech on that subject yesterday.

The thing I want to expand on a little today and get your response to is the way that cyber terrorism is connected or attacks, cyber attacks rather, would be connected to what we would consider a more pedestrian part of the infrastructure. A lot of people think that the hackers come in and shut down the computers and that is where it stops, and they say, yes, it would be devastating if the computers shut down. They do not make the mental connection between, say, ports, chemical factories, water systems, and other parts of the infrastructure, and the computers.

For example, if someone were to attack the computers that control the traffic pattern at a port they could bring the port to a standstill. It is the connectedness between private and public entities that I want to focus on. We found out during the Olympics that a private-public partnership was essential to get the kind of security that we wanted. It was not entirely a governmental function, but that private entities had to share information with public entities, and vice versa, the public entities had to keep the private entities informed of what their security patterns were in order to get the result that we ultimately got at the Olympics.

The best summary of the Olympics was when the head of security said to me as I stood in a room about half the size of this one, which was the command center where everything was going on for security, and he said: Senator, this is boring and in the security business boring is good.

Of course, we had an extraordinary result in the Olympics. By comparison, in the Atlanta Olympics they had something like 200 bomb scares a day that they had to check out. We had less than 100 for the entire 17 days of the Salt Lake Olympics. Again, as the head of the Olympics said to me: People scoped these Olympics out, knew where we were, and decided it is not worth it, and they stayed away.

But there were many things that were communicated between the public-private organizations in that partnership that were kept secret, and that is the focus that I want to talk about. What information for security reasons does the Government need to know from the private sector and, just as importantly, the private sector needs to know from the Government that should nonetheless be kept confidential so that the bad guys do not know it and exploit it? Could you comment on that whole dynamic?

Senator RUDMAN. I certainly can. Earlier in my testimony I talked about cyber security and made some of the very points that, Senator, you just made. There is no question that you could disrupt this country in an enormous way and cause enormous havoc by shutting down a number of systems that we depend on for our daily lives.

In terms of how you protect information both private and public which can be used to disrupt, as I am sure you are aware, there is now a council or an Office of Cyber Security and Infrastructure Protection.

Senator BENNETT. Yes, Dick Clark's office.

Senator RUDMAN. Correct. They are working on the very issue that you raise. It is a very important issue because, although we are an open society and most of us kind of want to be careful about putting a cloak of privacy over any information for the reason that people might use it for the wrong reason, the fact is there is some of that information which absolutely would be devastating to be known in public. I that it is, probably along with developing the infrastructure to protect our cyberspace, I think it is important that the intelligence agencies as well as financial institutions, the National Security Council, intelligence committees of the Congress, should come to some conclusion as to the nature of information that has to be protected, because it has to be protected or else it becomes vulnerable.

Senator BENNETT. I just happen to have a piece of legislation that deals with that.

Senator RUDMAN. Do you now?

Senator BENNETT. I am looking for co-sponsors.

But I can give you an example in my office. A particular industry had an attack and they were afraid to share the information. The attack had come directly at the industry and there was no governmental agency involved. They were afraid to share that information with the Government for fear that a FOIA request would be filed

and the Government would make that information public and their attacker would then have an analysis of how well they had done.

Of course, my legislation would say we will—FOIA provides, let me say it this way, FOIA provides for keeping certain information confidential now. The definition of that information is not as finely focused as I think it needs to be in the cyber age. So my legislation would more tightly focus that definition so that Government agencies will know what they have to disclose under FOIA and what they do not.

But I am glad you addressed that. I had noticed it in your testimony, which is why I raise it with you now, because I think as we go through this and we talk about protection of ports and we talk about protection of other public areas we have to say, well, what would happen if the lights did not go on because the hackers had broken into the power grid, what would happen if the phones did not work because the hackers had broken into the telecommunications system and produced that kind of devastation in the areas that we are trying to physically protect.

Senator RUDMAN. In fact, one of the directorates that we definitely recommend within a new homeland security agency which is in the Government Affairs bill that Senator Lieberman has introduced is a directorate on cyber security.

Senator BENNETT. My bill is before the Government Affairs Committee to try to become a companion to that particular effort.

I see my time has expired. Thank you again, Senator, for your help and your leadership on all of these issues.

Chairman BYRD. Thank you, Senator Bennett.

Thank you, Senator Rudman. It is good to have you back. I hope you will come back.

Senator RUDMAN. Thank you, Mr. Chairman and members of the committee. I just want to make it clear, the commission took no position on the argument that you are having with the White House and Governor Ridge. The commission takes no position. I will take one personally some day, but the commission takes no position.

Chairman BYRD. Thank you.

Senator RUDMAN. Thank you very much.

Chairman BYRD. Thank you for that postscript. We hope to see you again one day. Thank you.

Now, panel number four, infrastructure security: Admiral Richard M. Larrabee, Director of the Port Commerce Department, Port Authority of New York and New Jersey, and former Rear Admiral in the United States Coast Guard; Dr. Stephen E. Flynn, Senior Fellow, National Security Studies, Council on Foreign Relations, New York, New York.

Then, concerning water infrastructure, Mr. Michael Errico, Deputy General Manager, Washington Suburban Sanitary Commission, Laurel, Maryland, representing the Association of Metropolitan Water Agencies; and nuclear facility security, Mr. David Lochbaum, Union of Concerned Scientists, Cambridge, Massachusetts; and Mr. Jeff Benjamin, Vice President for Licensing, Exelon Corporation, Chicago, Illinois, representing the Nuclear Energy Institute.

Gentlemen, we thank you for your patience and for waiting while the committee heard the excellent testimony of our former col-

league Senator Warren Rudman. I believe that first we will hear from Dr. Stephen E. Flynn, Senior Fellow, National Security Studies, Council on Foreign Relations, New York, New York. Dr. Flynn.

STATEMENT OF STEPHEN E. FLYNN, Ph.D., SENIOR FELLOW, NATIONAL SECURITY STUDIES, COUNCIL ON FOREIGN RELATIONS

Dr. FLYNN. Thank you very much, Mr. Chairman. It is an honor to be here today, to be back. I had the privilege of, just 1 month ago, being with Senator Hollings down in Charleston at a field hearing, and I know well of Senator Feinstein's excellent work that she is trying to assemble on an issue that has been near and dear to my heart, the issue of containerization. One of the privileges of my career, highlights of my career, has been to work with Senator Rudman on the Hart-Rudman Commission. I guess I should have given him a publicist's fee for his endorsement here.

But I have just retired from the Coast Guard after 20 years of service on March 15th and have assumed a position as the Jeane Kirkpatrick Senior Fellow for National Security with the Council on Foreign Relations.

I have my written comments, which I hope can be put in the record. In real succinct form, because I know time is of the essence here, I would like to maybe say just a few words to frame hopefully the questions that will follow.

Chairman BYRD. Your written statement will be included in the record.

Dr. FLYNN. Thank you, sir.

I believe what we saw on September 11th is how warfare will be conducted in the 21st century. It is one of the sad ironies of the fact of our complete dominance as a military power across all elements of the conventional warfighting spectrum that the only way to take on this great Nation—and there are people, adversaries, out there that want to take us on—is to do it asymmetrically.

The greatest vulnerability is our very openness as a society and our greatest vulnerability is our strength. It is its openness and the integrated, sophisticated, complicated systems that essentially support our way of life, and also are global in their scope and therefore support much of the way in which the international community can prosper.

As I survey—I would argue that there is reason for this. Why I make this case that this is how warfare will be conducted in the 21st century is because there is military value in engaging in catastrophic terrorism, and it is not about killing people in large numbers or toppling buildings. What it is about is getting the collateral economic and societal disruption that weakens the power of this great Nation. They think, our adversaries do, that that would compel us to reconsider the policies that we pursue.

Given that fact, that the goal is disruption, as I survey the landscapes of possibilities—and we are truly a target-rich society—I see no greater vulnerability than the area of our seaports, our maritime transportation, that is essentially the conveyor belt that makes global commerce work.

We can send ones and zeros around, we can enter contractual arrangements, we can pass free trade agreements and so forth, but at the end of the day goods and people must move, and the over-

whelming majority of those people and goods move by sea, or the overwhelming majority of goods.

What makes me so concerned when I look at this area is, one, it is so open to be attacked. That is quite simply because security—it is almost not even a case of benign neglect. It is almost malign neglect. In order to make the system efficient as possible, cheap as possible—the fact of the matter is we can move 15 tons of material from virtually any port in the world for about $1,500. That makes the postage stamp look pretty darn expensive.

But that makes possible our ability to trade with the world, to outsource, to be able to run very complicated manufacturing cycles with very thin inventories. It has been a big part of our prosperity.

But our seaports who have provided that backbone have been underfunded. They are indeed probably the only part of our national transportation infrastructure where the Federal Government is not only not supportive, but is parasitic. That is, every other part of the sector, moneys that come into it reinvest into it, but most of the moneys that come into the maritime sector in fact go into the General Treasury, so we put less in than we take from.

Now, in this area as ports have struggled with the growth of volume they have at the same time had to deal with the threat issue and, push comes to shove, the security has been set aside. So we start, one, that they are open and they are extremely vulnerable.

Second, we are so dependent on them. It is 25 percent of our GDP that moves by sea. When we talk about the container trade, those boxes, last year over 7 million that came into the United States, represent 90 percent of all the imports of general cargo moving transoceanically and 90 percent of our exports.

There is no substitute for the box. The experience we had in this very building with an anthrax attack using the mail system is not a useful analogue. There we went to faxes, we went to FedEx, we went to e-mails. If we compromise the box system and we have not developed security to deal with it and we have to turn it off, global trade stops. If I am an adversary thinking about how to mess with this great land, I am thinking about not just the opportunity a box presents, a container presents, to introduce a weapon of mass destruction into the United States and hurt people or disrupt our infrastructure, I am also thinking about the ripple effect it has across the entire sector.

The fact of the matter is we will do a post mortem and in that post mortem we will want to know if all the other boxes are safe, the other 7 million that come by maritime, the other 11.5 million that come by trucks across our borders with Mexico and Canada, and we will want to know if the other 2.2 million by rail. Right now the best we could say is maybe. That is not going to be good enough in the wake of a catastrophic terrorism event.

This is an issue of the very first order. It is not an issue of gates, guards, and guns that we are going to station at ports across the way, though some of that we need to do. It is about how do we sustain a global network that underpins our economy. We need to do that with some of the things that were discussed earlier here with Senator Rudman. It is by pushing the borders out. It is by engaging our trading partners. It is by working with the port authorities like in Hong Kong. It is beginning the process of thinking how we

can put the controls up front in the system and make good use of technologies so that we can validate legitimate as legitimate and keep it moving even in a heightened terrorist environment.

Three things I guess I would put on the radar here. One is for this committee's consideration particularly. One is the agencies who have the most important role to play in this issue, the Coast Guard and the Customs Service, are simply not staffed, equipped, manned to do the job. These agencies did virtually nothing in seaport security prior to September 11th and they were very busy agencies indeed, and the idea that we can step up 10, 12 percent on top of these budgets and that is going to be sufficient—I am not just calling for throwing money at things, but these are agencies that have demonstrated capability, have done heroic work, I think, against incredible odds, have vital missions to do, and they need to be given the resources to play the vital role of making this work.

A second area that I might suggest to you, low cost, as to how we approach this is to pilot programs, basically to develop prototypes of how this can be done. One of our challenges right now is developing standards because we do not even know what we are dealing with in part with this problem. It is a very complicated one.

There is an initiative that I have been involved with and Admiral Larrabee may talk a little bit about as well, Operation Safe Commerce. It is something that has almost percolated up. It has been championed by the good Senator—the Governor of New Hampshire Jeane Shaheen and has been embraced by the New England Governors Association. There are Canadian interests in this as well. The Port of New York and New Jersey is indicating interest as well as on the west coast.

This is an attempt to bring all the private and public bodies together and prove that we can go to the starting source of trade and bring security throughout the system. It needs resources. A small amount, I think $2.5 million, will get it going, and that is a worthwhile investment.

The last piece I would put on the radar screen that would be helpful is a case—in terms of vulnerability, let me just illustrate just what we are talking about here. The ports of Long Beach and L.A. account for 44 percent of all the containers that come into the United States. There is no inspection facility to examine those containers in the port. You have to go 15 miles inland through the congested Los Angeles County to open up the box to discern whether or not you have a problem.

Now, why is that the case? Because the real estate was deemed too valuable to provide for an inspection station in the port. Now, we are talking about weapons of mass destruction transitting through a congested area.

Now, happily there is a proposal, which is that there is a Naval Reserve station there that has been just left, that could be put together as an inter-agency inspection facility, that I would argue could be a multinational inter-agency inspection facility. Let us turn this place into a model of how it can be done, invite our Hong Kong customs, our Japanese customs counterparts to get together and demonstrate how prescreening could be done with Customs, Coast Guard, the Los Angeles Fire Department, all the players of

an inspection. Put them all under one roof, and that would be something that would give us a tangible way to move in the direction we want to go.

Let me just conclude by saying that this is a problem of the very first order. This is not a low politics issue. This is a problem that should not just be keeping me awake at night; it should be one that the Secretary of the Treasury, the Secretary of Commerce, the U.S. Trade Representative, certainly the President of the United States, should be deeply concerned about, because what we are talking about is the sustainability of global commerce and those on-ramps and off-ramps are our ports and they do not have security right now, sufficient security.

We are talking $93 million that are available for 360-odd ports, while we are spending $200 million a month at our airports looking at luggage. When I look at the comparison of the vulnerability and our dependency as a society with that allocation of resources, it makes me wonder who is in charge.

Thank you very much, sir.

[The statement follows:]

PREPARED STATEMENT OF STEPHEN E. FLYNN

Good afternoon, Mr. Chairman. My name is Stephen Flynn. I am the Jeane J. Kirkpatrick Senior Fellow for National Security Studies at the Council on Foreign Relations where I am directing a multi-year project on "Safeguarding the Homeland: Rethinking the Role of Border Controls." I have also just recently retired as a Commander in the U.S. Coast Guard after 20 years of active duty service.

Since 1999, the aim of my research has been to both highlight and help avert an oncoming policy train wreck taking place at our nation's borders; that is, the clash between policies that promote facilitation of trade and travel to support greater levels of global economic integration on the one hand, and stepped-up efforts to protect Americans from a growing array of transnational threats, including terrorism, on the other. Based on a number of field visits to our major seaports, my judgment prior to September 11 was that the facilitation imperative was completely overwhelming traditional border control measures. This despite the fact that a wide range of compelling public interests were under assault in seaports throughout the decade of the 1990s. These included threats to our ecosystem arising from invasive species found within ships' ballast water; the mounting costs to U.S. consumers associated with billions of dollars in cargo theft; heroin and cocaine smuggled among the millions of tons of goods washing across America's shores each day; and the trafficking in human beings in maritime containers, some of whom did not survive to relay the horrors of their passage.

The mounting evidence that America's seaports increasingly have become conduits for globalization's dark side received the sporadic attention of the mass media and the more-focused attention of the recent Interagency Commission on Crime and Security in U.S. Ports. Still, to a large extent port authorities and elected officials saw these challenges in much the same way that most retailers view shoplifting—as a cost of doing business. But, while major retailers often invest in store detectives, cameras, and other devises to at least deter amateur thieves, U.S. seaports have barely been going through the security motions. A graphic illustration of this fact is the case of Los Angeles and Long Beach where 44 percent of all the over 6 million containers entered the United States last year. The city of Long Beach provides no sworn police force to patrol the waters or the terminals within what is arguably the nation's most vital seaport—a situation that has not changed in the 7 months since September 11. And if the U.S. Customs service wants to examine a suspicious container arriving at that busy port, they have to move it 15 miles inland through congested neighborhoods of Los Angeles county. This is because there is no inspection facility in the port—the real estate has been viewed as too precious to justify that kind of a public investment.

The abysmal state of seaport security was not just a result of local neglect. Washington has been complicit as well. Cash-strapped agencies like the U.S. Coast Guard had been downsized to pre-1964 manning levels during the decade of the 1990s. One consequence of this was that it was dedicating less than 2 percent of its operating

budget to the port security mission on September 10th. Faced with a rising workload at the land border crossing with Mexico and our increasingly busy international airports, the U.S. Customs Service and INS "robbed Peter to pay Paul" and left the seaport with fewer inspectors than they had in the 1980s, even though the volume of trade passing through those ports had quadrupled over that time period. In addition the tools and protocols for conducting inspections, collecting and mining data, and sharing information among the border enforcement agencies simply had not kept pace with the size, speed, and complexity of the international networks that transport people and goods. This wasn't for a want of asking. Repeated agency requests for new inspection technologies and information age tools to support the work of increasingly overwhelmed front-line agents fell on the deaf-ears of government appropriators.

Like Rip van Whipple, the nation is waking from a decades-long slumber and discovering a transformed port security landscape. While we have been asleep, the United States has become increasingly dependent on access to the seas for our national prosperity. Ocean shipping lines are the conveyor belts for goods that account for 25 percent of the Gross Domestic Product. The ports are the on-ramps and off-ramps to those conveyor belts. In order to support the growing volume of trade, particularly against the backdrop of parsimonious state and federal budgets for seaport infrastrcuture, port authorities have had to work hard to eliminate any source of friction that might slow throughput. Security was one of the casualties of stepped-up efforts to improve port efficiency.

Let me be clear about this. We are starting virtually from scratch in developing a secure maritime transportation system to underpin America's ability to trade with the world. For instance, U.S. Customs inspectors rely on targeting systems to help identify the 1–2 percent of the maritime containers they are able to physically examine. Unfortunately, when trying to identify the high risk as opposed to the low risk, customs analysts are currently poorly positioned to ascertain three things: First, was the container loaded at a secure loading dock that presents little opportunity for the shipment to be compromised by a criminal or terrorist? Second, can the movement and condition of the container from the point of origin to its arriving destination be accounted for with sufficient detail so as to support a conclusion that it is unlikely the box was intercepted and tampered enroute? Third, was there sufficient timely and detailed information about inbound containerized shipments to allow authorities to conduct a "virtual inspection" in advance of arrival, using existing databases? Right now, the answer to each of these three questions is, at best, "maybe." "Maybe" is clearly unacceptable when the lives of thousands of Americans are potentially threatened by a container that has been transformed into a poor man's missile.

Given the dependency of most U.S. manufactures on global supply chains, the ability of our ports to stay open for business is central not just for our continued economic prosperity, but for our national economic survival. The absence of a robust capacity to filter the illicit from the licit in the face of: (a) a heightened terrorist threat environment, and (b) the growing volume of people and goods moving through international trade corridors, places U.S. and global commerce at frequent risk of disruption. Absent alternatives, when confronted with credible intelligence of a terrorist attack or an attack itself, authorities will find themselves compelled to order a shut down of our transportation systems as one of their first preventative or responsive measures. Executing this order will have the net effect of creating a self-imposed blockade on the U.S. economy. The ripple effect throughout the international trade corridors will be immediate and painful because there is no alternative to a container for moving over 90 percent of general cargo between North America and Europe, Asia, Africa and Australia. Working towards building a secure maritime transportation system is intended to provide a counter-terrorism alternative to such a draconian and disruptive response.

In short, the stakes associated with trade and seaport security are enormous. But the state of investment in public resources to address the longstanding vulnerabilities on the waterfront and within the maritime transportation system by no means reflects that fact. At a minimum, we should be seriously contemplating doubling the budgets of the Coast Guard and Customs Service. We also should be raising the ceiling on the port security grant program to fund the $2.2 billion the American Association of Port Authorities (AAPA) estimates U.S. ports need to meet the terrorism and crime measures the Interagency Seaport Security Commission has called for. I recognize that these are sizable demands on the existing budget resources. But, when this investment is contrasted with the resources we are now investing to improve airport security and to combat terrorism overseas, these outlays appear quite modest by comparison.

While providing sufficient resources for front-line agencies to do their jobs and for port authorities to attend to their most pressing security needs is essential, it will not be sufficient. The port security agenda must be pursued with the following three points in mind:

(1) Seaports cannot be separated from the international transport system to which they belong. Ports are in essence nodes in a network where cargo is loaded on or unloaded from one mode—a ship—to or from other modes—trucks, trains, and, on occasion, planes. Therefore, seaport security must always be pursued against the context of transportation security. In other words, efforts to improve security within the port requires that parallel security efforts be undertaken in the rest of the transportation and logistics network. If security improvements are limited to the ports, the result will be to generate the "balloon effect"; i.e., pushing illicit activities horizontally or vertically into the transportation and logistics systems where there is a reduced chance of detection or interdiction.

(2) Port security initiatives must be harmonized within a regional and international context. Unilateral efforts to tighten security within U.S. ports without commensurate efforts to improve security in the ports of our neighbors will lead shipping companies and importers to "port-shop"; i.e., to move their business to other market-entry points where their goods are cleared more quickly. Thus the result of unilateral, stepped-up security within U.S. ports could well be to erode the competitive position of important America ports while the locus of the security risk simply shifts outside of our reach to Canada, Mexico, or the Caribbean to ports such as Halifax, Montreal, Vancouver, and Freeport.

(3) Since U.S. ports are among America's most critical infrastructure, they should not be viewed as a primary line of defense in an effort to protect the U.S. homeland. The last place we should be looking to intercept a ship or container that has been co-opted by terrorists is in a busy, congested, and commercially vital seaport.

Since, seaports are the main arteries that feed global markets by moving commodities, cargo, business travelers, and tourists, protecting that circulatory system from being compromised by terrorists is an important imperative unto itself. Enhancing transport security, therefore, is one part, about preventing terrorists from exploiting the networks to cause catastrophic harm, and the other part about sustaining the continued viability of international commerce. This task can only be accomplished by moving away from ad hoc controls at the seaports that lie within U.S. jurisdiction, and toward point of origin controls, supported by a concentric series of checks built into the system at points of transshipment (transfer of cargo from one conveyance to another) and at points of arrival.

Effective maritime transportation system security must rest on a foundation of credible risk management; i.e.; a regime that can reliably identify the people, goods, and conveyances that are legitimate, so their movements can be facilitated. Then regulators and inspectors could focus on the smaller number of participants about which they know little or for which they have specific concerns. This requires a layered public/private approach. One such approach would be to ensure full funding for the "Operation Safe Commerce" initiatives which the Governor Jeane Shaheen of New Hampshire has championed in northern New England, that my colleague Rick Larrabee is actively advancing in the Port of New York and New Jersey, and for which there is equal enthusiasm among public and private maritime leaders in southern California.

The objective of Operation Safe Commerce is to identify appropriate security practices to govern the loading and movement of cargo throughout an international supply chain so as to support the development of the following:

—Identifying secure packing requirements for loading intermodal containers along the lines of ISO9000, Quality Assurance rules.

—Developing security standards for maintaining secure loading docks at manufacturing plants or shipping facilities that can be audited by public officials or accredited private firms.

—Outfitting containers with theft-resistant mechanical and electronic seals.

—Installing a pressure, light, temperature, or other sensors in the interior of the container, which would be programmed to set off an alarm if the container was opened illegally at some point of transit.

—Conducting background checks for operators that transport goods along the intermodal transport chain and outfitting them with biometrically-based identity cards.

—Attaching an electronic transponder (such as those used for the "E-Z-pass" toll payment system in the northeastern United States) or other tracking technologies to the truck cab, chassis, railcar, and containers and use intelligence transportation system (ITS) technologies to monitor in-transit movements to and within the port terminal.

—Maintaining the means to communicate with operators from their pick-up to off-load destinations.
—Providing tracking information to the appropriate regulatory or enforcement authorities within the jurisdictions through which it would be destined.
—Requiring all participants in the supply chain cycle to provide advance notice of the details about their shipments, operators, and conveyances in accordance with agreed upon protocols. This early notice would give inspectors the time to assess the validity of the data, to check it against any watch lists they may be maintaining, and provide timely support to a field inspector deciding what should be targeted for examination.

This system which advances near-real time transparency of trade and travel flows would serve two purposes. First, to reduce the risk of shipments being compromised in transit. Second, to enhance the ability for enforcement officials to quickly act on intelligence of a compromise when they receive it by allowing them to pinpoint the suspected freight. The importance of achieving this second objective cannot be overstated. The sheer number of travelers and volume of trade along with the possibility of internal conspiracy even among companies and transporters who are deemed low-risk makes critical the ongoing collection of good intelligence about potential breeches in security. But, that intelligence is practically useless if it helps only to perform a post-attack autopsy. Mandating "in-transit accountability and visibility" would provide authorities with the means to detect, track, and intercept threats once they receive an intelligence alert.

Mandating that data be provided is one thing; effectively managing and mining it so as to make a credible determination of risk is another. The tools are at hand, though the resources to purchase them in a timely fashion appear to be in short supply. Worthy investments include building the "Maritime Domain Awareness" system being advanced by Coast Guard Commandant, ADM James Loy. Too often front line agencies are operating with only a narrow and outdated slice of the information available to assess threats. They must have the means to support the timely reporting, fusion, analysis and dissemination of both raw intelligence and polished analytical products. Other acquisitions that deserve stepped up funding are the International Trade Data System (ITDS) and Automated Commercial Environment (ACE) to replace the frail and obsolete Automated Manifest System (AMS). Agencies also should be encouraged to explore the benefits to be accrued by investing in "off-the-shelf" software products designed to support web-based logistics and financial transactions.

Finally, resources should be made available to support the manning needs associated with Customs Commissioner Robert Bonner's call for "pushing borders out." By moving Customs, INS, and Coast Guard inspectors overseas, the United States would be able to intercept high-risk cargo at the point of departure before they could threaten the American public, get transport-related intelligence into the security system sooner, and promote closer multilateral enforcement cooperation among our trade partners. Of course, such an approach would require reciprocity. Accordingly, we should be prepared to adapt our inspection facilities to accommodate the presence of foreign inspectors within our seaports as well. A very tangible step in this direction would be to immediately fund a new proposal prepared by the Ports of Los Angeles and Long Beach to convert an abandoned U.S. Naval Reserve facility on Terminal Island into a prototype interagency/multinational maritime inspection facility. In addition to housing state-of-the-art scanning technologies, the facility should play host to representatives from all the federal, state, and local agencies who have an inspection mandate. It should also play host to Customs authorities from our major Asian trading partners such as Japan, South Korea, Singapore, and Hong Kong.

CONCLUSION

Building a credible system for detecting and intercepting terrorists who seek to exploit or target international transport networks would go a long way towards containing the disruption potential of a catastrophic terrorist act. A credible system would not necessarily have to be perfect, but it would need to be good enough so that when an attack does occur, the public deems it to be as a result of a correctible fault in security rather than an absence of security.

Ultimately getting seaport security right must not be about fortifying our nation at the water's edge to fend off terrorists. Instead, its aim must be to identify and take the necessary steps to preserve the flow of trade and travel that allows the United States to remain the open, prosperous, free, and globally-engaged societies that rightly inspires so many in this shrinking and dangerous world.

BIOGRAPHICAL SKETCH OF STEPHEN E. FLYNN

Stephen Flynn is a Senior Fellow with the National Security Studies Program at the Council on Foreign Relations, headquartered in New York City. Currently at the Council he is directing a multi-year project on "Protecting the Homeland: Rethinking the Role of Border Controls." He has served in the White House Military Office during the George H.W. Bush administration and as a Director for Global Issues on the National Security Council staff during the Clinton administration. He is author of several articles and book chapters on border control, homeland security, the illicit drug trade, and transportation security, including the "American the Vulnerable" Foreign Affairs (Jan/Feb 2002) and "The Unguarded America" which appears in a collection of essays on the September 11 attacks published by PublicAffairs Books. He was a Guest Scholar in the Foreign Policy Studies Program at the Brookings Institution from 1991–92, and in 1993–94 he was an Annenberg Scholar-in-Residence at the University of Pennsylvania. He is a 1982 graduate of the U.S. Coast Guard Academy, has served twice in command at sea, and retired with the rank of Commander after 20 years of active duty service. He received a M.A.L.D. and Ph.D. in 1990 and 1991 from the Fletcher School of Law and Diplomacy, Tufts University.

Chairman BYRD. Thank you. Thank you very much.

Admiral Richard Larrabee. Admiral Larrabee was actually inside the World Trade Center when it was hit by the planes on September 11th. The Port Authority of New York and New Jersey had its headquarters in one of the Twin Towers, as I understand it. I believe that the Port Authority actually owned the World Trade Center. I just want to note that for the record.

Admiral Larrabee, we are very pleased to have you before the committee. Would you please proceed.

STATEMENT OF RICHARD M. LARRABEE, UNITED STATES COAST GUARD (RETIRED), DIRECTOR, PORT COMMERCE DEPARTMENT, PORT AUTHORITY OF NEW YORK AND NEW JERSEY

Admiral LARRABEE. Mr. Chairman, thank you very much. I appreciate very much the opportunity to speak to the committee this afternoon on the need for Federal resources to improve port security at our Nation's 361 seaports. This afternoon I would like to touch briefly on four topics: the importance of Congress maintaining sufficient homeland security funding levels for our front-line Federal agencies; the importance of Congress acting as soon as possible to set maritime security policy; the potential cost of port security; and to follow up a little bit on Commander Flynn's discussion about an innovative initiative that is being taken to help support this very important area.

Under the current manning and mission priorities, the Coast Guard and other Federal and State agencies demonstrated the ability quickly to respond in an intensive way to the events of September 11th. However, there are simply not enough people and equipment to maintain the high level of security without seriously undermining the core missions of those agencies. Even though the threat has not changed, the type and amount of resources dedicated to port security since September at our Nation's seaports have been dramatically reduced.

The issue of Federal agencies having adequate resources to carry out a mandated task directly affects the security of our individual ports. For example, consider one issue common among port security legislation. Vulnerability assessments are viewed as prerequisites for the development of plans and specific security measures. Currently these assessments are scheduled to take 5 years at a cost

of $30 million to complete. Perhaps if the Coast Guard was given more funding, those crucial port assessments could be accomplished over a shorter time frame.

Mr. Chairman, I am frustrated by the fact that our port region, which has experienced two terrorist attacks in the last 10 years, is not scheduled to have a port assessment done until some time next year.

Like the Coast Guard, the Customs is on the front line of port security. Even before the attacks of September, Customs faced a growing burden as international trade has grown. The Customs Service must be able to manage a projected doubling of international cargo over the next 10 years as efficiently as ever while protecting the United States against the real threat of a cargo container being used to deliver a weapon of mass destruction.

As Commander Flynn stated, one of the principal weapons against terrorism is good, accurate, and timely information. In order to do its job, Customs relies on technology and information reporting systems and those will be key to the future enhancements of our cargo security system. The new Cargo Clearance Computer System, ACE, is the centerpiece for information. I urge the committee to consider additional supplemental funding in 2002 and 2003 budgets in order to bring ACE on line much sooner than is scheduled.

Congress is in the process of setting maritime and port security policy and there are crucial decisions to be made, hopefully soon. The House and Senate bill addresses many aspects of the maritime and port security challenges. Senator Hollings is certainly very familiar with this issue. Notwithstanding the existing authority of the U.S. Coast Guard and other agencies, there is much to be decided as to how the Federal Government will manage security in the ocean shipping business. Those decisions will determine what Federal resources will in turn be needed over the near future.

A central question that must be resolved in this policy debate is simply who is in charge. With roughly 20 Federal agencies having jurisdiction, Congress needs to address this issue, not only in terms of responsibility to lead the response to a terrorist incident, but also the prevention of an incident in the first place.

Most important is the need for legislation regarding security of cargo and data. Shipping must be held accountable for the contents of that container. Standards for loading, sealing, and transporting that container must also be established. Accurate cargo documentation must be provided in a more timely manner. International agreements should be forged to establish standards for ports and criteria to identify high-risk containers and conduct prescreening. We believe our goal should be to increase our confidence that we know exactly what is in that container before it reaches a U.S. port.

Since September 11th ports such as ours have instituted heightened security measures and spent significant amounts of money to increase security both with capital improvements and additional security and law enforcement personnel. U.S. public seaports have spent in excess of $49 million for security-related enhancements. In short, ports plan to spend another $312 million for additional security.

When Congress approved emergency supplemental funding as part of the fiscal year 2002 Department of Defense appropriation bills, $93.3 million was allocated to the Transportation Security Administration for port security grants, competitive grants to be awarded to critical national seaports and terminals to finance the cost of enhancing facilities and operational security. According to MARAD, over $690 million was recently requested. In the New York and New Jersey area alone, various entities submitted nearly $100 million in grant requests. Clearly, the original $93 million appropriation for this program will fall far short of the need of America's ports to address this very important issue.

The port security bills allocate additional resources over a 3- to 5-year period for port security. However, it is clear that the funding needs of local ports far exceed what these bills will provide. The American Association of Port Authorities estimates that it will cost about $2.2 billion for its 90 member ports to make the security enhancements which were suggested by the Gramm Commission.

Ensuring the safe and efficient flow of commerce without compromising the economy or national security is a Federal responsibility requiring Federal legislation and significant Federal funding, and local ports need your help.

Addressing the issue of port and maritime security is an enormous challenge, given the complexity of the international transportation network. Devising a system that enhances our national security while allowing the continued free flow of legitimate cargo through our ports will not be solved by a single answer, a single piece of legislation, or by a single nation. It calls for a comprehensive approach that will require the cooperation of multiple agencies, the private and public sectors, and the international community.

Commander Flynn has briefly described Operation Safe Commerce. We believe this innovative public-private partnership in the next 6 to 8 months will provide some innovative answers to looking at this question of how do we make this cargo security system work better for us without slowing down or bringing to a halt the movement of legitimate cargo. We ask this committee to look at this issue in a little bit more detail and to provide some support for us.

Mr. Chairman and members of the committee, I am obligated to say a word of thanks on behalf of the Port Authority of New York and New Jersey. This committee responded magnificently to the tragedy that occurred on lower Manhattan. The outpouring of support and spirit in tangible terms from Congress and the White House lifted us when we were down. The importance of the commitment made by you, Mr. Chairman, and this committee to the recovery of lower Manhattan and the people of our bistate region cannot be overstated.

The key to the restoration of economic vitality to lower Manhattan is transportation and vital infrastructure. On behalf of the Port Authority, I strongly urge this committee to support the President's request for an additional $5.5 billion for New York's recovery. Your efforts on behalf of New York and New Jersey and your attention to the essential infrastructure of our country has earned our deepest thanks.

I hope my comments today have provided you with some insight into the approaches that can be taken to improve this whole area. We at the Port Authority of New York and New Jersey are prepared to offer any additional assistance that you may require. Thank you.

[The statement follows:]

PREPARED STATEMENT OF RICHARD M. LARRABEE

Mr. Chairman, members of the Committee, thank you for the opportunity to testify on the important issue of homeland security as it relates to our nation's ports. I am Rear Admiral Richard M. Larrabee, United States Coast Guard Retired, and I am currently Director of Port Commerce at the Port Authority of New York & New Jersey.

I appreciate the invitation to speak on the need for Federal resources to improve upon security measures at our nation's 361 public and private ports and terminals. The tragic events of September 11th have focused our collective attention on the need to protect our borders at major international gateways and small ports alike. Achieving this goal will require resources beyond what has been appropriated to date for ports and the Federal agencies charged with the awesome responsibility of securing the nation from terrorist activity that could enter the country at any one of the thousands of port facilities in this country. I thank you for your willingness to allow the nation's maritime community to be a part of this discussion.

This afternoon I would like to discuss (1) the importance of Congress maintaining sufficient funding levels for the frontline Federal agencies, (2) the importance of Congress acting soon to set maritime security policy, (3) our general estimation as to the dimension of costs that port security will entail, and (4) some initiatives that are being taken and deserve your support. My goal today is to give you a sense of the dimension of the need for Federal funding, if not a specific dollar figure. Only when Congress sets crucial policy as to what Federal agencies and ports will be required to do to safeguard against threats as unthinkable as weapons of mass destruction will we know the full extent of Federal funding needs.

A CONTEXT

Ninety-five percent of the international goods that come into the country come in through a port like the Port of New York and New Jersey. This activity accounts for 25 percent of the Gross Domestic Product. America's consumer driven market now depends upon a very efficient logistics chain that includes our ports. U.S. ports provide the platform to transfer imported goods from ships to our national transportation system—primarily trucks and trains—that ultimately delivers those products to local retail outlets or raw goods to manufacturing plants. That goods movement system has had one overall objective: to move cargo as quickly and cheaply as possible from point to point. Today, a new imperative—national security—is imposing itself onto that system. On September 11, the world witnessed the perversion of civilian transportation. A commercial passenger airplane was used as a weapon. Thousands of innocent people died, including 76 of my fellow employees. The livelihoods of so many people were destroyed and disrupted. Landmark property and essential infrastructure was destroyed. This is a very personal matter for those of United States at the Port Authority. In addition to the loss of valued and irreplaceable human life, we lost America's signature urban complex and our headquarters, built by the Port Authority only thirty years ago.

The tragic events of that day in September had immediate effects on ocean shipping. New York Harbor and other ports were closed. Commerce ground to a halt. Petroleum supplies came close to running out in some Northeast markets. When the ports reopened ship arrivals had to be announced days in advance and vessels were boarded and scrutinized. Coast Guard resources were shifted to keep watch over shipping on a more aggressive basis and also key infrastructure such as bridges and energy plants. In short, we are forced to confront this new reality. If our just-in-time logistics system is to continue to meet America's ever-demanding transportation requirements government and industry must work together to ensure the safety of the system and security of the nation.

THE COAST GUARD AND CUSTOMS SERVICE

The Federal government is faced with a myriad of challenges in the wake of September 11th. Among them is the sustainability of resources to maintain an effective preventive force and to respond to a terrorist event in a U.S. port. The U.S. Customs

Service and the U.S. Coast Guard are among the frontline Federal agencies on which we all rely to ensure homeland security. And they deserve the full measure of congressional appropriations to enable them to do the work Congress requires of them.

Under current manning and mission priorities, the Coast Guard and other Federal and state agencies are able to adequately respond in an intensive way to these types of events and surge port protection. A significant number of resources from various Federal and state agencies were dispatched to the Port of New York and New Jersey in the immediate aftermath of the attacks. Over 20 additional Coast Guard assets and close to 1,000 reservists were brought in. But that level of deployment can only be sustained for a short period of time. There simply are not enough resources in terms of personnel and equipment to maintain that level of security over an extended period within the Port of New York and New Jersey, let alone the rest of the nation. That is, not without the rest of these agencies' core missions being affected.

As a result, even though the threat has not changed, the type and amount of resources that have been dedicated to port security over the past six months have been drastically reduced. Some of the initial security measures have also been relaxed. These decisions were made based on available resources not a revised risk assessment. It leads to the question: Are the Coast Guard and other Federal agencies getting the resources they need to do the job Congress and the nation expect of them?

The issue of an agency having adequate resources to carry out a mandated task is not a new one for this Committee or the Congress to consider. But consider this one area common among proposals for improving port security. Vulnerability assessments are viewed as prerequisites for the development of plans and specific measures, including security enhancements, to be implemented at the local level. The current schedule for port vulnerability assessments by the Coast Guard runs over five years, costing $30 million. That is five years to complete a process that will determine what ports will need to do to reduce their vulnerability. Perhaps, if the Coast Guard was given more funding, those crucial port assessments could be accomplished over a shorter time frame. This issue has particular resonance to me because the Port of New York and New Jersey, in a region that has been the target of terrorist activity twice over the past ten years, is not scheduled for a vulnerability assessment until next year.

Like the Coast Guard, the Customs Service is on the frontline of port security. It has done a very effective job in our port under trying conditions. The Customs cargo inspection operation is spread over a wide area of New York and Northern New Jersey at the port terminals, the airports and a major rail yard where import containers arrive from the West Coast. Inspectors are as vigilant as ever. Even more so. I am pleased to say that as effective as they are in screening the containers the Customs force continues to be sensitive to the need to keep cargo moving through at a pace that prevents port-clogging backups. Even before the attacks in September, Customs faced a growing burden as international trade has grown. We project a doubling of cargo in the Port of New York and New Jersey this decade, even with the recent recession. A comparable increase in trade nationally is also expected. The Customs Service must be able to manage that increased volume of cargo as efficiently as ever while protecting the United States against threats more real than we had to confront less than a year ago.

In order to do its job well, Customs relies on technology and information and those will be key to future enhancements of the system. Advanced information on incoming cargo, targeting intelligence, and having the proper technology to detect and respond to any threat is absolutely essential. The new cargo clearance computer system, ACES, is the centerpiece of the information system. It is in development now that Congress has appropriated funds over the past two years. If the Customs Service has the capacity to speed up the delivery of ACES, I urge you to consider supplementing the fiscal year 2002 appropriation and fiscal year 2003 budget levels with additional appropriations.

Finally, much has been made of the fact that Customs inspectors physically open and examine 2 percent of containers. Of course, that 2 percent is identified as worthy of physical examination after Customs goes through an effective screening process that reviews the information the inspectors have on the container, its reported contents, the vessel on which it arrived in port and other pertinent information. To put the issue in perspective as a matter of Federal resources, if Congress were to require a higher physical inspection rate, say 5 percent, the Customs Service at our Newark/Elizabeth Marine Terminal Complex alone would need roughly 400 more inspectors and an increased budget of $1.5 million each month. And, despite those

added resources, there would still be a monthly backlog of close to 6,000 containers waiting for physical examination and clogging the terminal operations.

To support the efforts to improve upon homeland security, Mr. Chairman, I respectfully request that the Committee give serious consideration to additional supplemental appropriations beyond the $209 million allocated to the Coast Guard and the $393 million appropriated for Customs last December.

PORT SECURITY POLICY

Congress is in the process of setting maritime and port security policy and there are crucial decisions to be made, hopefully soon. The Senate approved S. 1214, the Port and Maritime Security Act of 2001, last December. The House will soon take up H.R. 3983, the Maritime Transportation Anti-Terrorism Act of 2002 The bills address many aspects of the maritime and port security challenge. Notwithstanding the existing authorities of the U.S. Coast Guard and other homeland security agencies, there is much to be decided as to how the Federal government will manage security in the ocean shipping system and, for that matter, each of the other modes of our national transportation system. And those decisions will determine what Federal resources will be needed over the near and long term.

A central question that must be resolved in this policy debate is "who is in charge?" This question has become a mantra for the public ports and maritime industry and even among America's trading partners. Is it the U.S. Customs Service, Transportation Security Administration, U.S. Coast Guard or the Homeland Security Office? In fact, the two bills do not settle the issue. There are roughly 20 Federal agencies that have a role in port security. The law is clear as to the agencies that coordinate a response to a terrorist incident, however coordination and direction is just as important in developing an implementing national port security strategies.

We know that ports themselves are not the lone point of vulnerability. Rather, the potential for terrorist activity stretches from where cargo is stuffed into a container overseas to any point along the cargo's route to its ultimate destination.

Our goal should be to increase our confidence that we know exactly what is in each container before it is off loaded in a U.S. port. It is not possible to physically examine the content of each of the 6,000 containers after they arrive in the Port of New York and New Jersey each day. The key is finding a way of separating high-risk cargoes from the vast majority of legitimate containers and dealing with the exceptions. This approach requires a systematic understanding of the logistics chain that now moves that container from any place in the world to the distribution system in our country.

To transport a container, a typical cargo transaction will have as many as 25 different parties involved—buyers, sellers, banks, insurance companies, inland carriers (road and rail) on both sides of the water, at least two seaports, often more, ocean carriers, governments, consolidators, and others. They will generate anywhere from 30–40 different documents, many still required in hard copy. This is a complex process. The physical movement of a container is only one dimension of the system. There are three other components that must be understood. There is the flow of money, the flow of information and data on the shipment, and, finally, the transfer of accountability that all must occur in order for the cargo to be delivered.

Today, there are no security standards when loading a container at the manufacturer or consolidated in a warehouse, often well inland of a seaport. There are no security standards for the seals that are put on containers. Cargo is transferred from one mode of conveyance to another and there are no standards for how that is done or accountability for the integrity of the container as it changes hands. Foreign seaports are not held to certain security standards. An authorized shipper is not held accountable to know exactly what is in a container, where it is in the supply chain and to report on its contents. Shipping papers do not have to be complete and accurate until after the cargo arrives in the United States.

We believe that efforts must be taken to verify the contents of containers before they are even loaded on a ship destined for a U.S. port. The process must include certification that the container was packed in a secure environment, sealed so that its contents cannot be tampered with and transported under the control of a responsible party. A chain of custody must be established that ensures the cargo's integrity and requires that complete and accurate data be provided to Customs well in advance of a ships arrival.

OPERATION SAFE COMMERCE

To test the validity of this theory, the Port Authority of New York and New Jersey, in cooperation with U.S. Customs, the Coast Guard, Council on Foreign Rela-

tions, the Volpe National Transportation Center, state agencies and numerous private sector partners, is participating in an initiative called Operation Safe Commerce (OSC). OSC is a public-private partnership that responds to the twin imperatives of facilitating legitimate international commerce and increasing security while decreasing the risk of additional congestion. The goal is to reduce the risk of congestion within U.S. seaports by developing dependable arrangements for verifying, securing, monitoring and sharing information about cargo from the point of origin, throughout the supply chain, to its final destination. Private companies have volunteered to join with representatives from key Federal, state and local agencies to construct prototypes of a secure international supply chain. It is our collective hope that we can provide constructive and tested recommendations on how to secure the supply chain without burdening the industry with unnecessary costs or delays that reduce the flow of cargo through the United States and impact the national economy. With modest financial support and the involvement of key policy decision makers, we believe we can provide some useful recommendations in the next six to nine months. I urge this Committee to support that public-private initiative as a promising means to bring about a significant improvement in the shipping system.

LOCAL PORT REQUIREMENTS FOR FEDERAL FUNDING

U.S. public port authorities, which are state and local government agencies that oversee public ports, have willingly taken significant steps to protect our seaports from the new terrorism threat. Since September 11th, ports such as ours have instituted heightened security measures and spent significant amounts of money to increase security, both with capital improvements and additional security and law enforcement personnel. In an attempt to provide you with a sense of the scope of the challenge we face, I offer three possible indicators of local port needs.

First, a survey conducted by the American Association of Port Authorities (AAPA) in February, to which 60 public seaports responded, indicated that U.S. public seaports have already spent at least $49 million for security related enhancements prompted by the September 11th attacks. That number is conservative considering that not all ports indicated a dollar amount and several of the leading container, petroleum and passenger ports did not respond. Ports have spent most of the money on personnel related costs, including the hiring of new law enforcement officers, overtime, upgrading security forces to use more professional services and for providing extra training. Access and detection control systems, such as fencing, identification system, lighting and gates account for a large portion of that money as well.

The same survey indicates that in the short term ports plan to spend another $312 million for security enhancements. Again, a conservative number. This money will be invested in personnel, gate/entry controls, lighting, fencing, radiation detection equipment, x-ray equipment and surveillance systems, many of which will be used by Customs and other law enforcement personnel. Public ports will not be able to continue to make these critical investments without financial help from the Federal government. We believe that ensuring the safe and efficient flow of commerce without compromising the economy or national security is a Federal responsibility requiring Federal legislation and significant Federal funding.

A second indicator of local port need is the process underway to allocate port security grants. When Congress approved emergency supplemental funding as part of the fiscal year 2002 Department of Defense appropriations bill $93.3 million was allocated to the Transportation Security Administration (TSA) for port security grants. This was the first such funding of security measures at the nation's seaports. In fact, there existed then, and now, no specific authority, save what was in the appropriations bill, for the Department of Transportation to allocate port security grants. It was significantly less than what was appropriated for aviation security but it was a good start and was welcomed by the ports and maritime sector.

In accordance with the appropriation, competitive grants are to be awarded to critical national seaports and terminals to finance the cost of enhancing facility and operational security. There are two categories for grants; security assessments and mitigation strategies, and enhanced facility and operational security, including but not limited to facility access control, physical security, cargo security and passenger security. Consideration will also be given to proof-of-concept demonstration projects, which can demonstrate how port security would be improved or enhanced by their implementation.

Not all ports, however, were able apply for grants under this program. Eligible ports are limited to the 13 designated "strategic ports", controlled ports, ports responsible for a large volume of cargo movement that support the national economy and ports or terminals responsible for movement of high volume of passengers. The

Maritime Administration, acting on behalf of the TSA, accepted applications last week and grant awards are expected by June.

It's not known how much all of the ports seeking grants have asked for. Various entities in New York and New Jersey submitted nearly $100 million in grant requests. My agency alone submitted a request for $30.5 million. Clearly, the original $93 million appropriation for this program will fall far short of the need America's ports will have identified in these grant applications.

A third indicator suggests that if Congress or the Coast Guard were to establish requirements for facility enhancements, the demand for funding would dwarf the supply. In the Fall of 2000, the Interagency Commission on Seaport Crime and Security outlined a series on minimum measures that ports would need to put in place in order to harden security. The focus at the time was primarily on crime not terrorism, and we now have the hindsight of September 11th to know that additional measures must be taken. At the time of that report, it was estimated that ports would need to invest anywhere from $12 to $50 million to secure each port. The AAPA estimates that meeting these terrorism and crime prevention security standards would require over $2.2 billion in security measures at the AAPA's U.S. member ports, which number fewer than 90. (That rough billion dollar figure includes the totality of port security measures, including what is already in place, at AAPA member ports. It also includes hardware requirements, such as container screening devices, for inspection activities that are the exclusive responsibility of Federal agencies. By the same token, it does not include the many private port terminals of all sorts—petroleum, chemical, grain and other commodities—that are not within the jurisdiction of the public port agencies.)

While the current grants are limited to select ports and terminals, the port security bills, S. 1214 and H.R. 3983, allocate additional resources over a three to five year period for port security grants. The House version calls for $225 million over three years while the Senate version calls for $390 million over a five-year period. Based on what I described earlier, it is clear that the funding needs of Federal agencies and local ports far exceed these proposed funding authorizations.

TECHNOLOGY NEEDS

Among the areas that will require Federal funding as soon as possible is in technology. As I indicated earlier in my testimony, these technologies are essential tools for an agency like Customs to carry out their responsibilities. Some equipment uses proven technologies, such as the VACIS x-ray machine that enables Customs inspectors to detect anomalies that warrant physical examination of containers. However there is a great need for additional technology R&D and I urge this Committee to consider supporting R&D activity in the area of screening and detection devices. It would be very helpful to have devices that can be mounted on container cranes. They could detect biological, chemical and radiation traces and be employed in a way that does not slow the natural flow of containers in the port. Devices are also needed on containers. Light and motion sensors could be developed to detect when someone tampers with a container. Similarly, smart seals could be employed to provide greater assurance that a container is not opened or, if it was, when it was opened. Other devices that use GPS technology could be developed to help track en route containers. One must remember that money spent on R&D today will take several years, at best, before the technology is put to work in the field.

LAW ENFORCEMENT ASSISTANCE

I would be remiss if I did not also speak to the local law enforcement requirements that support security and incident response at the nation's hundreds of seaports. In addition to municipal and state police, fire and medical responders that serve port areas, a number of the major ports have their own sworn police forces. My agency has a police force numbering 1,300, making it one of the largest in the country. These trained officers have responsibility over the port, airports, bridges, tunnels, the PATH interstate transit system and other Port Authority facilities. As this Committee reviews the President's $327 million supplemental request for emergency management planning and assistance, and as you consider what additional funding is needed at the state and local levels, please keep in mind that there are professional law enforcement officers at the ports. There is an unmet need for training and equipping the first responders whose job it is to protect the nation's transportation facilities. Port agency police forces, which are part of the frontline defense, should not be forgotten as Congress and the Justice Department provide assistance to the local level.

Mr. Chairman, the attacks of September 11th were not directed at a maritime facility, but those terrible events have provided the impetus to focus attention on our

marine transportation system, which is so essential to our national economy and defense. You and the committee are to be commended for taking on such a daunting task. When Congress tackled aviation security last fall it was a matter of altering an existing regime of security at the airports and in the sky. In contrast, the nation's seaports and related transportation systems are, to a great extent, a blank slate.

Addressing the issue of port and maritime security is an enormous challenge given the complexity of the international transportation network. Devising a system that enhances our national security while allowing the continued free flow of legitimate cargo through our ports will not be solved with a single answer, a single piece of legislation, or by a single nation. It will require a comprehensive approach that will require the cooperation of multiple agencies, the private and public sectors and the international community. Importantly, it will require additional resources for the agencies charged with this awesome responsibility and for the public and private ports and terminals where the nation's international commerce takes place.

NEW YORK'S RECOVERY

Mr. Chairman and members of the Committee, I am obliged to say a word of thanks on behalf of the Port Authority of New York & New Jersey. This Committee, your counterparts in the House of Representatives, indeed all of Congress, responded to the tragedy that occurred in Lower Manhattan, and of course here in the Washington area. The outpouring of support in spirit and tangible terms from Congress and the White House lifted United States when we were down. The importance of the commitment made by you, Mr. Chairman, and this Committee to the recovery of Lower Manhattan and the people of our bistate region cannot be overstated. I don't think it will surprise you that the key to the restoration of economic vitality to Lower Manhattan is transportation and other vital infrastructure. With restored public transportation service, businesses that employ and serve hundreds of thousands of workers will return to downtown New York City. And with employment opportunities and a revitalized Lower Manhattan, people will return to reside in that oldest district of the City. On behalf of the Port Authority I strongly urge this Committee to support the President's request for the additional $5.5 billion for New York's recovery. Within that sum is $2.75 billion for transportation in FEMA funding for the repair of infrastructure, $1.8 billion to "substantially improve the mobility of commuters" in Lower Manhattan, $750 million to rebuild utility infrastructure and $167 million in highway money for reconstructing Federal-aid eligible roads.

Your efforts on behalf of New York and New Jersey and your attention to the essential infrastructure of our country have earned our deepest thanks.

I hope my comments today have provided with you some additional insight on approaches that are either underway or may be considered as you continue your work. We at the Port Authority of New York & New Jersey are prepared to offer any additional assistance that you may require. Thank you.

BIOGRAPHICAL SKETCH OF RICHARD M. LARRABEE

Richard M. Larrabee is the Director of the Port Commerce Department of The Port Authority of New York and New Jersey. He oversees the management and operation of the major marine terminal facilities within the Port of New York and New Jersey, the largest port on the East Coast of North America, which handled 65 million tons of cargo in 2000, including more than 3 million container units. These facilities include: the Port Newark/Elizabeth Port Authority Marine Terminal complex in Newark and Elizabeth, New Jersey; the Red Hook Container Terminal in Brooklyn, New York; the Howland Hook Marine Terminal in Staten Island, New York; and the Auto Marine Terminal in Jersey City and Bayonne, New Jersey.

Mr. Larrabee manages a multi-billion dollar port redevelopment program that includes reinvestment in marine terminal facilities, deepening harbor channels and berths, improving intermodal connections and protecting sensitive marine environments. The redevelopment program is positioning the Port of New York and New Jersey to accommodate future growth that is projected to double over the next decade and could quadruple by 2040.

Prior to joining the Port Authority, Richard Larrabee held the rank of Rear Admiral in the United States Coast Guard. He served as Commander First Coast Guard District in Boston, MA, where he oversaw all Coast Guard operations in the Northeast United States. Over his thirty-two year Coast Guard career, Rear Admiral Larrabee held a variety of operational and staff assignments, including command at sea and shore assignments. He has received two Distinguished Service Medals and three Legion Merit awards.

Mr. Larrabee holds a Master of Science degree in Ocean Engineering from the University of Rhode Island and a Bachelor of Science degree from the United States Coast Guard Academy.

Senator MIKULSKI. I would like to welcome to the committee Mr. Michael Errico—Mr. Chairman, do you want to temporarily recess the committee?

Chairman BYRD. I think we ought to do that. The rollcall has begun. Let us recess the committee for 15 minutes. Will that be agreeable to you, gentlemen? Thank you.

Senator MIKULSKI. Mr. Chairman, regrettably, I will not be able to come back, but you are going to have a treat in hearing from Mr. Errico. He represents the professionals who run the water supplies and he comes with 30 years experience and a civil engineering degree and a tremendous understanding of what it takes to keep our water supplies safe. We welcome you. I am going to try to come back with this vote, but I am going to have to be on the floor.

Thank you.

Chairman BYRD. The committee stands in recess, let us say for 20 minutes. Thank you.

The committee will resume its hearing. Mr. Michael Errico, Deputy General Manager, Washington Suburban Sanitary Commission, Laurel, Maryland, representing the Association of Metropolitan Water Agencies. I guess you are at bat.

STATEMENT OF P. MICHAEL ERRICO, DEPUTY GENERAL MANAGER, WASHINGTON SUBURBAN SANITARY COMMISSION, REPRESENTING THE ASSOCIATION OF METROPOLITAN WATER AGENCIES

Mr. ERRICO. Thank you, Chairman Byrd.

The Washington Suburban Sanitary Commission is a public utility that provides drinking water and waste water service to more than 1.6 million people in Montgomery and Prince George's Counties, the Maryland suburbs of Washington, D.C. As Chairman Byrd indicated, I am testifying today on behalf of the Association of Metropolitan Water Agencies. AMWA is testifying as the water sector liaison to the Federal Government for critical infrastructure protection.

First, we want to express our sincere thanks for inviting us to testify and also for appropriating $90 million in fiscal year 2002 for vulnerability assessments and other security-related efforts.

One of the most difficult challenges in our new high-security world is accepting the level of uncertainty we confront on a daily basis. The threats of interruptions in fire protection, public health threats resulting from disruptions in waste water treatment, and interruptions of drinking water services are ever present. We can all imagine the carnage and gravity of damage on our communities if our water supplies were simultaneously attacked at the time our densely populated areas came under fire. The ability of terrorists to gain access to key buildings and structures via our vast underground infrastructure should not be underestimated.

Our needs are very real and, unfortunately, they are very costly. We hope Congress can help with this estimated $700 million water systems anticipated spending for vulnerability assessments to identify areas for security improvements. Systems could spend an estimated $4 billion to implement such measures at the Nation's

54,000 public drinking water systems and 16,000 waste water agencies. Billions more could be needed for major security-related capital improvements to be determined by the vulnerability assessments. We would like to work with the committee to secure an appropriate level of funding to cover these costs.

In particular, for fiscal year 2003 we are also asking for $15 million for water security research, $2 million in startup money to establish the water information sharing and analysis center to be located here in Washington, D.C., and $2.5 million for training and education.

Assessing security vulnerabilities is among the key elements of the President's Commission on Critical Infrastructure Protection and EPA's National Infrastructure Assurance Plan.

Like other utilities, WSSC has worked with security consultants to aggressively assess their vulnerabilities. We were one of the first water utilities to use the state of the art assessment developed by Sandia National Laboratories and the American Waterworks Association Research Foundation. As a result, we have identified numerous enhancements to our security program to prevent and/or provide early detection of a physical, chemical, biological attack on our system.

Another major expense of water systems is near-term security improvements. Fencing around facilities and reservoirs, intruder alert systems, surveillance cameras to monitor entryways in sensitive facilities, and access control and barricades around key facilities are of particular importance. Improvements nationwide would cost, as I indicated earlier, an estimated $4 billion.

Once our vulnerability assessments are complete, water systems will know what capital improvements are needed to become more safe and secure. Now, its expansion is one of the most urgent needs facing drinking water and waste water systems in our efforts to remain safe and secure. This is why the water sector is asking for at least $15 million as an initial investment for water security research, to develop methodologies and technologies that will enable us to prevent and respond to terrorist acts and that can be deployed in the field as soon as possible.

Among the outstanding research needs determined by EPA are identification and characterization of biological and chemical agents, biological and chemical agent detectors, and security of cyber command and control systems. Current and previous administrations have recommended that industry establish information sharing and analysis centers, or ISAC's. The water ISAC's should be operational later this year. It will disseminate early warnings and alerts concerning threats to water systems and it will also provide a specific for reporting risks and incidents to Federal law enforcement authorities. We anticipate that contributions from water systems will ultimately finance the water ISAC. Until then, since the majority of water ISAC members will be publicly owned and operated entities, we are requesting $2 million in seed money to start this effort.

Access to training and education is another need of water systems. We recommend that $2.5 million be made available to the American Waterworks Association for education and training on distribution system security and vulnerability assessments, for

communicating with the public in times of crisis, for legal issues that relate to counterterrorism efforts, and a program to assure ongoing vigilance against terrorist acts.

AMWA operates under the premise established in the report of the President's Commission on Critical Infrastructure Protection, that we should attend to our critical foundations before we are confronted with a crisis, not after. Waiting for disaster would prove as expensive as it would be irresponsible.

We truly appreciate the time and the consideration you have given us to discuss this important issue today and we look forward to working with you to help protect the Nation's drinking water and waste water systems from terrorism.

[The statement follows:]

PREPARED STATEMENT OF JOHN R. GRIFFIN, GENERAL MANAGER, WASHINGTON SUBURBAN SANITARY COMMISSION

SUMMARY

Since September 11, the entire water sector has been called to action, and many national and local water security projects are underway. But much more needs to be done. The local investment into security will be significant, but a strong federal contribution is needed to meet the challenges of protecting public health and the environment.

Among the needs and challenges facing America's 54,000 drinking water systems and 16,000 wastewater agencies are:

—*Water Security Research*.—$15 million for the establishment of a program under which the EPA Administrator shall enter into partnerships, cooperative agreements and contracts with public and non-profit research organizations to improve the protection and security of water supply systems by carrying out research, development and demonstration projects that address physical and cyber threats to all water supply systems.

—*Water ISAC*.—$2 million for co-funding the start-up of the Water Information Sharing and Analysis Center, or "Water ISAC," a secure communications network, through which federal law enforcement agencies and the water sector will be able to share information on potential terrorist threats to drinking water and wastewater systems.

—*Training and Education*.—$2.5 million for AWWA to develop and initiate peer-review or third party certification programs to assure ongoing vigilance against terrorist acts; educate water systems in distribution system security and vulnerability assessments; and teach emergency communications and legal issues.

—*Security Improvements*.—The estimated cost for immediate security improvements at drinking water and wastewater utilities is $4 billion. Improvements include fencing around facilities and reservoirs, security doors and locks, intruder alert systems, better lighting, surveillance cameras to monitor entry ways and sensitive facilities, access control and barricades around key facilities.

—*Vulnerability Assessments*.—The estimated cost to small and medium drinking water agencies to conduct vulnerability assessments is $450 million. Wastewater systems also expect to spend $250 million for vulnerability assessments.

The Association of Metropolitan Water Agencies (AMWA), an organization of the nation's largest publicly owned drinking water systems, is the water sector liaison to the federal government for critical infrastructure protection. In this capacity, AMWA's goal is to coordinate the security programs of the federal government with the efforts of the water sector, which includes not only drinking water agencies, but also wastewater systems.

INTRODUCTION

Good afternoon, Chairman Byrd, members of the committee. My name is John Griffin. I am the General Manager of the Washington Suburban Sanitary Commission, and I am testifying today on behalf of the Association of Metropolitan Water Agencies (AMWA).

Thank you for inviting AMWA to testify today on behalf of water systems nationwide. In addition, thank you for appropriating $90 million in the fiscal year 2002 emergency supplemental appropriations bill for vulnerability assessments and other security related efforts. This funding ensures that the nation's largest drinking

water systems, plus hundreds, if not thousands, of smaller utilities will complete security vulnerability assessments in the shortest time possible. The funding also will help the U.S. Environmental Protection Agency (EPA) develop tools to support assessments of wastewater facilities.

AMWA's membership consists of the nation's largest publicly owned drinking water systems, which are represented in the association by their chief executive officers. AMWA's membership serves more than 110 million Americans with clean, safe drinking water from Anchorage to Puerto Rico.

AMWA is testifying today as the water sector liaison to the federal government for critical infrastructure protection. In this capacity, AMWA's goal is to coordinate the security programs of the federal government with the efforts of the water sector, which includes not only drinking water agencies, but also wastewater systems. Therefore, when our testimony refers to water systems or water utilities, we mean both drinking water and wastewater agencies.

AMWA was asked to undertake the liaison role by EPA under Presidential Decision Directive 63. In this capacity, AMWA works closely with EPA, small and large water utilities, the associations that represent water utilities and the Federal Bureau of Investigation's National Infrastructure Protection Center. AMWA is also reaching out to state water administrators, the White House Office of Homeland Security, the Centers for Disease Control, the Department of Defense, the Department of Commerce's Critical Infrastructure Assurance Office and the Department of the Interior, which operates many dams and owns sources of water for millions of people in the West.

The Washington Suburban Sanitary Commission (WSSC), established in 1918, provides drinking water and wastewater service to more than 1.6 million people in Montgomery and Prince George's Counties, in Maryland. With an annual budget of more than $650 million, WSSC's system includes a 10,600-mile pipeline infrastructure, three dams and two reservoirs, two water filtration plants that produce an average of 167 million gallons of clean water per day, 63 water storage facilities, 14 water pumping stations, six wastewater treatment plants and 43 wastewater pumping stations.

Since September 11, WSSC has worked with security consultants to aggressively assess the security vulnerabilities of key facilities, especially on the water supply side. We were one of the first water utilities that Sandia National Laboratories trained to use the vulnerability assessment tool that was developed by Sandia and the American Water Works Association Research Foundation. And as a result of that effort, we have identified and implemented numerous enhancements to our security programs to prevent and/or provide early detection of a physical, chemical or biological attack on our systems. Aspects of these improvements range from monitoring programs to detect chemical or biological irregularities, to the physical "hardening" of several facilities. Although we have increased the number of security officers at our facilities and taken steps to further secure our distribution system, we need your help to implement additional security measures.

WSSC always has provided the finest quality drinking water using state-of-the-art treatment and distribution systems. Likewise, we have committed ourselves to protect the environment and our downstream neighbors by relying on sophisticated wastewater treatment technology. For years we have made significant investments in water infrastructure, and those investments are fully reflected in our rates.

We have some of the highest rates in the region because we aggressively invest in the protection of our facilities and water supply. Now, challenged to address additional security concerns using local resources, we are making considerable progress. But, like most water systems, WSSC needs financial assistance to implement and expedite a number of the security upgrades that are necessary in response to September 11 and international events. In addition, WSSC and thousands of other drinking water and wastewater agencies across the states rely on the security preparedness efforts of our national organizations and federal agencies. We hope you can support these efforts.

Our testimony will address the security-related efforts of drinking water and wastewater agencies and the challenges facing these utilities. The entire water sector has been called to action, and many national and local projects are underway. But much more needs to be done.

The local investment into security will be significant, but a strong federal contribution is needed to meet the challenges of protecting public health and the environment. Please remember that local governments, with limited budgets, run the vast majority of water systems.

In our testimony today, we highlight the local and national needs facing the water agencies, namely:

—Water security research.

—The Water Information Sharing and Analysis Center (Water ISAC).
—Education and training.
—Security improvements.
—Vulnerability assessments.

OVERVIEW

One of the most difficult challenges in our new high-security world is accepting the level of uncertainty we confront on a daily basis. Are water systems threatened by terrorism? How can water systems protect against terrorism? White House officials have attempted to downplay the threat of contamination of water supplies, but such threats should not be underestimated and, what's more, water systems are also concerned about other threats, such as interrupting drinking water service and fire protection, polluting rivers and streams by disrupting wastewater treatment, and gaining access to key buildings and structures via our vast underground infrastructure.

AMWA operates under the premise established in the Report of the President's Commission on Critical Infrastructure Protection: "We should attend to our critical foundations before we are confronted with a crisis, not after. Waiting for disaster would prove as expensive as it would be irresponsible."

We know from the President's State of the Union address that at least one water system was a potential target of the al Qaeda network; we read in the newspapers that there are sleeper cells of terrorists in the United States waiting to be called to duty; U.S. forces in Afghanistan reportedly found instruction manuals on the manufacture and use of chemical and biological agents; and news reports from Rome suggest potential terrorists planned to use the city sewers to attack the American embassy there.

Fortunately, before September 11, the water community was already at work with EPA, security professionals and federal law enforcement to develop methods and tools to protect water systems. This unique partnership was established in response to Presidential Decision Directive 63 and reinforced under President Bush's Executive Order 13231.

Since September 11, the nation's water utilities have been on heightened alert to protect against the potential disruption of drinking water and wastewater service and biological and chemical contamination of drinking water supplies. What's more, water systems nationwide are assessing their vulnerabilities, enhancing their emergency response plans, limiting and controlling access, hardening vulnerable facilities and coordinating with local, state and federal law enforcement and emergency response authorities.

EPA and its Water Protection Task Force have been helping water systems prepare against terrorism and develop emergency responses. The agency has made grant funds available from the fiscal year 2002 emergency appropriations bill for vulnerability assessments and the agency has begun critical research projects. In addition, EPA has facilitated relationships among the water community and other federal agencies and has committed energy and focus to water security.

Our relationship with the White House Office of Homeland Security has been a limited one so far. As the representative of one of the eight critical infrastructures named in President Bush's Executive Order 13231, we have not had the opportunity to meet with Gov. Ridge or his senior team members, but AMWA has met with the director of the office working on water security issues and we have begun working with OHS's communication and coordination staff. We look forward to working with Gov. Ridge to ensure that water security is a high priority.

National water organizations are responding, too, by providing strategic leadership, resources for utilities and an interface with federal agencies. Some of the organizations' activities include:

—*Water ISAC*.—AMWA is developing the Water Information Sharing and Analysis Center, or Water ISAC, which will be a secure communication system between drinking water and wastewater system managers and federal law enforcement agencies. It will also be a source of information for all water system managers on protecting against terrorism and responding to attacks.

—*Training and Education*.—The American Water Works Association Research Foundation (with Sandia National Laboratories and under grants from EPA) has sponsored vulnerability workshops, a satellite teleconference and a primer on water utility security and counter-terrorism. The Water Environment Federation and EPA are hosting six workshops throughout the United States in the spring to help educate wastewater treatment plant operators and managers on ways to secure all assets within and surrounding their facilities. The American Water Works Association sponsored eight seminars across the nation on secu-

rity training for water utility managers, and the association was a partner in the satellite teleconference.

—*Vulnerability Assessment Tools*.—Under a partnership between EPA, the American Water Works Association Research Foundation and Sandia National Laboratories, drinking water systems will have access to a state-of-the-art vulnerability assessment tool—Risk Assessment Methodology for Water Utilities. The Association of Metropolitan Sewerage Agencies has developed a checklist, methodology and software—the Vulnerability Self Assessment Tool—for wastewater systems, as well as a handbook on legal issues related to security and terrorism.

WATER SECURITY RESEARCH

One of the most urgent needs facing drinking water and wastewater systems in their efforts to remain safe and secure is knowledge. There are many unknowns today when we consider potential threats against water systems. This is why the water sector is asking for $15 million water security research to help us find solutions to prevent and, if necessary, respond to the contamination of drinking water and the disruption of drinking water and wastewater service. We recommend that EPA be directed to enter into partnerships, cooperative agreements and contracts with public and non-profit research organizations to support research, development and demonstration (RD&D) projects addressing security at our nation's drinking water and wastewater systems.

The need for a substantial and immediate investment into water security RD&D is paramount, and now is the time to strategically invest in this research, so that methodologies and technologies may be deployed in the field as soon as possible to prevent and respond to terrorist acts.

Objective 7 of the President's Commission on Critical Infrastructure Protection is an increase in the investment in infrastructure assurance research. As the Commission notes, "[R]eal-time detection, identification, and response tools are urgently needed." What's more, water security research is among EPA's highest priorities. In EPA's National Infrastructure Assurance Plan, the agency assigns itself Task 6: Develop and initiate research and development programs.

Among the outstanding research needs determined by EPA are:

—Identification and characterization of biological and chemical agents.

—Biological and chemical agent detectors.

—Security of cyber command and control systems.

For example, knowledge gaps for some agents include:

—The amount of an agent needed and commonly available to produce effects in humans.

—How the agent reacts to typical conditions in surface water and ground water.

—How the agent behaves relative to water filtration and other treatment operations.

—How the agent behaves in a water distribution system.

—How the distribution system and other parts of the water utility can be returned to safe use if the agent has contaminated the distribution system.

—What symptoms might be present in the population if this agent has been unknowingly present in the water.

Estimates run into the tens of millions of dollars to close these knowledge gaps. To address these gaps, the American Water Works Association Research Foundation will host an expert workshop in May to identify, classify and prioritize all of the research needs associated with security issues and water systems. Until these expert workshop results are finalized, the following estimates serve as a preliminary guide:

—Biological contaminants—$30 million over 5 years; methodology, detection systems, molecular biosensors, treatability, disinfection sensitivity.

—Chemical and radiological contaminants—$9 million over 5 years; early detection systems, methodology, persistence, treatability.

—Cyber security—$3 million over 5 years; identification of threats, resolution techniques.

—Risk management and communications—$5 million over 5 years; method development, alternate treatment, training aids.

—Distribution system management—$7 million over 5 years; pressure/chemical/biological sensor testing and placement, maintenance, flushing program, persistence.

—Global coordination of security related research in water systems—$1 million over 2 years; cooperative, leverage, coordination, integrated research strategy.

The Water Environment Research Foundation has also developed a preliminary estimate of research projects:

—Treatability studies—$10 million; identify, screen, and treat contaminants (biological, chemical, pesticides/herbicides, and other pollutants) in water supplies and wastewater systems.
—Security measures for computerized and automated systems at wastewater facilities—$1.5 million; wireless or wired SCADA, remote operations, internet, etc.).
—Contingency planning, designing against terrorism and forced entry at wastewater treatment facilities—$3.5 million.
—Develop advanced molecular biosensors for wastewater systems—$25 million.

Unfortunately, the Administration did not ask for additional funds for water security research, either in its fiscal year 2003 budget request or its most recent supplemental request for fiscal year 2002. Nevertheless, all parties agree that the need for this research is urgent and strategically important. An infusion of $15 million today will launch many projects that will help water systems confront the possibilities of terrorism.

WATER ISAC

Among the recommendations of President Bush's Executive Order 13231 and President Clinton's Presidential Decision Directive 63 are that industries such as the water sector voluntarily establish information sharing and analysis centers. EPA subsequently called for the establishment of the Water Information Sharing and Analysis Center, or Water ISAC, as Task 1.3 in its National Infrastructure Assurance Plan. The water sector has taken on the responsibility to develop the Water ISAC, and in 2001 EPA provided $590,000 in seed money to AMWA to help drinking water and wastewater agencies establish the Water ISAC, which will be based in the District of Columbia.

The Water ISAC will be a formal communication system designed for those who are responsible for security of water supply and wastewater critical infrastructures. The Water ISAC will allow for dissemination of early warnings and alerts concerning threats to the integrity and steady operation of the infrastructure. The Water ISAC will also provide a process for reporting risks and incidents that may be of concern to federal authorities and others nationally.

The information shared may include:
—Threats that have been detected.
—Vulnerabilities that have been discovered.
—Viable resolutions to incidents, threats and vulnerabilities.
—Incident trends that reveal a threatening pattern.
—Reports of incidents that have occurred.

The information will be available from many sources:
—Water utility reporting of incidents.
—National, regional and local law enforcement.
—Industry associations and research organizations.
—Federal intelligence agencies.
—U.S. EPA.
—Other federal agencies.

To help cover start-up costs, the water sector is asking for $2 million. In the long run, the Water ISAC will be primarily funded by the contributions of water agencies that choose to participate and subscribe to its services. However, it is not likely that very many of the 51,000 small water agencies serving fewer than 10,000 people will be able to afford to subscribe, so there may need to be a federal contribution to cover the costs of providing this service to the small systems that lack the resources to participate. Also, please note that, unlike the other sectors that have established or plan to develop ISACs, the Water ISAC subscribers will be largely publicly owned and operated entities, often part of city and county government.

More important for now, though, is funding the start up of the Water ISAC, which will require:
—A highly secure information technology (IT) structure.
—A user-friendly interface.
—A database for the secure collection of incident information.
—Feeds from federal agencies.
—Secure communications to member utilities.
—A staff of terrorism and water supply experts and IT specialists.

AMWA estimates that two-year start-up expenses are $4 million, with the majority of the funds being for the IT platform and a small professional staff. AMWA urges the committee to provide $2 million. We anticipate that contributions from water systems, with the exception of the smaller agencies, will finance the Water ISAC adequately in the future. Until that network of contributors is established,

however, the project needs $2 million in the coming fiscal year before it can become the fully functioning resource that local water utilities need.

TRAINING AND EDUCATION

For the water sector to meet the many challenges faced by potential terrorist attacks, utilities need access to training and educational programs. The American Water Works Association (AWWA), whose utility members include small and large drinking water system, both publicly and privately owned, proposes to offer education and training on security-related topics to drinking water systems.

AWWA proposes seminars and online courses to educate water systems in distribution system security and vulnerability assessments; seminars, online courses, and self-contained seminar packages to teach utility managers how to communicate with the public in times of crisis; web-based materials and online courses to educate utility management on legal issues that relate to counter-terrorism efforts; and a peer-review/third-party certification program to assure ongoing vigilance against terrorist acts. AWWA estimates the cost for these programs to be $2.5 million.

AWWA already has a strong track record in this field. Soon after the terrorist attacks of September 11, AWWA conducted a number of training conferences via satellite and in person at regional sites across the country. AWWA was providing information to utilities on preparing for terrorist attacks last spring, well before the attacks in September. Since its inception, AWWA has sponsored many of the educational programs, invested in technical studies, and developed much of the scientific and technical information used to improve the quality of the water we drink.

SECURITY IMPROVEMENTS

Security improvements at water systems fall into three categories: immediate next steps, operations and maintenance, and capital upgrades.

Immediate next steps include fencing around facilities and reservoirs, security doors and locks, intruder alert systems, better lighting, surveillance cameras to monitor entry ways and sensitive facilities, access control and barricades around key facilities. Some systems already had some or all of these measures in place, while others are in the process of installing them. The American Water Works Association and the Water Environment Research Foundation have provided estimates that total approximately $4 billion to implement such measures at the 54,000 public drinking water systems and the 16,000 wastewater agencies in the United States. The average cost per utility ranges from $8,000 for water systems serving only a few thousand people to $700,000 for systems serving more than 100,000 people. Those serving more than one million people expect to spend much more.

Operations and maintenance (O&M) costs are the costs related to daily operation of water systems and include everything but security improvements and capital improvement costs. The water community is not asking for funding for O&M, nor have we come up with a total estimate for increases in O&M costs related to security. However, the costs for additional staff, security guards and security consultants will undoubtedly mean much higher operating expenses, taking limited resources away from other security improvements.

Capital upgrades include redundancies of water and wastewater mains, pumps, lift stations and treatment facilities, so that water service may continue in spite of a terrorist attack. The upgrades may also include projects to protect facilities, including chemical storage, and increase the use of continuous real-time monitoring for agents in water supplies. Water systems are now in the process of assessing their vulnerabilities to terrorism. When these assessments are complete, water systems will know what they need to accomplish to become more safe and secure. Only then will we know accurately what capital construction projects are going to be needed. It is probably safe to assume that the total costs for capital improvements will reach into the billions.

These new expenses for immediate next steps, security-related O&M, and capital upgrades related to security are in addition to the already burdensome level of infrastructure needs facing nearly every utility in the United States. As noted time and again by the Water Infrastructure Network (WIN), the cost of replacing aging infrastructure and upgrading infrastructure to comply with the Safe Drinking Water Act and the Clean Water Act is estimated at $50 billion per year over the next 20 years. Therefore, these new security costs further complicate the task of water systems to find scarce dollars for basic infrastructure improvement necessary to continue to provide water service and environmental protection.

AMWA and the other members of the water sector would like to work with the committee to determine a level of funding for security improvements that the committee could support.

VULNERABILITY ASSESSMENTS

In progress or in queue are hundreds of vulnerability assessments at drinking water and wastewater systems nationwide. These assessments attempt to determine where and how a water system could be attacked. Recommended elements of an assessment include raw water intake stations, ground water wells, the wastewater collection system, treatment facilities, pumps and lift-stations, finished water tanks, chemical storage facilities, the drinking water distribution system, and systems that rely on information technology and cyber access. The larger water systems are relying on state-of-the-art assessment tools and security experts and consultants, while the smallest systems may only require a simple visual inspection and short list of items to check-off.

Vulnerability assessments are among the key elements of the President's Commission on Critical Infrastructure Protection and EPA's National Infrastructure Assurance Plan.

In spite of the $90 million that Congress generously provided in the fiscal year 2002 emergency appropriations bill for vulnerability assessments (and other security activities), it is estimated that drinking water and wastewater systems will be forced to spend far more. There are nearly 54,000 drinking water agencies and 16,000 wastewater systems in the United States. While it may seem unlikely that the very smallest of these agencies are vulnerable to terrorism, it would be imprudent to assume so. That's why the vast majority of these systems should assess their vulnerabilities.

The American Water Works Association estimates that small and medium drinking water systems will spend approximately $450 million to assess their vulnerabilities. In addition, the Water Environment Research Foundation estimates that wastewater agencies will spend $250 million to assess their vulnerabilities. EPA, meanwhile, has asked for an additional $16 million for vulnerability assessments for small and medium drinking water systems. AMWA and the other members of the water sector would like to work with the committee to determine a level of funding for assessments that the committee could support.

CONCLUSION

AMWA, and indeed the entire water sector, appreciates the attention the committee is focusing on security. The pipes and treatment plants that provide drinking water and wastewater service are largely unseen by the public, but we cannot underestimate the potential dangers to those facilities.

We have provided information on a number of needs for research, information sharing, security improvements, training and education and vulnerability assessments. Funding these various elements will help ensure that water systems have done everything possible to protect against terrorism and respond if attacked. We look forward to working with you to help make the nation's drinking water and wastewater systems, their consumers and the environment safer from terrorism.

BIOGRAPHICAL SKETCH OF JOHN R. GRIFFIN

John R. Griffin is General Manager of the Washington Suburban Sanitary Commission (WSSC), which provides water and wastewater services to Maryland's Montgomery and Price George's Counties bordering Washington, D.C. WSSC is among the 10 largest water and wastewater utilities in the nation, serving more than 1.6 million people.

As General Manager of the internationally acclaimed agency, Griffin directs 1,500 employees serving a 1,000-square-mile service area. He provides accountability for an annual budget of more than $650 million designed to enhance, expand, operate and maintain a 10,600-mile pipeline infrastructure, three dams and two reservoirs, two water filtration plants that produce an average of 167 million gallons of clean water per day, 63 water storage facilities, 14 water pumping stations, six wastewater treatment plants and 43 wastewater pumping stations.

Prior to joining WSSC, Griffin served five years in the Maryland State Cabinet position of Secretary, Maryland Department of Natural Resources, and 11 years as Deputy Secretary. There, he directed the activities of 1,700 employees and managed a $203 million budget. His successes in land use and preservation programs; public safety and law enforcement on Maryland's waterways and public lands, including its forests and parks system; Chesapeake Bay restoration; and associated education and outreach programs, are all akin to WSSC's functions of environmental stewardship. In the early 1980s, he served as Senior Advisor to Governor Harry Hughes on policy development and program implementation for environment and natural resources, economic development and state/local relations.

A graduate of Niagara University, N.Y., Griffin earned his Master of Arts degree from Catholic University of America, Washington, D.C. The Annapolis resident was named Conservationist of the Year by the Chesapeake Bay Foundation in 1999 and has received Distinguished Service Awards from the Maryland Municipal League and from the National Governor's Association.

BIOGRAPHICAL SKETCH OF P. MICHAEL ERRICO

Michael Errico is the Deputy General Manager of the Washington Suburban Sanitary Commission (WSSC), a utility that provides water and wastewater services to Maryland's Montgomery and Prince George's Counties. Bordering Washington, D.C., WSSC is among the 10 largest water and wastewater utilities in the nation, serving more than 1.6 million people.

As Deputy General Manager of the internationally acclaimed agency, Mr. Errico is generally responsible for overseeing the day-to-day operations of the Commission. He and the General Manager provide accountability for an annual budget of more than $650 million designed to enhance, expand, operate and maintain a 10,600-mile pipeline infrastructure, three dams and two reservoirs, two water filtration plants that produce an average of 167 million gallons of clean water per day, 63 water storage facilities, 14 water pumping stations, six wastewater treatment plants and 43 wastewater pumping stations.

Prior to joining the Commission in 2000, Mr. Errico served for 30 years in the Prince George's County government, retiring in April of 2000. He spent the first 25 years with the County in the Department of Public Works and Transportation, beginning as a Civil Engineer and then completing the last eight years as Deputy Director and Director of the Department. Mr. Errico's last five years with the County were in the capacity of Deputy Chief Administrative Officer for the County Executive.

In this capacity, he was responsible for overseeing most aspects of County government operations at the highest policy level, including transportation and public works services; solid waste; stormwater management and all other environmental services; economic development activities and negotiations; executive level coordination with bi-county planning, parks and recreation and water and sewer agencies; and construction and maintenance of all County buildings and facilities. Mr. Errico served on the Board of Directors of the District of Columbia Water and Sewer Authority, the Board of Directors of the Parking Authority of Prince George's County, also serving as its Executive Director.

Mr. Errico is a graduate of the University of Maryland receiving a Bachelor of Science Degree in Civil Engineering in 1971. He is past president of the County Engineers' Association of Maryland and a member of the American Society of Civil Engineers, the American Public Works Association, the American Water Works Association and Chi Epsilon, the National Civil Engineering Honorary Fraternity.

Chairman BYRD. Thank you.

Mr. Lochbaum.

STATEMENT OF DAVID LOCHBAUM, NUCLEAR SAFETY ENGINEER, UNION OF CONCERNED SCIENTISTS

Mr. LOCHBAUM. Good afternoon, Mr. Chairman and members of the committee.

After the September 11th attacks, many Americans worried about the nuclear power plants in their back yards. Unfortunately, inactions by the Nuclear Regulatory Commission fanned the flames of fear when responsible actions may have suppressed them. The NRC could have continued security tests to demonstrate adequate preparedness. Instead they cancelled all of those tests. They could have communicated with the public about nuclear plant security. Instead they chose silence. They could have pointed to the emergency plans that protect the public in the event of a nuclear plant disaster. Instead they chose to hide those plans.

As a direct result, State and local authorities shouldered more of the burden than was necessary. The NRC itself has been hampered by its policy mistakes. NRC staffers repeatedly complain that they spend too much of their time responding to questions from Mem-

bers of Congress. The agency has not realized that these questions represent an appetite for information that must be fed, not starved.

The NRC must get back into the business of testing nuclear plant security. On September 10th the NRC had plans for tests at 14 nuclear power plant sites. The NRC cancelled all of these tests after September 11th. As of today the NRC has no firm plans scheduled to resume testing.

The last test performed demonstrated the need for testing. NRC inspectors went to the Vermont Yankee nuclear plant last August. Their testing revealed weaknesses that were "considered generally predictable, repeatable, and indicative of a broad programmatic problem." A broad programmatic problem affecting security is unfortunate, but it would be more unfortunate for such a problem to remain undetected. Forty-six percent of the 81 tests conducted since 1991 have revealed serious problems. Performance has been fairly consistent over those years, so it is not overly speculative to assume that 7 of the 14 tests planned for this year would also have revealed serious problems. But none of those tests have been run, thus none of the problems have been found, and, more importantly, none of the problems have been fixed.

In addition to fixing security problems, the tests also provide the NRC with its best communication vehicle. The NRC publicly releases big picture information following the security tests. The public is much more likely to be reassured by a simple test demonstrating adequate security than 1,000 press releases proclaiming nuclear plants to be safe and secure.

The NRC must do a better job of public communications. The agency has remained virtually silent on an issue troubling many Americans. The NRC should follow the model of the recent Olympic Games. There was extensive media coverage about security. Reporters accompanied guards on patrols with bomb-sniffing dogs and prowled with surveillance teams using infrared detection equipment. This approach provided information to reassure an anxious public without giving too much information to anyone seeking to disrupt the games. It was a responsible way to balance the public's right to know with the security concept of need to know.

The NRC should emulate this model. For example, media accounts after September 11th reported that citizens and local officials were driving past unlocked and unmanned security gates on the grounds of nuclear plants in Illinois, Pennsylvania, and Maine. The NRC could have allayed concerns by pointing out that nuclear plants are ringed by two sets of gates, outer gates for convenience and inner gates for security, and that the inner security gates were always manned and locked.

Responsible communications also helps to deter attacks. Part of the allure of The Club as an anti-car theft device is that it can be seen through car windows. Many homes and businesses have signs saying "Protected by Acme Security" in their windows, not so burglars will know how to defeat the security, but to deter them from even trying. Responsible communications about nuclear plant security might dissuade anybody from even staging an attack.

Our final example of information the public has both a right to know and a need to know involves emergency planning. All nuclear plants operating in the United States have emergency plans to pro-

tect the people living around them. These plants vary from community to community depending on the resources and decisions of State and local authorities. Prior to September 11th, parents could access these plans on the NRC's web site and learn what protective measures would be taken for their children. Emergency plans were pulled from the public arena following September 11th and are still unavailable. The NRC must restore public access to this information. Parents have a right to know how their children will be protected.

The damage to the public psyche caused by the NRC's inactions has already been done. The NRC must begin the healing process by resuming security tests, communicating responsibly with the public about security matters, and by providing the public with the information it needs regarding emergency plans. These measures can be accomplished within the NRC's existing budget for this year and its proposed year.

To help the NRC along this path, the Congress could expand the scope of a report currently submitted to it each month by the agency. These reports provide this status on a range of NRC activities and could easily be expanded to include the security tests, communications to the public on nuclear plant security matters, and the availability of emergency planning information.

On behalf of the Union of Concerned Scientists, I wish to thank the committee for conducting this hearing and for considering our views on the matter. Thank you.

[The statement follows:]

PREPARED STATEMENT OF DAVID LOCHBAUM

On behalf of the Union of Concerned Scientists (UCS), it is my pleasure to appear before this Committee about homeland security as it relates to defending nuclear power plants from terrorist attack. We believe the Nuclear Regulatory Commission (NRC) would work more effectively with States and localities if it (a) resumed security tests at nuclear power plants, (b) communicated responsibly to the public about nuclear plant security, and (c) restored public access to emergency planning information.

My name is David Lochbaum. After obtaining a degree in nuclear engineering from The University of Tennessee in 1979, I spent more than 17 years in private industry, most of that time at operating nuclear power plants in Georgia, Alabama, Mississippi, Kansas, New Jersey, and Pennsylvania. I have been the Nuclear Safety Engineer for UCS since October 1996. UCS, established in 1969 as a non-profit, public interest group, seeks to ensure that all people have clean air, energy and transportation, as well as food that is produced in a safe and sustainable manner. UCS has worked on nuclear plant safety issues for nearly 30 years.

Nuclear plant security has been one of our key issues in recent years. During my testimony on May 8, 2001, about the future of nuclear power before the Clean Air, Wetlands, Private Property, and Nuclear Safety Subcommittee of the Senate Committee on Environment and Public Works, I presented the following views:

"NUCLEAR PLANT SECURITY

"The NRC's handling of physical security at nuclear reactors is another example of regulatory ineffectiveness. The NRC began force-on-force tests of security preparedness at nuclear power plants in the early 1990s. These tests pit a handful of simulated intruders against a plant's physical defenses and squadrons of armed security personnel. By 1998, these tests had revealed significant security weaknesses in about 47 percent of the plants tested. The NRC quietly discontinued the testing, but the ensuing public outrage forced the agency to re-institute the tests. Since the tests have been resumed, about 47 percent of the plants continue to have significant security flaws revealed. Last year [2000], force-on-force tests at the Waterford plant in Louisiana and the Quad Cities plant in Illinois demonstrated serious security

problems that warranted extensive repairs and upgrades. The owner of the Waterford spent more than $2 million fixing its inadequate security system.

"Having been foiled in its attempt to secretly deep-six the security tests, the agency resorted to Plan B in which they will allow the plant owners to conduct the tests themselves, grade the tests themselves, and simply mail in the scores—virtually guaranteed to be high marks—to the NRC. If someone like Timothy McVeigh drove to a nuclear power plant with intentions of causing harm, the people living near that plant would better protected by security scoring 85 percent on a real test than 100 or even 110 percent on an open-book, take-home, self-scored test. The public deserves and must get that better protection than that provided by artificially inflated security test scores."

We thought a year ago that plant owners conducting their security tests was a bad idea. To our consternation, the NRC developed an even worse idea. On September 10, 2002, the NRC had plans for fourteen security tests at nuclear plant sites. Six of these tests would have been administered by the NRC while eight of these tests would have been run by the plant owners and audited by the NRC. Shortly after September 11, the NRC cancelled all the tests. We understand and fully appreciate that the events of September 11 forced the security staffs at NRC and nuclear power plants across the nation to initially avoid anything that might distract them. But seven months have passed and the NRC still has no firm plans to resume the tests.

One of the last, if not the very last, security tests conducted demonstrates why testing must be reinstated. NRC security specialists went to the Vermont Yankee nuclear plant in August 2001 for an Operational Safeguards Readiness Evaluation (OSRE). The NRC inspectors discovered potential vulnerabilities in the plant's strategies for responding to attacks. Two of the four exercises run to test the response strategies confirmed the suspected vulnerabilities. The NRC determined this finding to be significant "because response strategy weaknesses found during the conduct of the OSRE were considered generally predictable, repeatable and indicative of a broad programmatic problem." [1]

It is unfortunate that a "broad programmatic problem" affecting security was detected at this nuclear plant. But it would be far more unfortunate for such a "broad programmatic problem" to remain undetected at this or any other nuclear plant. The importance of detecting problems is embodied in this NRC statement to the plant's owner:

"Upon identification of the finding, your staff established immediate compensatory measures. These were taken to assure the security program was adequate while necessary longer term corrective actions are implemented. Before leaving the site [on August 23rd], our inspection staff determined that the security program at Vermont Yankee was sound, an important step given the current threat environment. The maintenance of the completed compensatory measures were confirmed by a NRC Security Specialist on September 27, 2001." [2]

The NRC does not leave a nuclear plant site after an OSRE unless adequate security has been demonstrated or appropriate compensatory measures have been put in place.

The NRC began testing security with OSRE or OSRE-like tests in 1991. Approximately half of the 80-plus tests conducted since then have revealed serious security problems. Given that performance has been fairly consistent over the years, it is not overly speculative to assume that approximately seven of the fourteen tests planned for fiscal year 2002 would have revealed serious security problems. But none of those tests have been run which means that no security problems have been found. More importantly, it means that no security problems have been fixed. The NRC must get back to the business of finding and fixing nuclear plant security problems.

In addition to the inestimable benefit of fixing security problems, the tests also provide the NRC with its best communication vehicles. State and local authorities face difficult decisions when allocating resources for protection. Those decisions would be aided by knowledge that the NRC recently tested security at nuclear

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[1] Letter dated March 25, 2002, from Hubert J. Miller, Regional Administrator, Nuclear Regulatory Commission, to Michael A. Balduzzi, Senior Vice President and Chief Nuclear Officer, Vermont Yankee Nuclear Power Corporation, "Final Significance Determination for a Yellow Findings at the Vermont Yankee Generating Station (NRC Inspection Report 50–271/01–010)." (Attachment 1 to this testimony)

[2] Letter dated November 28, 2001, from Wayne D. Lanning, Director, Division of Reactor Safety, Nuclear Regulatory Commission, to Michael A. Balduzzi, Senior Vice President and Chief Nuclear Officer, Vermont Yankee Nuclear Power Corporation, "Vermont Yankee Generating Station—NRC Inspection Report 50–271/01–010." (Attachment 2 to this testimony)

plants within their jurisdictions. The tests would also help the NRC communicate with the public about nuclear plant security. As evidenced by Attachment 2, the NRC publicly releases "big picture" information following nuclear plant security tests. The "nuts and bolts" details are not publicly disseminated but are communicated clearly to the plant owner. The public is more likely to be reassured by a single test demonstrating adequate security than a thousand press releases proclaiming nuclear plants to be "hardened targets."

The NRC needs to do a better job of communicating to the public about nuclear plant security. The agency has remained virtually silent on an issue troubling many Americans. We are not advocating that the NRC divulge explicit details about nuclear plant security. Rather, we believe the NRC should follow the model of the recent Olympic Games in Salt Lake City. To reassure people planning to attend the games, there was extensive media coverage beforehand about security preparations. Reporters accompanied security details patrolling empty pavilions with bomb-sniffing dogs and prowled with surveillance teams using infra-red detection equipment. This approach provided enough security information to reassure an anxious public without giving too much information to anyone seeking to disrupt the games. It was a pro-active, responsible way to balance the public's right-to-know with the security specialist's concept of need-to-know.

The NRC should emulate the success of the Olympic Games model by responsibly releasing information on nuclear plant security. For example, there were numerous media accounts shortly after September 11 about citizens and local officials driving past unlocked and unmanned security gates onto the grounds of nuclear power plants in Illinois, Pennsylvania, and Maine. The public was understandably apprehensive after reading these articles. The NRC chose not to allay the public's concerns by pointing out that nuclear plants are ringed by two of gates—outer gates for convenience and inner gates for security—and the inner security gates at the facilities were always manned and locked. The NRC's information vacuum may have forced Governors of several states to dispatch National Guardsmen to augment perimeter security at nuclear plant sites. The National Guard deployment did not hurt nuclear plant security. But it represented an undue burden on states' resources if responsible public communications on the part of the NRC had assuaged the public's concerns.

Our final example of information withheld by the agency that the public has both a right-to-know and a need-to-know involves emergency planning. The Three Mile Island nuclear accident in 1979 reinforced the importance of emergency planning. All operating nuclear power plants in the United States have emergency plans. The fidelity of these plans with corresponding plans on the federal, state and local levels is tested at least once every two years by both NRC and the Federal Emergency Management Agency (FEMA). The plans vary from community to community depending on the resources and decisions of state and local authorities. School children within the 10-mile emergency planning zone (EPZ) around some nuclear plants will be evacuated to schools outside the EPZ in event of an accident. School children within the EPZ for other nuclear plants will be evacuated to response centers.

Prior to September 11, the emergency plans were readily available on the NRC's website. Parents could access the emergency plans for their specific community and see what protective measures would be taken for their children if an accident happened during the school day. Emergency plans were included in the information pulled from the public arena following September 11. Several parents in New York, New Hampshire, and Massachusetts called me this past January complaining that no one would tell them how their children would be protected following a successful terrorist attack on the nuclear plant in their backyards. I called Mrs. Patricia Norry, the NRC's Deputy Executive Director for Management Services. Mrs. Norry explained that the public did not need access to emergency plans for their communities because it was sufficient that federal, state, and local authorities could access the plans if needed. This attitude is the 21st century equivalent of Marie Antoinette's "Let them eat cake" rejoinder. It does little to enhance public confidence in the NRC or reassure people that they are being adequately protected.

The NRC must restore the public's access to emergency planning information. If details within the emergency plans are so explicit that terrorists contemplating attacks against nuclear plants would learn too much, the NRC should provide the public with basic information on what to do when the emergency sirens wail. Lack of responsible NRC communication now could severely impede state and local officials in event of a nuclear plant accident by flooding them with calls from concerned parents seeking the whereabouts of their children and clogging roadways with caravans of parents trying to locate their children.

The NRC, state and local authorities have vital roles protecting public health and safety. These roles became more visible following after September 11 as public con-

cern over potential targets grew. Unfortunately, the NRC's inactions fanned the flames of fear when responsible actions may have suppressed them. They could have continued security tests to provide tangible evidence of adequate preparedness. Instead, they cancelled the fourteen tests that were scheduled. They could have proactively communicated with the public about nuclear plant security. Instead they opted to "duck and cover." They could have pointed to the emergency plans developed to protect the public in event of a nuclear plant accident. Instead, they chose to hide the emergency plans. Consequently, state and local authorities had to shoulder more of the burden because of the NRC's absence.

Any damage to the public psyche has already been done. The NRC must begin the healing process by resuming security tests at nuclear power plants, communicating responsibly with the public about nuclear plant security matters, and by providing the public with the information it needs regarding emergency plans. All of these measures could be accomplished within the NRC's existing fiscal year 2002 and fiscal year 2003 budgets.

To help the NRC progress along this path, the Congress could expand the scope of a report currently submitted to it each month by the agency. These monthly reports were initiated in the Fiscal Year 1999 Energy and Water Development Appropriations Act, Senate Report 105–206. The Fiscal Year 2002 Energy and Water Development Appropriations Act, House Report 107–258, directed the NRC to continue the reports. These reports provide the status on a range of NRC activities and could easily be expanded to include security tests performed at nuclear power plants, communications to the public on nuclear plant security matters, and availability of emergency planning information.

On behalf of UCS, I wish to thank the Committee for conducting this hearing on nuclear plant security and for considering our views on the matter.

ATTACHMENT 1

MARCH 25, 2002.

Mr. MICHAEL A. BALDUZZI,
Senior Vice President and Chief Nuclear Officer, Vermont Yankee Nuclear Power Corporation, Brattleboro, VT.

Subject: Final significance determination for a yellow finding at the Vermont Yankee Generating Station (NRC inspection report 50–271/01–010)

DEAR MR. BALDUZZI: The purpose of this letter is to provide you with the results of our final significance determination for the preliminary Yellow finding that was identified in the subject inspection report sent to you on November 28, 2001. After careful consideration, we have determined that the inspection finding is appropriately characterized as Yellow. The enclosure to this letter provides our detailed bases for this conclusion.

The finding was assessed using the significance determination process and was preliminarily characterized as Yellow, an issue with substantial importance to safety that will result in additional NRC inspection and potentially other NRC action. The finding was identified during an Operational Safeguards Response Evaluation (OSRE) at Vermont Yankee between August 20–23, 2001, the results of which were discussed with members of your staff during a final exit meeting on September 26, 2001. The OSRE consisted of observations of several aspects of the security program, table-top drills to assess tactics and response strategy, assessment of tactical training and firearms proficiency, and the conduct of four challenging force-on-force exercise scenarios designed to identify potential vulnerabilities in your response strategy, and areas where the security program may be strengthened.

As noted in our inspection report, the finding was considered preliminarily Yellow because response strategy weaknesses found during the conduct of the OSRE were considered generally predictable, repeatable and indicative of a broad programmatic problem. This determination was based on potential response strategy vulnerabilities that were identified during the conduct of table-top drills, and subsequently confirmed by the results of two of the four force-on-force exercises.

At your request, a closed regulatory conference was held on January 18, 2002. The conference was closed because it included a discussion of Safeguards Information, which must be protected against unauthorized disclosure in accordance with 10 CFR 73.21. In support of the regulatory conference, you provided a written evaluation dated January 14, 2002, which also contained Safeguards Information.

At the conference and in your written evaluation, you disagreed with the preliminary Yellow finding contending that two failures during the force-on-force exercises were inconclusive because of various artificialities that adversely affected the outcome of both exercises. Accordingly, you proposed that Vermont Yankee's perform-

ance should not be considered a Yellow finding. After carefully considering the bases for your contentions, we determined that the inspection finding is appropriately characterized as Yellow within the context of the NRC's Reactor Oversight Process. In making this determination, we considered the exercise artificialities and controller decisions that occurred during the exercises. As discussed in the enclosure to this letter, we acknowledge that the exercise artificialities and controller's decisions may have had a degree of influence in the exercises, however, it would not be practical to rerun the exercises to further assess the issues. Nonetheless, the scenarios adequately served to confirm the vulnerabilities (i.e., response strategy deficiencies) identified during the table-top portion of the OSRE.

You have 10 business days from the date of this letter to appeal the staff's determination of significance for the identified Yellow finding. Such appeals will be considered to have merit only if they meet the criteria given in NRC Inspection Manual Chapter (IMC) 0609, Attachment 2.

Per the Action Matrix associated with the NRC's Assessment Process (IMC 0305), any single Yellow issue, such as this finding, would place Vermont Yankee in the Degraded Cornerstone Column. Therefore, we will use the NRC Action Matrix to determine the most appropriate NRC response. We will notify you by separate correspondence of that determination, including any adjustments to the NRC inspection plan.

As previously acknowledged in our referenced inspection report, your letter, dated November 21, 2001, confirmed that compensatory measures have been taken to address the weaknesses identified during the OSRE. Your letter also described plans, schedules, and commitments for the establishment of long-term corrective actions, which will include improved internal and external strategies and organizational improvements.

You are not required to respond to this letter. In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter without the Safeguards Information enclosure will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at http://www.nrc.gov/reading-rm/ADAMS.html (the Public Electronic Reading Room).

Sincerely,

RA BY J.T. WIGGINS,
(For Hubert J. Miller, Regional Administrator, Region I).

ATTACHMENT 2

NOVEMBER 28, 2001.

Mr. MICHAEL A. BALDUZZI,
Senior Vice President and Chief Nuclear Officer, Vermont Yankee Nuclear Power Corporation, Brattleboro, VT.

Subject: Vermont Yankee Generating Station—NRC inspection report 50–271/01–010

DEAR MR. BALDUZZI: On August 23, 2001, the NRC completed an Operational Safeguards Response Evaluation (OSRE) at your Vermont Yankee power reactor facility. The enclosed report, which is considered as Safeguards Information, presents the preliminary results of that evaluation. The results of this inspection were discussed on August 23, 2001, with members of your staff. Subsequently, a final exit was conducted with Mr. Thomas Murphy and members of your staff by telephone conference on September 26, 2001.

The OSRE was an examination of activities conducted under your license as they relate to safety and compliance with the Commission's rules and regulations, and with the conditions of your license. Within these areas, the evaluation consisted of a selective examination of physical security plans, procedures and representative records; review and walkdown of selective portions of the Vermont Yankee facility; conduct of table-top exercises; examination and review of target sets; observations of force-on-force response exercises and exercise critiques; observation of firearms proficiency by security officers; and interviews with selected personnel. The most prominent aspect of the OSRE is the series of very challenging force-on-force exercise scenarios that are designed to identify potential vulnerabilities in your design basis threat response strategy, and areas where the security program may be strengthened to assure the continuing effectiveness of the physical protection system. Specifically, OSREs are designed to challenge the capability of the onsite security force to interdict a violent external assault by determined, well trained and dedicated intruders aided by a knowledgeable insider.

During the conduct of the force-on-force exercises, response strategy weaknesses were identified at Vermont Yankee. The enclosed report discusses our preliminary assessment of the performance of your security program, and includes a potential Yellow finding based on the Interim Physical Protection Significance Determination Process. Upon identification of the finding, your staff established immediate compensatory measures. These were taken to assure the security program was adequate while necessary longer term corrective actions are implemented. Before leaving the site, our inspection staff determined that the security program at Vermont Yankee was sound, an important step given the current threat environment. The maintenance of the completed compensatory measures were confirmed by a NRC Security Specialist on September 27, 2001.

Elements of your security program, as at all other nuclear power plants, include a substantial security fencing system and associated intrusion detection, surveillance, and alarm systems around the plant site; a substantial armed guard force onsite at all times; background checks, extensive searches, and strict controls of personnel entering the plant; external vehicle barriers; and close examination of all materials and vehicles entering the plant. Notwithstanding deficiencies revealed by the Vermont Yankee OSRE that are categorized preliminarily under NRC Reactor Oversight Program as having "substantial safety significance", none of the response strategy defects were of a severity that could not be promptly addressed through compensatory measures taken at the time of the inspection. Furthermore, it is important to note that, on October 16, 2001, an NRC Security Specialist conducted an audit of Vermont Yankee's security posture relative to the NRC Safeguards Threat Advisories issued following the September terrorist attacks, and determined that the additional actions taken at the site, which included assistance of local law enforcement agencies, were appropriate. In a letter dated November 21, 2001, Vermont Yankee confirmed its commitment to continue these actions, and the compensatory measures addressing the weaknesses revealed from the OSRE, as described above. Your letter also described plans, schedules and commitments for the establishment of long-term corrective actions.

We believe we have sufficient information to make a final significance determination for this finding. However, before we make our decision, you may provide a written statement of your position on the significance of this finding, including any supporting information or reference to previously submitted material. Additionally, you may request a Regulatory Conference in order to provide your perspective on the finding, the associated safety significance, and the bases for your appraisal. If you chose to request a Regulatory Conference, we encourage you to submit your evaluation of the matter, including aspects that may differ with the facts described in the enclosed report. Any information that you chose to submit should be controlled as Safeguards Information and provided to our office at least a week before the conference. A Regulatory Conference on this matter would be closed to public observation since Safeguards Information may need to be discussed. All Safeguards Information is required to be protected in accordance with 10 CFR 73.21.

Please contact Mr. John R. White at (610) 337–5114 within 10 business days of the date of this letter to notify the NRC of your intentions. If we have not heard from you within 10 days, we will continue with our significance determination process and subsequently inform you of the results of our deliberations on this matter.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter without the Safeguards Information enclosure will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at http://www.nrc.gov/reading-rm/adams.html (the Public Electronic Reading Room).

Sincerely,

WAYNE D. LANNING,
Director, Division of Reactor Safety.

Summary of Findings

IR 05000271-01-10; on 8/20-23/2001; Vermont Yankee Generating Station; Operational Safeguards Response Evaluation.

The inspection was conducted by two NRC Region I Safeguards/Security inspectors, one Nuclear Reactor Regulation Safeguards Specialist, and three contractors. The inspection identified one preliminary finding having substantial safety significance, i.e., Yellow. The significance of most findings is indicated by their color (Green, White, Yellow, Red) using IMC 0609 "Significance Determination Process" (SDP). Findings for which the SDP does not apply are indicated by "No Color" or by the severity level of the applicable violation. The NRC's program for overseeing the safe operation of commercial nuclear power reactors is described at its Reactor Oversight Process website at http://www.nrc.gov/NRR/OVERSIGHT/index.html.

A. Inspector Identified Findings

Cornerstone: Physical Protection

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U. S. NUCLEAR REGULATORY COMMISSION

REGION I

Docket No:	50-271
License No:	DPR-28
Report No.:	50-271/01-010
Licensee:	Vermont Yankee Nuclear Power Corporation
Facility:	Vermont Yankee Generating Station
Dates:	August 20 - 23, 2001
Inspectors:	Gregory C. Smith, Sr. Physical Security Inspector (Team Leader) Paul R. Frechette, Security Inspector Ron Albert, Reactor Safeguards Specialist (NRR) NRC Contractors (3)
Approved by:	John R. White, Chief Radiation Safety and Safeguards Branch Division of Reactor Safety

Report Details

3. Safeguards

Cornerstone: Physical Protection

4OA5 Operational Safeguards Response Evaluation (81110)

.1 Management Overview of Protective Strategy (81110-02.01)

a. Inspection Scope

b. Findings

No findings of significance were identified.

.2 Preliminary and Onsite Target Analyses (81110-02.02)

a. Inspection Scope

b. Findings

No findings of significance were identified.

.3 Protected and Vital Area Tour (81110-02.03)

a. Inspection Scope

b. Findings

No findings of significance were identified.

.4 Table-Top Drills, Force-on-Force Exercises, and Licensee Exercise Critiques (81110-02.04)

a. Inspection Scope

b. Findings

.5 Tactical Training (81110-02.06)

a. Inspection Scope

b. Findings

No findings of significance were identified.

.6 Firearms Training (81110-02.07)

a. Inspection Scope

b. Findings

No findings of significance were identified.

4OA6 Management Meetings

.1 Exit Meeting Summary

The inspectors presented the preliminary inspection results to Mr. M. Balduzzi, Site Vice President and other members of licensee management at the conclusion of the inspection on August 23, 2001. A final exit was conducted telephonically, with Mr. Thomas Murphy and other members of licensee management, on September 26, 2001.

KEY POINTS OF CONTACT

Licensee

M. Balduzzi	Site Vice President
T. Murphy	Director
J. Moriarity	Manager, Nuclear Security
B. Copperthite	Security Operations

Contractor - The Wackenhutt Corporation

E. Wright	Project Manager

NRC

B. McDermott	Senior Resident Inspector
E. Knutson	Resident Inspector
G. Smith	Senior Security Specialist
P. Frechette	Security Specialist
R. Albert	Reactor Safeguards Specialist

LIST OF ITEMS OPENED

Opened

50-271/01-010-01	FIN

INSPECTION PROCEDURES USED

IP 81110	Operational Safeguards Response Evaluation

LIST OF ACRONYMS USED

OSRE	Operational Safeguards Response Evaluation
EGM	Enforcement Guidance Memorandum
PARS	Publicly Available Records
SDP	Significance Determination Process
RCA	Radiological Control Area

DOCUMENTS REVIEWED

Vermont Yankee Physical Security Plan, Revision 32, June, 2001
Vermont Yankee Target Set listing, August, 2001

Senator HOLLINGS [presiding]. Thank you.
Mr. Benjamin.

STATEMENT OF JEFF BENJAMIN, VICE PRESIDENT FOR LICENSING, EXELON CORPORATION, CHICAGO, ILLINOIS, REPRESENTING THE NUCLEAR ENERGY INSTITUTE

Mr. BENJAMIN. Thank you, Senator. My name is Jeff Benjamin. I am the Vice President of Licensing and Regulatory Affairs for

Exelon. We operate about 20 percent of the nuclear plants in this country, consisting of 17 reactors at 10 sites in three different States. My background includes working at four different reactor sites, including as the site vice president LaSalle County Station, one of our sites within Exelon. Also, since September 11th I have been responsible for coordinating the security activities for Exelon.

I am also appearing today on behalf of the Nuclear Energy Institute. NEI's 270 members represent a broad spectrum of interests, including the owners of all of the nuclear power plants in the United States. I thank you today for the opportunity to appear before you.

Throughout my career in the nuclear industry, safe operation of our plants and protecting the health and safety of the public has always been job number 1. Part of that responsibility has always been maintaining a robust security program at our sites. This is not a new issue for our industry. Maintaining security programs that meet Federal requirements is a condition of our license by which we operate our plants.

Our nuclear reactors are among the most well-protected industrial facilities in the world, with many businesses turning to our industry for advice and for information on how to adequately protect industrial and commercial facilities. Our plants are designed with a defense in depth philosophy. We use multiple trains of safety equipment. We use extremely robust construction. These features, coupled with our guard force and physical security protection, make our nuclear plants considered to be hardened targets by security experts worldwide.

In my written testimony I presented some background on nuclear plant security and the actions that were undertaken by the industry and Federal officials in response to the events of September 11th. These actions have further increased the security of our plants by increasing the number of armed guards, establishing additional controls on site access, and enhancing operational readiness in the event of a threat or attack. Our industry has the benefit of a mature framework for both security and emergency response, each of which undergoes regular testing.

In my remarks before you today, I would like to focus on recommendations for additional actions that Congress and the Federal Government should consider to further ensure the security of commercial nuclear facilities. First, there must be a clear delineation of responsibility between Government and plant licensees. Federal law currently requires NRC licensees to protect against a variety of potential threats to commercial power plants. But the law also considers many threats to be outside the scope of licensee responsibility and instead relies on law enforcement agencies and the military for protection. Congress and the administration must decide where the line between licensee and Government responsibility lies in light of the new threats faced by our plants and the other facilities that make up the Nation's critical infrastructure.

The Nuclear Regulatory Commission should revise its protocol of threat levels to conform with that proposed by the Office of Homeland Security on March 11th of this year. Such a system would allow the commission and licensees to distinguish between the current generalized heightened state of alert and a more specific

threat against a plant or plants. We have been at the NRC level 3 since shortly after the attacks on September 11th. It is the highest state of readiness defined by the NRC.

The orders recently issued by the NRC mandate additional requirements commensurate with the continuing current threat condition. This situation begs the question of how meaningful the different security classifications are if the highest level of alert becomes the only level of security.

Although a number of the changes we are making to our security program incorporate the knowledge of a new type of threat, we need to be able to scale our security requirements based on changes to the level of threat that exists. This will allow as the plant operators and emergency response officials to develop readiness levels commensurate with the threat level that exists.

Communication and coordination must be improved among licensees in the various Federal, State, and local agencies involved in responding to a potential threat situation. This need is perhaps best illustrated by an event at the Three Mile Island plant last year. Plant operators were notified by the Nuclear Regulatory Commission on October 17, 2001, that the Federal Government had received information which it believed constituted a credible threat against the plant. A number of Federal agencies and organizations, including the NRC, the FBI, FAA, and NORAD, were involved in the subsequent response to what was later determined to be a noncredible threat.

As the licensee, we took immediate action to secure the site physically and called in additional assistance from the law enforcement community, while the Federal Government and the military took action to protect the plant. At the same time, TMI events also provided us with some valuable lessons learned, including the need to work more closely with Federal officials to clarify the nature of the threat, the need to develop coordination procedures with multiple Federal agencies, and the need to communicate effectively with local elected officials and emergency services personnel.

It is also vitally important that the NRC be integrated into the intelligence community's process for assessing threats against commercial plants and other NRC licensees. We are highly dependent upon receiving threat information from the NRC. So therefore it is essential that the NRC is getting credible and timely information itself.

Lastly, we do not have the necessary Government clearances to facilitate the free flow of intelligence information between us and the NRC. The NRC has taken steps to remedy this situation, but I will say this was a contributor to some of the communications difficulties we had between ourselves and the offsite local officials that night on October 17.

The Nuclear Regulatory Commission has incurred and will continue to incur additional costs to address new security concerns. While the commission plans to reallocate existing resources to support its new Office of Nuclear Security and Incident Response, the NRC's mission with regard to security is likely to expand as the Federal Government reassesses their responsibilities of various parties providing nuclear security.

NRC's efforts should be coordinated with the broader efforts of the Office of Homeland Security and Congress should support NRC's request for additional funding to support additional actions undertaken in support of homeland defense.

In determining the resources necessary to protect nuclear power plants, the Federal Government should consider the potential vulnerability of these plants relative to other potential critical infrastructure targets and allocate limited Federal resources to those facilities deemed to be most vulnerable to attack. These funds would be used in conjunction with State and local agencies to further enhance readiness.

Some in Congress have advocated federalizing our nuclear plant security forces. We have a well-paid, highly trained work force of security personnel guarding our plants. Many of these people have chosen this as their career, and replacing these forces with Federal employees is unnecessary and would complicate the ability to respond to an event. Quite simply, federalization solves a nonexistent problem.

Others in Congress and elsewhere have advocated placing anti-aircraft artillery installations at nuclear plants to protect against air attack. The industry believes that Federal resources would be more properly focused on ensuring the skies stay safe. In addition, we are concerned with the command and control difficulties and potential unintended consequences such installations may pose.

Given a strong framework of existing security and emergency preparedness programs and the robust design and construction of our plants, we feel confident in our ongoing ability to protect the health and safety of the public living near our plants. The recommendations offered here today are intended to have nuclear plants evaluated in the context of other critical infrastructure and to seek clarity for the nature of the threat that we are responsible to defend against. We will continue to work with the NRC and Congress to provide the highest levels of protection to the public in that regard.

Thank you again for the opportunity to discuss these issues with you.

[The statement follows:]

PREPARED STATEMENT OF JEFF BENJAMIN

Mr. Chairman, Members of the Committee: I am Jeff Benjamin, Vice-President of Licensing and Regulatory Affairs for Exelon Nuclear, the nuclear division of Exelon Generation Company. Exelon Generation is a wholly owned subsidiary of Exelon Corporation, which was formed in 2000 by the merger of Unicom Corporation of Chicago and PECO Energy Company of Philadelphia. Exelon Generation currently owns and operates approximately 37,000 megawatts of diversified electrical generation, including 17 nuclear reactors that generate 16,970 megawatts of electricity. Exelon is the largest nuclear generation operator in the country with approximately 20 percent of the nation's nuclear generation capacity, and the third largest private nuclear operator in the world. We also own 50 percent of AmerGen Energy, which is a partnership with British Energy of Edinburgh, Scotland. AmerGen owns three of the 17 units in the Exelon fleet.

I am also appearing today on behalf of the Nuclear Energy Institute (NEI). NEI's 270 members represent a broad spectrum of interests, including every U.S. electric company that operates a nuclear power plant. NEI's membership also includes nuclear fuel cycle companies, suppliers, engineering and consulting firms, national research laboratories, manufacturers of radiopharmaceuticals, universities, labor unions and law firms.

Thank you for the opportunity to appear before you today to discuss security issues at commercial nuclear power plants.

My testimony today will focus on three areas:

First, the nuclear power industry is absolutely committed to ensuring that our plants are operated safely and that all necessary steps are taken to protect the health and safety of the public and our employees. No one has a greater interest in protecting the safety and security of nuclear plants than the owners and operators of those facilities.

Second, commercial nuclear power plants are the most well-protected industrial facilities in the United States today, and many businesses are turning to the nuclear industry as a model for providing security at industrial complexes.

Third, as the United States acts to strengthen homeland security in light of new threats to the nation's security, it is imperative that Federal, state, and local officials work cooperatively with nuclear plant operators to build upon the solid foundation of emergency response capabilities that existed prior to September 11.

The most pressing challenge facing Congress and other Federal policymakers is how to allocate responsibility for protecting the nation's critical infrastructure against attacks by terrorists and other enemies of the state. Federal law currently requires Nuclear Regulatory Commission (NRC) licensees to protect against a variety of potential threats to commercial nuclear power plants. Federal law considers many potential threats to be outside the scope of licensee responsibility and instead relies on law enforcement agencies and the military to protect against certain threats. The question facing Congress and the Administration is where the line between licensee and government responsibility lies in light of the new threats faced by nuclear power plants and other facilities that make up the nation's critical energy infrastructure.

The events of September 11 have presented the nation with a variety of new challenges. Protection of the country's critical infrastructure is among the most important of these challenges, but it is a challenge that I am confident the nuclear energy industry can and will continue to meet.

INDUSTRY COMMITMENT

Protection of the health and safety of the public and our employees is of paramount importance to the nuclear power industry. The industry has worked closely with a variety of Federal, state and local officials to identify additional safeguards and resources that are necessary to respond to potential threats to plant security, and we are fully supportive of taking all reasonable and necessary steps—whether they be by licensees or the government—to ensure that nuclear plants are able to withstand an attack by terrorists. We look forward to continuing to play an active role in working with emergency response agencies and officials to develop and implement effective measures to improve nuclear plant security.

Among the Federal agencies with whom the industry has consulted are the Office of Homeland Security, the Nuclear Regulatory Commission, the Federal Emergency Management Agency, the Department of Energy, the Department of Defense, the Federal Bureau of Investigation, and the National Infrastructure Protection Center.

As I stated earlier, no one has a greater interest in protecting the safety and security of nuclear plants than the owners and operators of those facilities.

NUCLEAR PLANT SECURITY

Protection of public health and safety requires both the safe operation of nuclear plants and the physical protection of the plant against potential threats.

The industry today is operating the nation's 103 nuclear reactors more efficiently and safely than ever before. The average capacity factor for nuclear plants reached an all-time high of 91 percent in 2001 according to preliminary data from the Nuclear Energy Institute, while the industrial safety accident rate for nuclear plants in 2000 was a record-low 0.26, compared to an average accident rate in the manufacturing sector of 4.0.

Nuclear power today provides 20 percent of the nation's electricity each year, and it does so without emitting any of the pollutants associated with acid rain or global warming. In fact, nuclear power has played a major role in allowing many regions of the country come into compliance with Clean Air Act requirements.

The industry's commitment to safety also extends to plant security. In fact, commercial nuclear power plants are regarded by many to be the most well-protected industrial facilities in the United States today. Indeed, many other industries are turning to the nuclear industry as a model for providing security at a variety of commercial facilities. For example, in addition to unique physical protections employed at commercial nuclear facilities, the nuclear industry is alone among critical

infrastructure industries in using the Federal Bureau of Investigations to run criminal background checks on applicants for positions at sensitive facilities.

Current Law

Existing Federal statutes and regulations provide strict standards requiring licensees to take actions necessary to protect the public health and safety. NRC requirements and industry programs are predicated on the need to protect the public from the possibility of exposure to radioactive release caused by acts of sabotage.

The current design basis threat—the threat against which a plant licensee must be able to protect—assumes a suicidal, well-trained paramilitary force, armed with automatic weapons and explosives, that is intent on forcing its way into a nuclear power plant to commit sabotage. The design basis threat also assumes that the attackers will have insider knowledge of plant systems and plant security plans and even insider assistance.

This assumed threat forms the basis for security response plans and training drills. These plans and drills are tested regularly by the NRC as part of their Operational Safeguards Response Evaluation (OSRE) and have confirmed our readiness to meet the design basis threat. The OSRE program has also provided the industry with the opportunity to identify areas where security can be improved and enhanced.

Physical Design of Plants

A number of defenses exist to counter such a threat. Nuclear plants, by their very design, provide a redundant set of physical barriers designed both to keep radiation and radioactive materials inside the plant and to keep intruders outside the plant. The reactor core is protected by a containment structure comprised of several feet of thick reinforced concrete walls, a steel liner, additional concrete walls within containment, and a several inches-thick high tensile steel reactor vessel. The metal cladding on the fuel itself also serves as an additional protective barrier. For this very reason, the FBI considers nuclear plants to be "hardened targets."

Nuclear plant sites have three distinct zones, each of which has different levels of physical and human defenses. The first zone, called the "owner controlled area," includes all of the property that is associated with the plant. The owner controlled area typically ranges in size from several dozen to hundreds of acres of land and serves as an effective buffer zone around the critical areas of the plant.

The second zone, the "protected area," is a physically enclosed area surrounding the plant into which access in controlled. Physical barriers to intrusion include barbed wire and razor wire fences, microwave and electronic intrusion detection systems, closed circuit television systems, isolation zones, extensive lighting, system monitoring by redundant alarm stations, and vehicle barrier systems. Access to the protected area is restricted to a select population of site personnel with a need for entry. A significant portion of plant employees work outside the protected area. To access the protected area, plant employees and visitors must pass through a metal detector and an explosives detector. X-ray machines are also used to screen material brought into the protected area by employees and visitors. In addition, employees must utilize a hand-geometry device to confirm their identity before entering the protected area.

The third zone, the "vital area," includes those areas within the protected area containing equipment essential for operating the plant safely and successfully shutting down in the case of an event. Additional barriers are in place to protect vital areas of the plant, including concrete floors, walls, and ceilings; steel locked and alarmed doors; and key card access doors. As with the protected area, access to the vital area is restricted to a select population of site personnel with a need for entry. The defensive contingency plans used by security forces are geared towards protection of these critical areas.

Security Forces

In addition to the robust physical structures protecting the plant, licensees maintain a highly trained, well-equipped security force to guard each facility. Security personnel, many of whom have law enforcement or military experience, must undergo extensive background checks, including an FBI criminal record check; physical and psychological testing and screening; and regular drug and alcohol screening. The nuclear industry is unique among energy industries in having a cooperative relationship with the FBI to facilitate such criminal record checks.

In addition, security personnel are subject to rigorous training requirements. Initial nuclear security officer training includes a wide variety of topics, including NRC requirements for nuclear facility physical security, recognition of sabotage devices and equipment, contraband detection devices and operation, firearms training and tactical response training. Annual supplemental training covers areas such as weap-

ons proficiency, physical readiness, stress fire course, force-on-force drills, and table top drills. A significant amount of annual training focuses on force-on-force training, which covers such topics as threat assessment and tactical response, response force deployment and interdiction, protection of specified vital equipment and protected areas, multiple target acquisition and engagement, and the use of armored body bunkers, ballistic shields, and other specialized security equipment.

As a further protection to the public, each nuclear power plant has an extensive and well-honed emergency response organization and systems in place to respond to and mitigate any emergency that arises. Emergency response plans are tightly integrated with local, state and federal regulatory and emergency authorities and undergo regular training and drilling. The emergency planning zone includes an area within a 10 mile radius of the plant, an area encompassing roughly 315 square miles. Since September 11, Exelon Nuclear has conducted security briefings for state and local officials in each of the states in which we operate to reinforce the coordination and response plans in the event of an emergency.

September 11 and Its Aftermath

Upon notification by the Nuclear Regulatory Commission on September 11, all nuclear plants immediately increased their security to Level 3, the highest level of security maintained at commercial nuclear reactors. All U.S. commercial reactors remain at Level 3.

Since September 11, nuclear plants have also extended the point of initial screening of people entering the plant site from the protected area boundary to a point in the owner controlled area boundary. This initial screening includes an identification check, confirmation of the purpose for entering the site, and a thorough vehicle inspection for all visitors. States police and, in some cases the National Guard, have augmented this effort. In addition, armed patrols have extended their patrols to include a larger portion of the owner controlled area. These patrols are coordinated with onsite personnel to enhance detection and deter potential threats.

Given the uncertain nature of potential attacks, Exelon Nuclear and other reactor operators took a variety or protective measures in conjunction with NRC guidance. These included actions to harden site access, increase security resources, and improve operational readiness.

To harden site access, the industry has:

—conducted additional screening and control of all on-site deliveries upon entry to the owner-controlled area

—barriers positioned to prevent access at several Owner Controlled Area entrances

—restricted of visitors to those required for essential plant work

—extended background checks for outage and other contractors with temporary unescorted access

—checked employee databases against an FBI watch list of suspected terrorists from all known terrorist organizations (the FBI continues to update that list and share the information with the industry)

To improve security resources, the industry has:

—increased number of security officers

—procured additional weapons and upgraded armaments

—added armed security posts at key plant locations

—increased security presence at site entrance

—added police, and at times National Guard, posted at site entrances

To improve operational readiness, the industry has:

—enhanced plant procedures and operator training for use during an attack or credible threat

—elevated attention to security and fire protection related equipment

—established protocol for augmented federal and state law enforcement assistance and intervention

Since shortly after September 11, the Nuclear Regulatory Commission has been engaged in a top-to-bottom review of the Design Basis Threat to reevaluate its adequacy. As an interim measure, the Commission issued Orders on February 25th of this year which imposes significant additional requirements on licensees pending the completion of a more comprehensive review of safeguards and security program requirements.

While many of the specifics regarding the NRC Orders are classified as safeguards information and cannot be disclosed to the public, issues addressed by the Orders include security officer staffing levels, protection against potential vehicle and waterborne threats, protection of used fuel, enhanced access authorization controls, and mitigation efforts in the event of an attack.

ADDITIONAL SECURITY CHALLENGES AND RECOMMENDATIONS

As the United States acts to strengthen homeland defense in light of new threats to the nation's security, it is imperative that Federal, state, and local officials work cooperatively with nuclear plant operators to build upon the solid foundation of emergency response that existed prior to September 11.

In particular, there are several steps that we believe the Federal government should take in addressing security issues at nuclear power plants.

—There must be a clearer delineation of responsibility between government and plant licensees. Federal law currently requires NRC licensees to protect against a variety of potential threats to commercial nuclear power plants, but the law also considers many threats to be outside the scope of licensee responsibility and instead relies on law enforcement agencies and the military to protect against certain threats. Congress and the Administration must determine where the line between licensee and government responsibility lies in light of the new threats faced by nuclear power plants and other facilities that make up the nation's critical energy infrastructure.

—There must be improved communication and coordination among licensees and the various Federal, state and local agencies involved in emergency response planning. The Federal government has a role in financially supporting many of the actions necessary to accommodate this improved communication and coordination.

—The Nuclear Regulatory Commission has incurred—and will continue to incur—additional costs to address new security concerns. Congress should support the NRC's request for additional funding to support additional actions undertaken in support of homeland defense.

—The Nuclear Regulatory Commission should revise its protocol of security levels to conform with that used by the Office of Homeland Security.

—In determining the resources necessary to protect nuclear power plants, the Federal government should consider the potential vulnerability of these plants relative to other potential critical infrastructure targets and allocate limited Federal resources to those facilities deemed to be most vulnerable to terrorist attack.

Delineation of Government and Licensee Responsibility

Exelon Nuclear fully supports the NRC's efforts to conduct a top-to-bottom review of security procedures at nuclear facilities. We have completed our own review of security procedures at our plants and have taken appropriate steps to increase security measures as a result of the heightened state of alert.

As Congress and the Administration debate what changes in Federal law and policies are appropriate in the aftermath of the September 11 attacks, strong consideration should be given to building upon the existing regulatory system which distinguishes between threats for which licensees are responsible and threats for which law enforcement and the military are responsible.

One such approach was endorsed by the House of Representatives last year as part of the Price-Anderson Amendments Act, which passed by the House by voice vote. The House legislation directs the President to conduct an assessment of potential threats against nuclear facilities and to classify each threat as one for which the Federal government should be responsible or as one for which NRC licensees should be responsible. The measure also requires the Nuclear Regulatory Commission to promulgate a rulemaking to ensure that licensees address the threats identified in the report as a licensee responsibility.

Exelon strongly supports the Price-Anderson provisions as a reasoned approach to this very important issue. The Presidential study will allow the White House to coordinate the efforts of a number of Federal agencies to conduct a comprehensive threat assessment. Such an approach will also allow personnel knowledgeable in security matters to make decisions in coordination with intelligence officials to ensure that nuclear facilities are treated in a manner consistent with the protection of other critical infrastructure facilities.

Improved Communication and Coordination

The need for improved communication and coordination among licensees and Federal, state and local government agencies is perhaps best illustrated by an event at AmerGen's Three Mile Island (TMI) plant last year. AmerGen was notified by the Nuclear Regulatory Commission on October 17, 2001, that the federal government had received information which it believed constituted a credible threat against the plant. A number of Federal agencies and organizations, including the NRC, the FBI, the FAA, and NORAD, were involved in the subsequent response to what was later determined not to be a credible threat.

Site personnel took immediate action to secure the plant, which was in the midst of a maintenance and refueling outage. The company also requested—and received—additional security assistance from the Pennsylvania State Police.

The "threat" against Three Mile Island showed that the regulatory system currently in place can work effectively in response to a potential threat. As the licensee, AmerGen took immediate action to secure the site physically and called in additional assistance from the law enforcement community, while the federal government and the military took action to protect the plant against potential threats that fell outside the design basis threat against which AmerGen is responsible for defending.

At the same time, the TMI event also provided us with some valuable "lessons learned," including the need to work more closely with Federal officials to clarify the nature of threat information, the need to develop coordination procedures with multiple Federal agencies, and the need to communicate effectively with local elected officials and emergency services personnel.

For example, different Federal agencies declared the threat to be non-credible at different times. While the Federal Aviation Administration lifted airspace restrictions around the plant at 1:10 a.m. on October 18, the NRC did not notify AmerGen that the threat had been deemed to be non-credible until 7:30 a.m. that morning. In addition, while the NRC notified the Governor of Pennsylvania, the Commission failed to notify other state and local officials or to advise AmerGen that the Governor had been notified.

The Commission took a step towards addressing some of these issues last week when it established an Office of Nuclear Security and Incident Response to consolidate and streamline selected NRC security, safeguards, and incident response responsibilities and resources. While this should address some coordination and communications issues, other Federal agencies must engage in similar efforts.

Finally, it is important that the NRC be integrated into the intelligence community's process for assessing and communicating potential threats against commercial nuclear facilities and other NRC licensees.

Expansion of NRC Mission

The Nuclear Regulatory Commission has incurred—and will continue to incur—additional costs to address new security concerns. While the Commission plans to reallocate existing resources to support the new Office of Nuclear Security and Incident Response, the NRC's mission with regard to security is likely to expand as the Federal government reassesses the responsibilities of various parties for providing nuclear security. NRC's efforts should be coordinated with the broader efforts of the Office of Homeland Security. Congress should support the NRC's request for additional funding to support additional actions undertaken in support of homeland defense.

Security Protocols and Procedures

As I noted earlier, the NRC currently uses a three level security classification system. Each of the nation's 103 reactors have been at the top level, Level 3, since September 11 and the Commission has indicated that plants will remain at Level 3 for the foreseeable future. This situation begs the question of how meaningful the different security classifications are if the highest level of alert effectively becomes the only level of security. Given these concerns and the need for consistency in communicating the urgency of potential threats, the Commission should revise its protocol of security levels to conform with the five level classification system established by the Office of Homeland Security. Such a system would also allow the Commission and licensees to distinguish between the current generalized heightened state of alert and a more specific threat against a plant or plants.

Balancing the Need for Enhanced Security and Limited Federal Resources

In determining the resources necessary to protect nuclear power plants, the Federal government should consider the potential vulnerability of these plants relative to other potential critical infrastructure targets and allocate limited Federal resources to those facilities deemed to be most vulnerable to terrorist attack.

For example, some in Congress have advocated federalizing nuclear plant security forces. As I mentioned earlier in my testimony, the industry has a well-paid, highly-trained force of security personnel guarding commercial nuclear plants. Replacing these forces with Federal employees is unnecessary and would complicate the ability of licensees to coordinate the response of plant and security personnel in the event of a terrorist attack. Federalizing nuclear security forces would also unnecessarily limit the universe of potential guards by prohibiting retired military and other government officials who would be prohibited from serving as Federal security personnel and continuing to draw their Federal pension.

Others in Congress and elsewhere have advocated placing anti-aircraft artillery installations at nuclear plants to protect against an air attack. The industry believes that Federal resources would be more properly focused on increased airport security to ensure that terrorists are denied access to the large commercial airliners that are of most concern.

Given the strong physical structures at nuclear plants and the highly-trained guard force to protect commercial nuclear facilities, resources may be more appropriately focused on other critical infrastructure facilities.

Mr. Chairman, thank you for the opportunity to discuss these issues with you. Let me close by reiterating that the nuclear industry recognizes our responsibility for protecting the public health and safety, and we are committed to taking the steps necessary to do so.

I would be pleased to answer any questions you may have.

BIOGRAPHICAL SKETCH OF JEFF BENJAMIN

Jeff Benjamin has over 15 years experience in management of commercial nuclear power generating facilities and has a background in plant recovery, licensing, engineering and nuclear oversight. He joined the company in April 1998, as the nuclear oversight vice president for Commonwealth Edison's Nuclear Generation Group.

As Licensing Vice President, Benjamin is responsible for directing the strategic and tactical nuclear licensing and regulatory affairs functions and programs, including regulatory interface and policy setting for Exelon Nuclear. Developing and implementing strategic and tactical direction requires routine interface with the NRC, NEI, INFO, and state regulatory agencies. Benjamin also directs the activities of the Emergency Preparedness Department. These activities include processes to ensure Exelon maintains a high state of readiness for emergencies, scenario development, local state agency interface, and drill participation and performance.

Before being promoted to his current position, Benjamin served as Vice President of Nuclear Acquisitions where he represented Commonwealth Edison in PECO's and AmerGen's acquisition and development activities, including due diligence reviews of possible transactions.

Benjamin was Site Vice President of LaSalle Station before taking the position as Vice President of Nuclear Acquisitions. He had direct responsibility for the successful restart of Unit 2, the return of the site to normal operations after a lengthy shutdown and increased regulatory scrutiny, and the best-of-a-kind Unit 1 refueling outage.

Prior to joining Commonwealth Edison, he served as director of oversight and licensing and director of the Unit 1 recovery from 1994 to 1998, for the Salem and Hope Creek Nuclear Power Plants at Public Service Electric & Gas Company. From 1993 to 1994, he served as the manager of quality assessments for WNP–2 at Washington Public Power Supply System. From 1984 until 1989 he served in engineering, as quality audit supervisor and manager of quality programs at the Trojan Nuclear Plant for Portland General Electric. In 1994, Benjamin was certified on the BWR-S Reactor Plant at WNP–2.

Benjamin holds a Bachelor of Science in nuclear engineering from Oregon State University. He is a candidate for a Master of Science in engineering at Oregon State University, with completed course work with the exception of his thesis.

Benjamin has served as a member of the Board of Trustees for the Memorial Hospital of Salem County, the Executive Board of the Boy Scouts of America, Southern New Jersey Council, and the Board of Directors, Easter Seals, DuPage County, Illinois.

QUESTIONING BY SENATOR ERNEST F. HOLLINGS

Senator HOLLINGS. Thank you, Mr. Benjamin.

Since I authored the federalization of airport security, let me just say up front that I do not see any need for federalization of the nuclear power plants. We do not have an Argenbright problem like we had at all the airports over America.

But let me ask with respect to a nuclear power plant and the commercial liner that ran into the Trade Towers and the Pentagon. You say hardened targets and proper construction are needed. Suppose an airplane ran into a nuclear power plant. Are they hardened enough to withstand that kind of hit?

Mr. BENJAMIN. First of all, again I will restate. We are counting on the Government keeping the skies safe. Now, that subject has been the matter of a lot of debate and ongoing study. A lot of those studies are ongoing right now. When these plants were licensed about 20 years ago and longer, several were not licensed specific to the requirements of an airliner crash. Some were.

Largely those designs were done in accordance with the aircraft that were in existence back at the time. So for example, our Three Mile Island plant was designed to withstand a 727 impact. I think I would like to defer until the studies get done to see what impact the larger fuel-laden aircraft of today would be, but certainly those studies back in the seventies demonstrated that these are very robust structures.

Senator HOLLINGS. I have only got one more minute to make that vote, so, Dr. Flynn, I am glad to see you back. Admiral, we really appreciate your appearance. Each of you witnesses here, it has been very valuable to the committee. Chairman Byrd is on his way back, so the committee will be in recess—I apologize, I did not see you.

Senator MURRAY. I just was way too quiet, Senator Hollings.

Senator HOLLINGS. I turn it over to Senator Murray.

QUESTIONING BY SENATOR PATTY MURRAY

Senator MURRAY [presiding]. He always ignores me. It has been a 10-year problem.

Thank you very much to all of you for your testimony here today. I apologize that we have been going in and out for these votes, but I have seen all your written testimony and I really appreciate all of you taking time and effort to come here today to talk with what I think is a very, very critical, serious, and difficult issue.

Dr. Flynn, in your testimony you argue that any effort to improve port security must be done on an international basis and that any unilateral action by the United States could just result in more cargo entering our country overland using ports in Canada and Mexico. Admiral Larrabee, I am sure you share the concern since your port competes for traffic with Halifax and Montreal, just like our ports compete with Vancouver, British Columbia.

Just last week the Coast Guard testified before my Transportation Subcommittee and they did not give us a lot of hope that any international consensus on a new port security regime could really be reached any time soon. Would both of you share your views on the progress that the administration has made to date in getting international cooperation to substantially boost port security?

Admiral LARRABEE. Senator, one of the projects that we both have talked about this afternoon is a project that we have entitled Operation Safe Commerce. It is a public-private partnership to look at this very issue. You know that we both believe that this is going to take more than unilateral action on the part of the United States to solve. One of the encouraging things that both of us have found is that there is a great deal of interest within the private community, both here in the United States as well as internationally, to solve this concern for cargo security.

In my business, when I talk to shipping line presidents or when I talk to freight forwarders or when I talk to manufacturers in for-

eign countries, they all recognize that if we have an incident in the maritime industry that the system will again get shut down, as Dr. Flynn has suggested, and that our ability to restart it, because we have no confidence in that system, is something that is very much on their minds.

I believe that we are going to see cooperation within the private sector to help find solutions to some of these problems, whether it is packing a container in a secure environment to some international standard, whether it is a better system of moving with higher accountability, whether it is providing more information. I believe the industry is ready to step up to the plate. I think it is a leadership issue and I think that with Federal legislation requiring more cargo security than we presently have we will provide the incentive for private industry to partner with the public sector and find practical solutions.

Senator MURRAY. Do you see that as what compels the international communities to work with us on this?

Admiral LARRABEE. Yes, ma'am. It is a matter of economics.

Senator MURRAY. Dr. Flynn?

Dr. FLYNN. Let me reinforce that. I think one of our biggest allies on the international is the Canadian Government, who has I think been quite forward-leaning. I have had a number of conversations with folks there. Their Canadian Senate had a report that they recently issued in February on their own seaport security and they gave it worse marks probably than our Inter-Agency Seaport Commission gave ours. But the problems are the same.

Why is Canada forward-leaning on this? Forty-seven percent of their GDP is trade. Eighty-seven percent of their trade is with the United States. Ninety percent of Canadians live within 100 miles of the border. They got what happened on September 11th. That is, we closed down our contact between, we basically closed trade between. A billion dollars a day of trade stopped for a period of time at that point.

So they have gone ahead and put this on the G–8 agenda, this issue of how do we do border management within the context of globalization, within the context of this new threat, and how do we sustain basically an open global economy. So I think that provides an excellent venue for this issue to be raised and I am hopeful that the administration will be forward-leaning to take advantage of that to move this forward.

The other area is the International Maritime Organization, where Admiral Loy, the Commandant of the Coast Guard, went to a meeting in November in London and made an eloquent case that was well received. There was a special follow-up meeting in February. There is still some reluctance, I think, among some players to deal with some of the cost issues they fear associated with this proposal.

But I have also just quite recently heard, for instance, the Government of Singapore has given its own money for pilots for dealing with container security. Just this week, funny world we are in, I got an e-mail from the Port of Bremerhaven saying how could they sign up to Operation Safe Commerce.

Here is the crux of the issue for them, and this also is true with the Port of Kingston in Jamaica. Ultimately it is gaining access to

our society. Some ports see that it could be a competitive advantage for them for being a secure port. That is, it will draw shipping lines to them, it will draw major importers and exporters, if they are seen as the place they will be able to compete against some of the other ports.

Senator MURRAY. Well, yes, but the other side of that argument is that—the closer we are to September 11th, I think the security arguments hold. The further we get away from that, economic arguments start to stay in everybody's mind. The competition between, I would say for sure, Canada and the U.S. ports can be pretty extreme, and time is everything when it comes to that.

So how do we ensure that as we move further away from September 11th that somebody does not use lax security requirements or less strict security requirements to attract business because time is an issue when it comes to ports and getting cargo through our ports?

Dr. FLYNN. Well, we do need to make this—right now our problem is our Government is not constructed to handle this problem. There still is a feud of sorts going on between the Customs Service, saying that they own the container problem, the Department of Transportation who say that they have a piece of the problem. We have not got more senior people coming in to referee that issue.

There are efforts certainly in the inter-agency process, but the industry, quite frankly, is confused about who is in charge, and for good reason. I remember, I sit on a panel of the National Academy of Sciences that was chaired by former Deputy Secretary of Transportation Mort Downey, and I said: Mr. Downey, when you left the Clinton administration who was in charge of the container? He said nobody was. We had people in charge of rail, we had people in charge of ships, we had people in charge of trucks, but nobody—the sole reason most of those trucks, trains, and ships existed was to move boxes, but nobody was in charge of the box.

This is a new thing and I guess that is the tension of the issue of the earlier panel, about how we organize to deal with these kinds of threats. This problem has fallen between the cracks and we need to get that leadership issue that Admiral Larrabee just mentioned fixed quickly.

Senator MURRAY. I agree with all that, but I still want to know, how do we assure that a container is just as likely to be inspected if it comes into the Port of Seattle or the Port of Vancouver, British Columbia?

Dr. FLYNN. Well, I think the way that that is being proposed right now is, and it is already underway, is we have Customs agents in Vancouver and Customs agents, U.S. Customs agents in Vancouver, in Montreal in Quebec, and we have reciprocated by having Canadian customs agents prescreening in Seattle-Tacoma and also in the Port of Newark.

I think that is a very exciting approach to take. It is saying we are going to police the system, not our borders, and it allows us to monitor the standards that we have.

But ultimately there are three things that we need to accomplish. The first is that there has to be standards in the loading process. We have to basically say who gets to put something in a

maritime container and send it, how do they go about doing that. We do not have them now.

The second is the documentation issue, sent early enough, with enough detail that we can know what the heck is coming our way.

The third piece is what I call in-transit visibility and accountability, that is there is a tracking of the container, a chain of custody maintained throughout its movements.

If we do not have those three, faced with a heightened terrorist threat, it would be quite understandable for the Commandant of the Coast Guard or the Commissioner of the Customs to say, turn off the switch because I cannot be confident that I can filter the bad from the good. So it has to be an industry-wide standard, not just for hazardous materials or munitions or so forth. It has to be that way.

Now, we do not have right now a good command of what those standards are, and that is why this Operation Safe Commerce provides an opportunity that the private sector is being very forward-leaning on, the ports are being forward-leaning on, to flesh those out, to inform legislation. It should happen in a 6- or 9-month period.

We have had problems, though, those of us who have been advocating this initiative, of just getting the million dollars to get this up and running. We are spending lots of money on other things, but this problem seems to fall through everybody's cracks again.

Senator MURRAY. Admiral Larrabee, what do you think are the major hindrances that will make Operation Safe Commerce, to allowing it to work well?

Admiral LARRABEE. Well, the first one is money. Right now we are a little frustrated because, as Commander Flynn suggested, we would like to get about $1 million to get it started. That money would be used for not only looking at the system, but looking at innovative ideas and testing those ideas, to look at not only the feasibility of the concept, such as more sophisticated seals or sensors that could detect tampering in a container, but also to look at the cost, so that we know when we provide a suggestion as a way to close up some of these gaps that we have some sense that the industry can absorb that cost, where it is going to be absorbed, and who is going to pay for it.

Because that, very frankly, is one of the issues that the industry is faced with. Today, with the low cost of transportation of international goods, with the very thin margins of profit for anyone in that system, the opportunity for a shipping line or one of those components of the transportation system to have to pay for it by themselves I think is unreasonable.

Senator MURRAY. Well, realistically will there not always be a number of shippers who cannot be depended on to participate in a system like this?

Admiral LARRABEE. But I think the issue here again, and we have talked about this before and Commander Flynn is very eloquent on this, if you try and inspect everything you will see nothing. The idea is to separate the legitimate cargo, 99 percent of it, from that cargo which might be considered high risk. That is the other principle that we have to look at, and that we can do that someplace other than in a U.S. port like New York and New Jer-

sey. I do not want to open any more containers in the port. I do not think that is the place where we want to do those inspections.

Dr. FLYNN. If I might just reinforce that point. Just fundamentally, what we are struggling with I think in our homeland security paradigm is how do we have sufficient security that when we have incidents—and it is inevitable we will have incidents—that when we do the post mortem we will say this is a result of a correctable breach in security, not the absence of security. If we view it as the absence of security, we will turn systems off and say start anew, a very costly thing to do.

If we have the capacity to do the post mortem and we have the capacity to ultimately discern what is going on—and that is what this transparency and getting more legitimate players on board than we have right now. I mean, the frightening scenario for me is not just simply that a container could be used as a poor man's missile, but it would be that, say, we have intelligence, we infiltrated al-Qaeda II, we had somebody in the new network and they tell us a container has been loaded with a chemical weapon. It is hard intelligence. It gets flashed back here to the President.

The President convenes right now his national security team and says, well, where is the box? And the Commissioner of Customs has to say: Well, it could be coming in Vancouver, Seattle-Tacoma, San Francisco-Oakland, L.A.-Long Beach, or it could be coming through the Canal and coming in any other port. Mr. President, I have no idea where the box is, but after it gets here and if it came, for instance, from a non-vessel operator, 5 days after it came up here, I will have the paperwork to tell you.

That is the situation that he would have to then shut down, just on the basis of the threat.

Senator MURRAY. I am running out of time, but I do want to ask one other question relevant to this committee. Obviously, whatever we do is going to cost a considerable amount of money whenever we look at some kind of security verification system for our ports. Have you thought about how we allocate the costs of this? There is the Federal Government, State governments, local ports, private U.S. companies, foreign shipping interests, a lot of people involved in this. How do we allocate? Everybody has got a stake. How do we allocate the costs on this?

Dr. FLYNN. Well, I think, first of all, I think industry is ready to step up to changed business practices. But very frankly, I think at this point, when you look at the resources that the maritime industry brings in through tariffs, we provide I think about $20 billion to the U.S. Treasury each year and, as someone said earlier, most of that goes to the general fund.

I think at least a portion of that could be looked at as a source to close some of these gaps.

Senator MURRAY. Thank you very much, Mr. Chairman.

QUESTIONING BY CHAIRMAN ROBERT C. BYRD

Chairman BYRD [presiding]. Thank you, Senator Murray.

I note that the President has requested no funds for seaport security. Dr. Flynn, 7 months after the most horrific act of terrorism in the history of our Nation, the President has requested no funds

for seaport security. Do you have any sense of a grand plan for our domestic security?

Dr. FLYNN. Well, I think we are still struggling with gaining recognition that what we are talking about with seaport security is sustaining global commerce, that the links are that direct, and that the investment that is required to do this warrants obviously much more significant resources than they have been given.

I think it reflects in part the organization problem as well. Who is the advocate for the seaport? They are often the local port authorities that are working through a variety of different instruments. The agencies who have a piece of the action are themselves limited in their resources and limited in their access to the highest levels of Government. So it is a problem that has fallen through the cracks.

I am dismayed that we are 7 months after the fact and we are still not recognizing the seriousness of the vulnerability and the need to address it quickly.

Chairman BYRD. Admiral Larrabee, have you been given any guidance as to how to improve security at our ports, even for just the next 6 months?

Admiral LARRABEE. Mr. Chairman, I think through the Coast Guard captain of the port and the creation of area port security committees we have begun sort of at a grassroots level to look at the issue of vulnerability. But very frankly, we need Federal legislation, we need standards that we can all adhere to. As we have discussed before, we are in a very competitive business. If I make the movement of cargo through my port more difficult or more costly to a shipper, that shipper is simply going to go to another port, and it may be a foreign port. It may be Halifax.

So I think the need for Federal legislation is clear. I mentioned that in my testimony. That would be the first good best step. In that, there needs to be some level of funding that at least gets us started, and I would start with port vulnerability studies.

Chairman BYRD. Under the President's Executive Order, Office of Homeland Security Director Ridge is directed to "ensure that, to the extent permitted by law, all appropriate and necessary intelligence and law enforcement information relating to homeland security is disseminated to appropriate Federal, State, and local governments and private entities." He is also directed to coordinate efforts to improve the security of U.S. borders and to protect our transportation systems.

Dr. Flynn, approximately 6 million containers entered the United States in 2001. That is a 20 percent increase from 4 years ago. This number is expected to continue to rise. You testified that, given the vast number of containers that enter our ports every year, law enforcement officials must be able to act on intelligence provided by our Federal agencies to allow them to pinpoint and investigate suspect freight containers.

To your knowledge, do our intelligence agencies currently have adequate information regarding cargo transportation to enable us to pinpoint suspect shipping containers?

Dr. FLYNN. Mr. Chairman, the answer quite simply is no. The paper that goes with the container movements is notoriously vague or incorrect. It is not necessarily even for fraudulent purposes.

Sometimes this is because the carriers are trying to hide from criminals who would steal stuff what is moving. We have this kind of a breakdown in the system.

Essentially, you have other problems. Non-vessel operators which account for close to 20 percent of all those container movements are not required to indicate who the originator is of the container or the consignee, the final destination, or provide any details about the contents. They will list as "FAK," "Freights all kind." So U.S. Customs simply cannot target effectively on a document of just such vagueness.

So the key becomes the private sector's willingness to share information, bill of lading kind of information and others, which is out there and is becoming electronically transferable and finding the means to do that. But you are dealing with in the Customs Service and the Coast Guard agencies that have done very poorly on the information services budgets and so forth. They do not have very good systems, computers to even take information, never mind mine it to target. They are trying to get better, but we are talking about with the Automated Commercial Environment that that is a 5 year out project. If we are 5 years from being able to give a front line inspector a tool to differentiate good, bad, or indifferent, we are certainly giving the terrorists ample time to do their worst.

Chairman BYRD. Is it reasonable to expect the U.S. Coast Guard to become the world's intelligence agency in the shipment of cargo? Do we not need greater assistance from the intelligence agencies that already have an overseas presence?

Dr. FLYNN. I think there are really two levels when we think about the intelligence issues that we need to come to grips with. One is going back to my boarding officer days. I commanded a patrol boat. The way in which I would often find whether there was a problem would be, I would board a fishing vessel: Good afternoon, captain; we are here to enforce all applicable laws and regulations; what are you fishing for today? And if he told me he is scalloping and I look up at a fathometer and he is in 3,000 feet of water, an alarm would go off.

So what we know is criminals, capable criminals, capable terrorists, often try to look like legitimate players. They try to infiltrate our legitimate society, as we know that the terrorists of 9/11 did. The people most likely to see something out of sorts are going to be that front-line inspector. There is a case of a Customs bust about 10 years ago of cocaine coming in in cement posts. What triggered that off was not a DEA agent who infiltrated the network of the cartel. What triggered it off was a Customs agent who said: What the heck are we doing importing cement posts from Colombia for? It is a very low value object and it is a lot of transportation.

So one set of it is—and this goes to the issue about do we break pieces of the Coast Guard up if we have to move it—the reason why I want to keep these agencies, their regulatory authorities and their capacity, is their eyes and ears out there in that domain, the Commandant of the Coast Guard calls it, that allows them to pick up aberrant things and say, that ain't right, that ferry does not move today, that charter boat is not working at the right time, and have the authority to go up, legitimate civil authority, to ask ques-

tions. Then they need to have the ability to send an alarm and get reinforcements if they need it.

Now, the other level of the intelligence clearly is who are the bad guys and how are they operating, how are they buying front companies, which companies are bad, where is the money going that could then infiltrate the industry. That is a classical human intelligence and intelligence function that should be a first order.

But what we have right now is the worst of all worlds. When we have intelligence, it is often non-actionable. That is, we may have somebody who tells us that—we had a number of these instances where we have people who infiltrated the drug cartel and say it has been loaded on a ship in Cartagena. We do not know where the ship is. Four weeks later we find out that it was in Philadelphia 2 weeks before.

So part of our challenge here is getting data about the normal behavior of flows of trade, which is a regulatory enforcement activity, so we can mesh it up in an operational way with the intelligence we are going to get from the traditional intelligence sources. Right now that is broken. It does not work.

Chairman BYRD. Senator Stevens.

Senator STEVENS. I suppose we could institute a policy of creating new Ellis Islands and have all of the cargo unloaded somewhere and shot through an imaging system and put back on if it was not suspect. You think that is probably far-reaching. We have the largest cargo landing point in the United States at our Anchorage Airport and that is precisely what is happening to foreign cargo planes that bring in cargo now. They are being offloaded, run through X-ray machines, and put back on.

As a result of that, one-third of those people who are flying foreign cargo planes into Anchorage moved to Vancouver. But then Vancouver put in an X-ray machine and they are starting to come back.

But answer me the question, why is that not a responsibility of the private sector? Why should the public taxpayer pay for this system of inspecting these things that people are making enormous amounts of money on importing them into the United States? Why should we not say to you, you cannot bring anything in here unless you certify that it is terrorist and dangerous cargo-free?

Dr. FLYNN. Senator, I think we could do that. I think the challenge right now is we are not even sure what the standards we would require on industry are because we have not done some of the research and so forth.

Senator STEVENS. You just require that there is absolute liability if they bring it in.

Dr. FLYNN. I think that is a very good tool and it is what needs to happen. But we are going to have to get the——

Senator STEVENS. You know what will happen. No one will get insurance until a system is set up.

But I am saying, so far we are planning ahead to put every burden of the security system on the public. Now, I understand putting it on the public to search individuals within our States and in the United States, and I understand the homeland defense concept. But as we put up the homeland defense, why should we pay the cost of bringing in, and examining what is coming into the home-

land? Why should not the people who are bringing the goods in pay that cost?

Dr. FLYNN. I am an advocate of a system that works like the Y2K experience. We say, within a certain amount of time if a manufacturer or an exporter cannot verify that——

Senator STEVENS. Hold on just a minute.

Pardon me. Sorry. If you look behind you, there are five lights on up there. That means they are almost finishing a vote. We thought we might have missed one. Sorry. I beg your pardon.

Dr. FLYNN. Senator, the idea here is right now we have the dumbest possible box. This container is 40 by 8 by 8 and there is nothing that can tell us whether it is good, bad, or indifferent. So most of the best thinking is how do we invest in a smarter box that could know if it has been tampered with, that can give information about itself.

Those technologies are available. The good news is that that is also supply chain monitoring. That is what the private sector wants to be able, like when you order something from FedEx or UPS, you can track the good through. So I think there is a market incentive out there for building this system, even if it was regulated.

The problem right now is if you impose the burden without going across the board in force, what you will hear the transportation industry say: I am a good company, I will do it, but all the other international players will not. I am a cost leader and that is unfair. And it is unfair.

Senator STEVENS. That is where I would put the public expense, and that is to stop those at the border which have not been certified.

You should live in Alaska and have to drive through Canada to come back to what we call the contiguous 48 States. We go through inspections. They go through our cars. They go through our trucks. I can tell you some sad stories about, a friend of mine used to ship by air his items for sale down to Juneau. One day he decided to take a truck and drive it down, and they inspected the truck in Canada and found out it had some furs which were illegal under Canadian law. So they seized it and fined him $15,000 and a few other things. He learned a lesson. He is back flying again.

But the point of what I am saying is, those of us who use land transportation personally, we go through this now. The people who are commercially making billions of dollars are now pushing off on the taxpayers the cost of bringing that stuff into the country. I am all for a temporary system to protect the public, but I think the long-term system ought to put the burden on the business world.

Now, what is wrong with that? Admiral?

Admiral LARRABEE. Senator, I think you said the key word and that is "system." Right now there is no security system for cargo. I recall in the days after the *Exxon Valdez* testifying in front of you, talking about what happened in that incident and, if you recall, your actions and the actions of Congress to create the Oil Pollution Act of 1990. We investigated that incident. We determined where the problems were. We fixed those problems in that system, and today with OPA 1990 in place, with higher liabilities, we have

dramatically reduced the number of oil spills that we have seen over the last 10 years.

I think we have a similar kind of a situation. We need to, as Dr. Flynn has suggested, create that system with requirements and standards. I think the industry is ready to address those types of systems.

Then I think we ought to create some regulations and laws, as you have suggested. Once we have got that in place, then I think you will find that the industry will share in some of the cost of that. It will not be borne by people here in the United States.

The industry is very concerned about this situation and realizes that one incident anyplace in the world could bring this system that we have worked so hard on to a grinding halt. So there is incentive out there and I think, at least in my conversations with people around the world, they are ready to participate.

Senator STEVENS. Senator Rudman who preceded you made the prediction that the next problem will be at the ports. I think most of us believe that is the case. But I think the tankers—Saddam Hussein has shown he can use his weapon just by denying us the oil. I do not know who is going to use the tanker as a weapon. It may happen one of these days.

I was with you, as you say, at the *Exxon Valdez* situation, a horrendous problem by one accident. That could be repeated in several ports of the United States at the same time if they decided to do it, I think, because we do not have an inspection system today. We do not have an Ellis Island for tankers, either.

But somehow or other, I do believe that the transition here that we ought to be talking about now is how do we deal with this short term, but at the same time there ought to be people out there thinking, as the Hart-Rudman group did for homeland defense, of the long term.

I am sorry I missed your testimony. But I do hope you will help us by thinking about the distinction between short term and long term. Long term I think has to be financed by commerce. This is tremendous. My friend Senator Inouye is not here, but he points out that for every five wide-body airplanes that leave the country carrying freight, four go West and one goes East. That freight market coming through—and a lot of that is coming through that cargo port of ours—is being inspected and the people that are flying them are inspected and paying for the cost of the inspection, in effect. They are paying the cost of offloading the stuff and then they run it through the machines and they are paying the cost of putting it back on.

The time is going to come when we are going to require the same thing of everyone of these cargo-carrying vessels unless something is done to assure the public that the risk is not there.

My last question would be, Senator, what about that guy that was in the cargo container that was picked up in Italy? Do you all know about that? You do, do you not. What do we do to protect against that?

Admiral LARRABEE. Well again, I think it has to be an awareness on everybody that works on the waterfront. It has got to be a partnership. In that case the longshoreman realized that this was a container that seemed strange.

Senator STEVENS. It was. It was the volunteer who made the report.

Admiral LARRABEE. Right. I think, at least speaking for the work force that works in the Port of New York and New Jersey, the International Longshoremen, if Mr. Bauers were here today he would tell you that he is ready to enlist every member of his union in helping with this problem.

I think you will find as you talk to people in our industry, whether they are here in the United States or whether they are around the world, they understand the criticality of fixing this problem and they are willing to help. I believe it is a leadership issue. I think that Federal legislation will get it started.

Senator STEVENS. Thank you very much, gentlemen. Again I am sorry I was not here for all of your testimony.

Chairman BYRD. Thank you, Senator.

Senator Murray.

QUESTIONING BY SENATOR PATTY MURRAY

Senator MURRAY. Thank you very much, Mr. Chairman.

Mr. Errico, if I could go back to you, I wanted to ask you a question because, like most States, Washington has some highly populated urban centers with very large water systems, but we also have a lot of medium and small systems in our smaller towns and rural communities. I understand there is already an ongoing debate in my home State about whether to focus primarily on strengthening the protections for larger systems, which seem to be more likely targets, or to take a more uniform approach, to recognize that smaller systems probably are more vulnerable.

Can you give me your thoughts on this tension between the larger systems and smaller systems and what we should do?

Mr. ERRICO. I firmly believe that all systems need to be looked at. All of them need a vulnerability assessment, because there are so many ways to get into a system to cause damage, to cause an uproar, to cause a problem. I think they need to be addressed.

I think where the larger systems are particularly more critical in some cases is when they serve a lot of at-risk facilities. For instance, in the area we are in we serve probably some 30 or 40 Federal facilities—Andrews Air Force Base, Goddard, and everything else. So we are in an area that has got high visibility. We have some unique needs and some special things to protect to be able to provide that service.

But I think that making the distinction I do not think is fair. I think no matter what size you are, I think you need to be looked at and properly assessed and put the proper measures into place to protect your infrastructure.

Senator MURRAY. Mr. Benjamin, Energy Northwest is a Washington State utility that owns and operates the Columbia generating station. They have told me that the utility has spent $3.8 million on security since September 11th. That sum includes $670,000 in unexpected overtime costs. Energy Northwest's annual security budget from July of last year through—July of 2001 through June of 2002 is $5.8 million.

In order to comply with the modifications that were recently ordered by NRC, Energy Northwest thinks that next year's security costs could go as much as double this year's budget.

Do you expect increased spending on security to continue permanently?

Mr. BENJAMIN. Yes. We are also experiencing increases in our security budgets. It is really in two forms. Similar to Energy Northwest, we have seen an increase in our staffing costs, both in overtime as well as new security officers. For our 10 sites, following September 11th we hired an additional 140 security officers and deployed them across our 10 operating sites. As we are now complying with the NRC orders issued in February, we are looking at additional capital modifications, which essentially would be one-time costs, and some additional hiring of individuals that will be an ongoing incurred cost on a going forward basis.

Our issue with the Nuclear Regulatory Commission is that where we are operating right now is in a state of interim compensatory measures which are reflective of the generalized heightened level of threat that we are in. We are looking for some finalization of what the end state looks like in terms of that design basis threat that clearly delineates the responsibility that we are responsible to defend against versus where we would expect assistance from outside agencies.

Until that is done, I would really only be guessing in terms of what the final cost impact is.

Just to come back a little bit on that cost in terms of our overall infrastructure, rough numbers now, our operating budget is around $1 billion per year. Prior to September 11th our annualized security cost was about $45 million. Now, adding in—which would be about, if we scale that back to Columbia generating station, I think it would be on about the same order. Putting in the 140 additional officers, it is roughly about another $8 million. I think as we comply with the order, the total cost post September 11th will be somewhere between $20 and $30 million, again a mix of one-time capital improvements versus increase in head count.

We are anxious to get to an understanding of the final state so we can settle out on this, on this whole topic. So we have gone roughly from about 4, 4.5 percent of our operating budget to now upwards of 5.5, upwards of 6 percent of our operating budget. That is something we recognize as our responsibility to do and we anticipate that is a cost we will bear going forward.

Senator MURRAY. Thank you.

Dr. Flynn, let me go back to you for just a second. In your testimony you pointed out that U.S. port authorities have underinvested in security because of the extremely competitive pricing environment that they operate in. At the same time, you are proposing that we attempt to ensure that manufacturers of goods for export in foreign countries institute new security measures so that we know no one has tampered with their shipping containers.

Many of those foreign manufacturers can successfully export goods to the United States only because they manufacture them cheaper than any other international competitor. So do you think it is reasonable to think that these low-cost foreign manufacturers

can be required to increase substantially their own investment in security?

Dr. FLYNN. I do not think we are talking substantial increases, but I do think it is necessary that there be some, because what we are doing is we are—what is at stake here is the entire conveyor belt. When we have a single incident, we will turn it off, and we cannot basically make that hostage to the lowest player in the system.

The means of doing so are that there has got to be some adult supervision at the loading dock. There has to be somebody taking some authority for that. That could be audited. There could be auditors that go through based on sectors, that could be private, who would do that to verify that their systems are there.

The smart container I do not think is a huge investment. We are in a situation right now where a $100 pair of Nike sneakers coming into the Northwest will pay only about 66 to 90 cents for the ocean transport to get across the ocean. So that the company, the importer of that, can afford, I would argue, to pay more for his logistics, his transportation, because when it is missing you will know it.

It is now such a thin profit—an average automobile is only spending one-half to 1 percent for transportation logistics costs. The Big Three could probably afford to pay a little bit more to ensure the integrity of the broader system.

What we are talking about potentially is a seal, a paint seal inside the container, with a sensor that could be built on kinetic energy, like a self-winding watch, that if somebody penetrated it it would set off an alarm, that would talk to an electronic seal, that would transmit a signal. These devices can be under $100. The technology is there today.

Senator MURRAY. You are coming from the mind set that I think we all are today, that security is absolutely imperative. We will stay there for a while, until economics and competition come back. What I am concerned about is that foreign manufacturers, competition is extremely important, whether it is Canada, Vancouver, British Columbia, and Seattle, or whether it is manufacturers who ship here like Nike shoes. How do we ensure that that competition does not overtake the security needs again?

Maybe, Admiral Larrabee?

Admiral LARRABEE. Well, in just thinking about that situation, one of the things that we use as sort of a lever is this notion that if you do not meet this standard that Dr. Flynn talked about that your cargo now gets inspected. When we identify a container in the Port of New York and New Jersey to be physically inspected, it takes four inspectors 4 hours to do that job. It costs the owner of that cargo about $1,500 and they lose about 2½ days in the normal transit of that container.

Time is money and an extra $1,500 on top of a very thin profit margin is an incentive to say, I do not want my container physically inspected and taken off the system. So I think it is those kinds of incentives that say, I have to pack my container to that standard you suggested, I have to ensure its visibility in its transit, I have to make sure that I provide accurate information in a timely way so that people can make decisions about letting my legitimate

cargo go through at the highest speed and we can identify high-risk cargo and inspect them in a way that makes the most sense.

Senator MURRAY. So they will pay at one end or the other, is what you are saying.

Admiral LARRABEE. It is a pay me now or pay me later issue.

Dr. FLYNN. I made a case, and I was happy to see Commissioner Bonner has embraced the idea, but it is that most of this trade, there are literally potentially millions of entities out there, 1 million entities probably, who can load into the system, but they are funneled, the overwhelming amount, through a handful of our megaports, many of them our allies.

So going to them and essentially creating a Y2K event, saying, at a certain time we are no longer going to accept a mystery box. A mystery box is one that we cannot be confident how it was loaded, we are not sure about the documentation, we do not know how it got here. If you are not able the satisfy the mystery by this time, we are going to re-stuff the box, re-load the box outside our terminal. That would create the hammer for the market to generate the ability to make sure that happens.

The scariest part of the system right now is from the manufacturer to the loading port, because that is subcontracted and sub-subcontracted out. Nobody has any control over that right now, because the market—the regulation has not forced the market to provide that service. I think in the balancing act that this cost is not a large one because it will bring this extra benefit of supply chain monitoring, the ability to track goods, that will allow you to run a more complicated outsourcing scheme, to run more thinner inventories, and to be able to manage this, which is a big part of how people become competitive, U.S. manufacturers and companies are becoming competitive, is taking advantage of that.

They will welcome the system when they have it, I think. It is going to be like e-mail; we will not know how we lived without it until we get it. I am confident.

Senator MURRAY. Thank you very much.

Thank you, Mr. Chairman.

QUESTIONING BY CHAIRMAN ROBERT C. BYRD

Chairman BYRD. Thank you, Senator Murray.

Mr. Benjamin, during 2 days of hearings this committee has heard a substantial amount of testimony on the poor state of coordination between Federal, State, and local authorities. But at our ports and nuclear facilities, private companies also share the responsibility for security. Who is responsible for coordinating the Government's security efforts at ports and nuclear facilities with the efforts of the private sector?

Mr. BENJAMIN. I will take the nuclear plant part and let my colleagues down there take the port part. First and foremost, we are responsible for the security at our facilities. We work under the auspices of the Nuclear Regulatory Commission. We count on the Nuclear Regulatory Commission being integrally tied into the intelligence community, getting timely and effective information that we then count on them passing on to us.

I mentioned in my oral remarks that we still have an issue in terms of clearances that we need to talk to, so we can talk apples

and apples on relevant intelligence matters. But we are counting right now on the Nuclear Regulatory Commission to act as the liaison with other Federal agencies to coordinate the gathering and transmittal of the intelligence information as appropriate, so we may respond in kind for those threats that we are responsible for responding to or, in the event that the threat is larger than that, that we are coordinating with offsite agencies as well to prevent that attack from becoming a bigger problem.

Dr. FLYNN. Mr. Chairman, there is no equivalent counterpart in the port to the relationship of the nuclear industry in building the system in place. The worst case probably is a place like the Port of Long Beach, that has completely privatized its security. It has no sworn policemen providing patrol over the terminals and no water patrol. The problem with that is you cannot share intelligence, law enforcement intelligence, even law enforcement sensitive information, with a private rent-a-cop security firm.

So we go up to better levels where, as in Admiral Larrabee's case we will talk, he has somebody who is cleared to the security and so forth. But this is a huge problem.

But in general the ports, as I have heard traveling around the country, they are starved of any useful intelligence information to allow them to plan. Admiral Larrabee I am sure can talk to that more directly.

Admiral LARRABEE. Well, first of all, in terms of security, I think since September, particularly with the heightened awareness, there has been what I would call sort of a grassroots attempt to create some guidelines for security. We are holding our tenants to a much higher standard than we were in September, but we are doing that through more of our bully pulpit than we are in terms of being able to really regulate that.

That is where these Federal standards are so critical. We need to establish minimal Federal standards for port security. That has to do with access and this whole question of access control. It has to do with establishing secure areas. It has to do with minimal levels of physical security.

So I think that is the other dimension of the Federal legislation, which we are all anxious to see. Until we do that and until we do a reasonable standardized vulnerability assessment, many of these questions and the actions that will be taken are difficult to answer.

Chairman BYRD. Do you know of any effort by the Office of Homeland Security to assess the steps required to improve this situation?

Dr. FLYNN. Yes, Mr. Chairman, there are steps. The Inter-Agency Commission on Container Security was anointed by Governor Ridge. The Department of Transportation and the Customs Service were given the job of co-chairing it. It was convened in early January and they issued a confidential report, a classified report, in early February. I have not been privy to what is the outgrowth of that.

There is a Rear Admiral Brian Peterman who is detailed from the Coast Guard, who was given the responsibility in Governor Ridge's office to manage this issue and oversee the issue. Obviously, that office is overwhelmed by what they are trying to cope with.

Chairman BYRD. "That office" meaning what office?

Dr. FLYNN. The Office of Homeland Security. They are completely overwhelmed with the challenges that confront them. So most of these issues have been delegated back down to the agencies, who frankly tend to put old wine in new bottles. They to some extent dumbed down the problem so that they can fit it within their jurisdictional control and step out quickly on it.

The concern I have about not taking the more holistic inter-agency approach on this is that we have got a clock ticking. One is that if we do not solve the hard problems something bad is going to happen, but when it happens we are going to then have two problems. One, we are going to have to solve the hard problem after the fact, but we are going to do it with diminished Government legitimacy as the American people say: What have you been doing the last 8 months or 9 months, or whatever the terrorists give us.

Chairman BYRD. Have ports or nuclear facilities been given any time lines or benchmarks for assessing their vulnerabilities as part of a national homeland defense plan? Can anyone answer that question?

Mr. BENJAMIN. As far as nuclear facilities are concerned, the afternoon of September 11th we went into our highest state of security level. Again, as I mentioned in my oral remarks, we have a mature framework in terms of our security program. In essence, that resulted in some very quick actions being taken to harden access to the site and to really make sure we knew the comings and goings at the site.

Since then the Nuclear Regulatory Commission has issued a number of advisories culminating in the orders we received in February. Now, we are aware that the Nuclear Regulatory Commission has been in consultation with Homeland Security. We, the industry, have also been in consultation with Homeland Security. So from that standpoint, we believe that our response and the additional security efforts that we have undertaken have been done in largely an integrated manner. I know it has been done consistently across the industry.

Chairman BYRD. Would anyone else like to comment on that question?

Admiral LARRABEE. Mr. Chairman, immediately after the attack on the World Trade Center the Port of New York and New Jersey was closed. Over the next day and a half, through the cooperation of Customs and the Coast Guard and INS and several other Federal and State agencies, we established procedures to reopen the port on the 13th, on the morning of the 13th. Those procedures involved the inspection of all vessels, the inspection of cargo and crew manifests, the riding of the vessel into the port with tugs accompanying the vessel. We did not allow any foreign crews to go ashore. A variety of these measures put in place on the shore side with more inspections, more container inspections.

We saw a tremendous influx in resources during that first month. Since that period of time, those resources have pretty much degraded back to normal levels as far as we can tell. There have been some of those procedures kept in place, but, very simply put, we are still waiting for Federal standards when it comes to both

the requirements and the time lines. Again, that is where we think that Federal legislation is so critical.

Chairman BYRD. So in answer to the question, have ports or nuclear facilities been given time lines or benchmarks for assessing their vulnerabilities as part of a national homeland defense plan, I read your answer as not being very positive.

Admiral LARRABEE. I am afraid that is the case.

Chairman BYRD. Admiral Larrabee, fully 25 percent of our Nation's gross domestic product is derived from international trade. Ninety-five percent of that trade passes through our seaports. Over 6 million metal containers enter our ports every year, any one of which could contain a weapon of mass destruction or a toxic substance designed to disrupt our ports.

If one wants to disrupt our economy, our ports would seem to be outstanding targets. Last year this committee provided $93 million in direct grants for our public port authorities to enhance their security efforts. We envisioned that appropriation as an initial down payment. But the administration is now proposing that this grant program be terminated in 2003, despite the fact that they received $700 million in applications for that $93 million.

Admiral, do you believe that the public port authorities can fully meet their security needs without some measure of Federal assistance?

Admiral LARRABEE. No, sir, I do not.

Chairman BYRD. Do you believe that the more than $600 million in immediate security enhancements that the Transportation Department will not be able to fund this year will instead be funded from State or local sources?

Admiral LARRABEE. Mr. Chairman, I think many of those initiatives will not be funded at all.

Chairman BYRD. Can the ports just increase their rates to fund all of their security needs?

Admiral LARRABEE. Right now in the Port of New York and New Jersey, we were focused on the 10th of September and have gotten back to a focus on building the port of the 21st century. We have cited statistics today about cargo, but, very simply, in the next 10 years we are going to see the amount of cargo coming through our port doubling. In order to keep up with that demand, we have got to dramatically increase the capacity of our port to handle that. Right now, in our situation, with all of the other requirements for funding, particularly in rebuilding lower Manhattan, our financial future is somewhat at risk. Our ability to fund redevelopment in the port and now huge costs in security I think will overwhelm my agency.

Dr. FLYNN. Mr. Chairman, if I could just add, what we are talking about here, just as I had proposed or it had been proposed for the port of Long Beach and L.A., the fact that you have to go 15 miles inland to do an inspection if you target a container, the proposal that port has to develop, adapt a U.S. Naval Reserve station into a combined inspection facility right in the port, away from where people are populated—it is a 10-acre site—is a $25 million proposal.

I suspect that it is not going to get the money that the TSA has available to it because there are a lot of other competing projects.

But if we cannot—that is a port that 44 percent of all the boxes come in. Admiral Larrabee's port is the number 1 port on the east coast. And we are spending $200 million a month on aviation screening.

Chairman BYRD. Mr. Errico, am I pronouncing your name correctly?

Mr. ERRICO. "AIR-ee-koe."

Chairman BYRD. The President's fiscal year 2003 budget includes only $20 million for water infrastructure security vulnerability studies and nothing for actually building security improvements. You have testified that there is a $4 billion need for security improvements for our Nation's drinking water and waste water systems and $450 million for vulnerability assessments.

In your opinion, does the President's 2003 budget miss the mark by underfunding water infrastructure security, thus risking both the safety and the cleanliness of our water supply?

Mr. ERRICO. Yes, I do. There is no way the facilities can fund what is going to be necessary as a result of the 9/11 events, either with increases in rates or any other feasible way, without Federal assistance.

Chairman BYRD. Let me close by thanking you gentlemen for your patience and for staying with us this length of time. You made an excellent collective contribution. Individually each of you has performed here admirably and you have rendered a great service to the committee and to the American people. I hope that we can respond on this committee accordingly.

CLOSING STATEMENT OF CHAIRMAN ROBERT C. BYRD

Part of the genius of the American Constitution can be found in its brevity. Here it is in my hand. This little book contains not only the U.S. Constitution and all of the signatories thereof, but it also contains the Declaration of Independence and the signatories thereof. What a magnificent piece of work! It is awesome.

I never hesitate to marvel at the practical genius of these men who wrote that Constitution. It is short and its shortness has allowed for flexibility and adaptation over the years. The founders were not writing a bureaucratic treatise. They were creating a framework for the ages. Their genius is underlined by the adaptability they built into the structure of a new Government, born of turmoil and most certainly destined to encounter the whims of radical change in the future.

In concept, we are faced with a challenge not unlike that of the framers as they sought to revise the Articles of Confederation. They had lived under the Articles of Confederation. They had experienced the shortcomings and the weaknesses of the Articles. We need to think of restructuring old mechanisms if we are to seriously endeavor to protect our homeland to survive in a changed and volatile world.

September 11 raised heretofore unthinkable issues for this Nation. Although we had been warned about the possibility of a terrorist attack on our own soil for years by commissions, academics, and pundits, we did not believe in our national heart of hearts that it could happen here. We were too strong, we were too civilized, we were too geographically distant from the chaotic world of suicide

bombers and religious iconoclasts to ever face terrorism on our own soil. We were a rich nation, we were well-armed, we were powerful. We were safe on our own soil.

And then disaster struck. The Towers fell. Men and women lost their lives. All of our preconceived notions of safety and insulation from the capricious whims of madmen fell with them. We had taken it all so much for granted.

I had never dreamed, almost 80 years ago when I was selling the Cincinnati Post in a little coal town in southern West Virginia, we had never dreamed that this could happen. We took it all so much for granted—our prosperity, our security, our special status in the world, our smug, egotistical opinions of ourselves.

We responded quickly, to our credit, in the way that Americans do respond so well, with herculean volunteer efforts and quick infusions of cash by the Congress. Within 3 days, this Congress, the People's Branch, appropriated $40 billion—$40 for every minute since Jesus Christ was born. And a great deal of confidence-building rhetoric from the White House.

Now we are 7 months out from the tragedy of September 11 and we have had time to form a clearer image of the challenges before us. What has become apparent after the settling of the dust of the turmoil is that we have no organized way of actually dealing with terrorist attacks on our own soil. The usual bureaucratic structures for running our huge Nation in times of peace or even in times of conventional warfare do not work when it comes to dealing with the chaos caused by terror attacks on our homeland.

We have relied on conventional mechanisms. We have spent little effort contemplating what must be changed. We have asked the brave firefighters, the courageous policemen at the local level to be at the ready to respond. Yet, we have incomprehensibly withheld many of the essential tools that they need to assist them.

We have seen the holes in our public health system when faced with anthrax attacks in the mail. Yet, surge capacity in our hospitals, personnel trained in recognizing rare diseases, and vaccines to treat those diseases are still months, if not years, away.

We have heard in this very room here, within these four walls, over the past 48 hours a plethora of basic problems for those on the ground, from incompatible broadcast and communications systems to security clearances mired in bureaucratic redtape to National Guard troops stretched thin and in some cases expected to guard areas without arms.

We have heard tales of little or no real direction from the Federal Government in assessing risk and pinpointing vulnerabilities. We have heard from experts on terrorism that our vulnerabilities can be easily exploited, using little money and weapons fashioned from readily available sources. We have been given a picture of valiant efforts by good citizens, but little real thought from the Federal Government about coordination, prevention of duplication and waste, or effective use of resource sharing.

We will learn more, but one thing has begun to clearly emerge: We are not prepared. We are still very vulnerable. In many instances, 7 months out from the horrors of September 11th, we have not even started to spend funds placed in the pipeline just days

after the attacks. I know, because this committee put those funds in the pipeline.

We must act and act quickly to address these new challenges. This will mean rising above the usual bureaucratic turf battles, figuring out how to address a problem that crosses the jurisdictions of departments and agencies, building a new flexibility into our solidified Government structures, thinking about Federal, State, and local relations in a new way.

Our challenge is huge. It is not just to prepare, it is also to prevent. It is not just to respond, it is also to coordinate. Our leaders will have to be wise enough to take every step needed to protect our citizens without infringing on their liberties. But we will also have to provide new technological tools to guard our borders and protect our essential infrastructure.

We on this committee are appropriators. I have been here 44 years on this committee, doing our job as appropriators. It is not in our usual domain to legislate to repair planning and organizational deficiencies. But it is our duty to point out the deficiencies where we can and to offer help and to urge action, and it is our duty to try to see that the hard-earned tax dollar of the American taxpayer does what it is intended to do and that it is not wasted. When the funding is of such paramount importance as providing for the defense of our homeland, that duty becomes sacred.

It is obvious that the Office of Homeland Security, as crafted in the aftermath of 9/11, is not now suited to the long-term challenge of protecting this enormous, diverse, and very open society. I do not fault anyone for this. We are 7 months away from the most devastating domestic emergency in our history, and we are now in a better position to more clearly assess our needs.

You have been helpful to us, each of you. Each of you has done your duty today in helping your elected representatives here in the Senate to better understand our needs, and in helping us to clearly assess our needs.

But I do have to fault the Executive Branch for digging in, for clinging to a concept that is proving to be more and more inadequate, for thinking that a spokesman-adviser is enough to address an enormous managerial, tactical, and strategic problem.

It is important to focus on defense abroad, but we have to focus also on the defense of our own streets and alleys and highways and waterways and nuclear facilities and the many, many other facilities.

There is too much at stake to allow the Office of Homeland Security to continue in an unstructured and unaccountable fashion. Small meetings behind closed doors, individual briefings, these are not enough. The American people have ears and eyes and they need to see and hear what is being discussed, what is being advised in their name, and how the taxpayers' moneys are to be spent.

After 2 days of testimony, I think it is clear that Congress should move forward to make this office, the Office of Homeland Security, a Cabinet level office with clear responsibility and authority. Senator Stevens and I have repeatedly requested an opportunity to hear Director Ridge's views on homeland security. There has not been any partisanship shown here. I have not threatened any ac-

tion. I have continued to work with my colleagues on my right and left here in both parties in an attempt to have Mr. Ridge voluntarily appear before this Appropriations Committee.

We are not interested in hearing anything about Mr. Ridge's private conversations with the President. There is nothing secret that we need to hear from him. All that we ask is that he voluntarily appear before this committee. Senator Stevens and I have worked arm in arm in the effort to have informed testimony recorded before our committee. Nothing has been partisan.

After 2 days of testimony which has raised many new and very disturbing questions, the essential nature of that formal testimony has been underlined in red. This committee is charged with funding the people's needs. It is clear from these hearings that we need much more information to do that in a way that is effective, effective in accomplishing the goal of homeland security. Homeland security, security for whom? Security for the American people, security for their institutions.

The people are owed an explanation by the Director of Homeland Security about how he would correct the glaring deficiencies in our patchwork web of protection and response. If the White House wants $38 billion for this effort, this committee needs to hear much more about the way in which it is to be spent in order to give this Nation, in order to give the people of this country, maximum and effective protection from terrorist attacks.

We will continue these hearings and we will renew our invitation to Director Ridge to come before the committee. He has been a Governor. He has been a member of the House of Representatives. I am sure that Governor Ridge understands the need for this testimony. I have a feeling that Governor Ridge would be very willing to come if told to do so by the President of the United States.

So we will continue these hearings. May this administration have the wisdom to direct Governor Ridge to come before this committee, and may we all have the wisdom and the courage to do whatever is necessary to protect our homeland.

I have heard a lot of testimony during my 50 years in Congress. I have heard a lot of testimony in my 44 years on this Appropriations Committee, and none has exceeded in its importance the testimony, the information that has been given to this committee over the past 2 days. Woodrow Wilson said that the informing function of Congress was just as important as the legislative function, and you, the witnesses, have contributed to that. I have been impressed by the degree of detail in which you have enmeshed yourselves and the dedication that you have shown.

Let me just from the bottom of my heart, on behalf of all our committee members, we once again thank each of you for your patience. I know you are tired. I am tired. But we are all working in the interests of the United States of America. May God always bless this great country. Thank you.

ADDITIONAL SUBMITTED STATEMENTS

[CLERK'S NOTE.—Subsequent to the conclusion of the hearings, the committee has received several statements which will be inserted in the record at this point.]

PREPARED STATEMENT OF COLLEEN M. KELLEY, NATIONAL PRESIDENT, NATIONAL TREASURY EMPLOYEES UNION

Chairman Byrd, Ranking Member Stevens, distinguished members of the Committee, I would like to thank the Committee for the opportunity to include my written comments regarding homeland security.

As President of the National Treasury Employees Union (NTEU), I have the honor of leading a union which represents over 12,000 Customs employees who are stationed at 301 ports of entry across the United States. Customs inspectors and canine enforcement officers make up our nation's first line of defense in the wars on terrorism and drugs. In addition, Customs personnel are responsible for ensuring compliance with hundreds of import laws and regulations, as well as stemming the flow of illegal contraband such as child pornography, illegal arms, weapons of mass destruction and laundered money.

With a fiscal year 2002 budget of approximately $3.1 billion and over 18,500 employees, the U.S. Customs Service continues to be the Nation's premier border agency. The U.S. Customs Service interdicts more drugs than any other agency and ensures that all goods and persons entering and exiting the United States do so in compliance with over 400 U.S. laws and regulations at 301 points of entry across the country. Customs is also a revenue collection agency, collecting an estimated $25 billion in revenue on over 25 million entries involving over $1.3 trillion in international trade every year.

One of the most discussed ideas being debating on the topic of enhancing border and port-of-entry security, is the idea of border agency consolidation. The most talked about border agency consolidation proposal would combine the Customs Service, INS and the Border Patrol into one agency under the jurisdiction of the Department of Justice. I find this proposal to be extremely troubling.

One of the keys to operating any government agency is sound organization. It can ensure that problems reach their proper level of decision quickly and efficiently. More importantly, good organization helps assure accountability. Unfortunately, a border agency consolidation plan that would put the Customs Service under the jurisdiction of the Department of Justice would not improve, but exacerbate current border problems. The Justice Department has consistently shown that is has a poor record of accountability and lacks a sound organizational structure with regard to the two border security agencies currently under its jurisdiction, the INS and the Border Patrol.

Most recently, the INS notified flight schools of the approval of student visas for two of the September 11 hijackers six months after the terrorist attacks. The INS also mistakenly allowed four suspected Pakistani terrorists into the country without proper documentation and they cannot now be found. I would have to respectfully disagree with the view that consolidating the Customs Service with INS and the Border Patrol will achieve the goals of sound organization, accountability and enhanced border and port security, especially if the consolidation takes place within the Justice Department.

Consolidating these three organizations would also cause logistical and institutional chaos. It would take attention away from critical homeland security priorities. Yes, all three of these organizations deal with front line border and port security, but in very different capacities. Each of these agency's missions are unique and should remain in their current structure. Ignoring each agency's fields of expertise will lead to losing that expertise.

For example, Customs is charged with preventing contraband from entering the United States as well as preventing terrorists from using commercial or private transportation venues of international trade for smuggling explosives or weapons of mass destruction into or out of the United States. Customs personnel use advanced manifest information on goods to improve targeting systems to detect questionable shipments as well as deploying state of the art inspection technology at land borders, airports and seaports. Customs personnel also use advanced computer systems to compare international passenger information against law enforcement databases on a passenger-by-passenger basis to detect possible terrorists or criminals.

Whereas, the Border Patrol's primary mission is the detection and prevention of illegal entry into the United States between ports of entry, the INS is tasked with the deterrence of unlawful entry of persons into the United States as well as facilitating lawful entry of persons entering the United States at ports of entry.

The Customs Service is also responsible for collecting over $25 billion in trade revenue each year. The structure of the Department of Justice has nothing to do with revenue collection or trade facilitation, two main missions of the U.S. Customs Service. Adding revenue collection and trade facilitation responsibilities to the Depart-

ment of Justice's mission would create a logistical mess and make it more difficult for U.S. companies that import and export goods.

Another popular argument in favor of consolidation involves the perceived lack of intelligence sharing between border security agencies. As any expert involved in law enforcement operations will tell you, the routine sharing of tactical intelligence is critical to all law enforcement operations, especially agencies tasked with border security. Since September 11, Customs and INS receive FBI intelligence briefings. These briefings should have happened on a regular basis before September 11, but these briefings demonstrate that consolidation isn't necessary to improve intelligence sharing.

While some work still needs to be done in the area of cooperation and coordination of intelligence, all three agencies involved with border security functions have been working together as part of Intelligence Collection and Analysis Teams (ICATs). These teams have been created throughout the country to analyze smuggling trends and concealment methods, and to quickly disseminate intelligence to all ports of entry and Border Patrol checkpoints. These ICATs are comprised of Customs Inspectors and Agents, INS agents, INS analysts and, the U.S. Border Patrol as well as local law enforcement in some cases.

In Customs' case, no one doubts that the level of conveyances, cargo and passengers has increased dramatically over the last five years, but unfortunately its resources have not kept pace. Traffic volume at U.S. land ports-of-entry has steadily increased as our shared borders with Mexico and Canada have become more open as a result of the NAFTA and other initiatives. The steady increase in non-commercial traffic has led to increased congestion and backups at many land ports-of-entry, particularly those along the Southwest border. Nearly 68 percent of non-commercial vehicles that enter the United States entered at land ports-of-entry along the Southwest border. Wait times along the Southwest border often extend to 45 minutes or more during peak hours. Such lengthy delays can be both irritating and costly to businesses and the traveling public. The lack of resources at ports-of-entry is also a problem along the Northern Border as well as seaports. The events of September 11 brought attention to the fact that the Northern Border and the nations' seaports have long been neglected in terms of personnel and resources.

In fact, Customs recent internal review of staffing, known as the Resource Allocation Model or R.A.M. shows that Customs needed over 14,7776 new hires just to fulfill its basic mission and that was before September 11. What Customs needs in order to be successful and to continue to carry out its recently expanded mission of homeland security is greater funding.

For instance, with increased funding, modern technologies, such as Vehicle and Cargo Inspection Systems (VACIS), which send gamma rays through the aluminum walls of shipping containers and vehicles to enable Customs inspectors to check for illegal drugs or weapons of mass destruction, could be acquired. However, adequate and consistent funding to purchase, operate and maintain these technologies has not been forthcoming. There have been a number of instances around the country where multi-million dollar VACIS x-ray machines have sat unused because of the lack of funding available for Customs personnel to operate the machines. Other technologies, coupled with proper personnel funding, such as portable contraband detectors (a.k.a. Busters), optical fiber scopes and laser range finders can be invaluable to Customs personnel protecting our borders from terrorists and illegal drugs.

The President's fiscal year 2003 budget requests a funding level of $3.18 billion and 19,628 FTEs for the United States Customs Service. This request represents a token increase from last year's appropriations. NTEU feels that this budget is simply inadequate to meet the needs of Customs personnel, especially in light of the incidents surrounding September 11th.

In 2001, Customs Service employees seized over 1.7 million pounds of cocaine, heroin, marijuana and other illegal narcotics—including over 9.5 million tablets of Ecstasy, triple the amount seized in 1999. Customs also processed over 497 million travelers last year, including 1 million cars and trucks and over $1.3 trillion worth of trade. These numbers continue to grow annually. Over the last decade trade has increased by 137 percent. It has become very clear that funding must be substantially increased in order to allow Customs to meet the challenges of the future, especially as Customs continues to have significantly higher workloads and increased threats along America's borders.

Yet, despite the increased threats of terrorism, the dramatic increases in trade resulting from NAFTA, and new drug smuggling challenges, the Customs Service has confronted its rapidly increasing workload and homeland security mission with relatively static staffing levels and resources. In the last ten years, there have not been adequate increases in staffing levels for inspectional personnel and import special-

ists (the employees who process legitimate trade) to successfully conduct their missions.

The recent deployment of over 700 National Guard troops to our borders clearly shows the need for more Customs personnel. Currently, the National Guard troops are unarmed, which not only puts the Customs inspectors' lives in danger but that of the National Guard as well. In fact, a number of drug seizure cases have had to be dismissed because of the improper discovery and handling of illegal drugs by National Guard troops. These troops need to be removed from the borders and quickly replaced with highly trained Customs personnel.

Last year, Congress acknowledged the shortage of staffing and resources by appropriating $245 million for Customs staffing and technology needs for both the Northern and Southwest Borders in the Department of Defense appropriations. We urge this Congress to again increase the funds available for additional inspectors and equipment in areas around the country that are experiencing the severe shortages. NTEU would also ask Congress to work to provide funding for the Customs Service in the fiscal year 2002 emergency supplemental appropriation, despite the Administration's request, which called for no appropriations for the U.S. Customs Service.

In addition to appropriations, Customs also receives funds from the COBRA account. This user fee account funds all inspectors and canine enforcement officers' overtime pay as well as approximately 1,100 Customs positions across the country. This account is funded with user fees collected from air/sea passengers except from the Caribbean and Mexico, commercial vehicles, commercial vessels/barges and rail cars.

The history of collections and obligations for COBRA over the last 5 years shows a significant drawing down of reserve money available in the COBRA fund for overtime and additional positions, to the point where a significant ($40 to $60 million) shortfall could be expected in 2002. Customs anticipates collecting approximately $300 million in COBRA fees during fiscal year 2002, well below the $350 million they project in COBRA obligations during fiscal year 2002.

To help remedy this problem, the President's fiscal year 2003 budget proposes to temporarily increase two COBRA fees to raise an additional $250 million for personnel overtime and resource needs. The first involves the international air passenger fee, which would be raised from $5.00 to $11.00. The second fee increase involves the cruise vessel passenger fee, which would be raised from $1.75 to $2.00.

Unfortunately, Congress has been extremely reluctant to raise these fees in the past, so it is unlikely that this additional money will ever materialize. The Appropriations Committee must make sure that this $250 million is appropriated so that the Customs Service can continue its critically important work.

The COBRA fund will expire on September 30, 2003, unless it is reauthorized by Congress before then. However, the President's fiscal year 2003 budget does not call for the reauthorization of COBRA. COBRA must be reauthorized or Congress must appropriate additional funds to make up for the loss of the user fees.

Another issue that I would like to address is law enforcement status for Customs Inspectors and Canine Enforcement. The U.S. Customs Service Inspectors and Canine Enforcement Officers continue to be the nation's first line of defense against terrorism and the smuggling of illegal drugs and contraband at our borders and ports. Customs Service Inspectors have the authority to apprehend and detain those engaged in terrorism, drug smuggling and violations of other civil and criminal laws. For example, it was Customs Inspectors who stopped a terrorist attack planned for New Years Day 2000 by identifying and capturing a terrorist with bomb making material as he tried to enter the country at Port Angeles, Washington.

Canine Enforcement Officers and Inspectors carry weapons, and three times a year they must qualify and maintain proficiency on a firearm range. Yet, they do not have law enforcement officer status. They are being denied the benefits given to their colleagues who they have been working beside to keep our country safe. Customs employees face real dangers on a daily basis, granting them law enforcement officer status would be an appropriate and long overdue step in recognizing the tremendous contribution Customs personnel make to protecting our borders from terrorism and drugs.

There are currently bills before Congress, H.R. 1841 and S. 1935, that would grant law enforcement status to appropriate Customs personnel. NTEU asks all members of the committee to cosponsor these very important pieces of legislation.

The American public expects its borders to be properly defended. The government must show the public that it is serious about protecting the borders by fully funding the agencies tasked with defending the borders and laws of the United States. No organizational structure change will be successful, no matter how good it may look

on paper, if the government does not provide proper funding for its border security agencies.

Thank you for the opportunity to share NTEU's thoughts on this very important issue. I look forward to working with the Committee on this and many other issues related to homeland security.

PREPARED STATEMENT OF VICTOR L. LECHTENBERG, CHAIR, NATIONAL AGRICULTURAL RESEARCH, EXTENSION, EDUCATION, AND ECONOMICS ADVISORY BOARD

Mr. Chairman and Members of the Committee, I would like to extend my appreciation for the opportunity to submit this written testimony on the issue of biosecurity. My name is Victor Lechtenberg and I am the current chair of the National Agricultural Research, Extension, Education and Economics Advisory Board (Advisory Board) created by Congress as part of the 1996 Farm Bill and the Dean of Agriculture at Purdue University.

The United States' agriculture sector accounts for about 20 percent of the country's Gross National Product and 25 percent of our export market. The system is vulnerable to biosecurity breaches such as the introduction of a plant or animal disease, which could substantially damage our nation's and the world's food supply and significantly impact our economy.

There are four things that we must do to protect the United States' agricultural production and food supply system from biosecurity threats: (1) develop rapid detection systems, (2) determine the genetic composition of pathogens known to have been the target of biological warfare research, (3) develop plant and animal resistance to these pathogens, including vaccines, and (4) implement communication and education programs about biosecurity across the food and agricultural system and throughout our nation's communities.

While there are limited data on the potential cost of an intentional attack on the production and food supply system, there can be no doubt that it would be strategically planned to create maximum damage. USDA has estimated that a single-site outbreak of Foot and Mouth Disease could cost $10 billion.

One thing the experts agree on is that the cost of an animal or plant disease outbreak is directly proportional to the time it takes to diagnose the disease. The longer diagnosis takes, the further the disease could spread, increasing the likelihood of extensive losses in both production and exports due to sanctions against the United States.

Rapid detection of chemical, biological, and environmental threats is critical, whether those threats are against humans, livestock and crops, or food. While a terrorist attack on livestock or crops may not threaten human life, the long-term economic impact could be devastating. And contamination of the food supply would put consumers at risk. Work is already being done on small-scale sensors such as protein chips, which are being developed to detect pathogenic organisms that cause food poisoning. It will take several years to develop low-cost, real-time sensors so we can contain and eradicate any contamination or disease as soon as possible. We need a concentrated effort to develop these systems as quickly as possible. Several new technologies hold great promise in this arena.

There are a number of animal and plant diseases which have been the target of biological warfare research since World War II, including anthrax, brucellosis, glanders, rinderpest, Newcastle disease, fowl plague, late blight of potato, rice blast, brown spot of rice, Southern blight, and wheat rusts. DNA sequencing and genomic characterization of these known biological warfare agents would be invaluable to devising prevention strategies, developing new sensors for rapid detection, and creating vaccines and resistant strains and hybrids. This sequencing can be done in less than a year at modest cost. It should be undertaken immediately.

In addition, a number of scientists across the nation are already working on developing resistance to naturally-occurring strains of these pathogens, and their research could be useful in developing genetic resistance to more virulent forms of those pathogens. We should also undertake an effort to develop broad-spectrum vaccines that would protect against infection and help contain any disease outbreak.

Finally, it is important that we implement effective communication and education programs on biosecurity. Industry, commodity, research and regulatory groups told a recent Advisory Board meeting they are mobilizing for potential terrorist threats but they need government leadership for coordination, research, education and policy to meet the urgent needs. We must empower Extension educators, veterinarians, producers and others who are most likely to be able to detect and diagnose disease outbreaks early and guide rational public response. As local leaders they are our trusted first line of defense against a large-scale disease outbreak that would threaten agricultural production, exports, and the food supply.

We already have in place the Extension Disaster Education Network (EDEN), a collaboration of Extension systems in 38 states and Puerto Rico, with a liaison office at USDA. EDEN's mission is to help Extension staff be better prepared to deal with all types of emergency management issues including homeland security. Extension specialists and educators at the local level are already active in the research and technology transfer related to plant and animal disease management. EDEN is encouraging these researchers and educators to be sensitive to plant and animal biosecurity and many Extension systems are already developing training activities.

The events of September 11 have caused all of us to take a long, hard look at the world around us. The issues of biosecurity are not new to agriculture, but they have taken on new meaning. Strong research and education efforts in biosecurity will help us protect our food, agriculture, and natural resource system. The terrorist attacks underscore the importance of having the research, technology, education and coordination systems in place to counter terrorism of all kinds, including threats to the food and agriculture system.

Thank you for the opportunity to share these thoughts with you.

PREPARED STATEMENT OF THE NATIONAL ASSOCIATION OF STATE UNIVERSITIES AND LAND-GRANT COLLEGES

Mr. Chairman, Members of the Committee, it is my pleasure to submit to you testimony regarding the fiscal year 2003 budget. I am commenting on behalf of the National Association of State Universities and Land-Grant Colleges, Board on Agriculture Assembly.

There is one critical issue facing the United States today that brings us before you, the need to secure the United States from a biological attack and the attendant concerns related to the security of the U.S. food production system. In addition to jeopardizing public health and safety, biological attacks on the U.S. agricultural sector would cause our nation and the world's food supply substantial damage, and undermine the U.S. economy. U.S. agricultural exports alone reached $50.9 billion in fiscal year 2002. As noted in a study issued by the Department of Defense in January of 2001:

"The potential threats to U.S. agriculture and livestock can come from a variety of pathogens and causative agents. With one in eight jobs and 13 percent of the gross national product dependent on U.S. agricultural productivity, economic stability of the country depends on a bountiful and safe food supply system. Similar to the human population, the high health status of crop and livestock assets in the U.S. creates a great vulnerability to attack with biological agents."

The President's fiscal year 2003 proposal provides more than $6 billion across several federal agencies to address biosecurity issues. Unfortunately, very little of this proposed investment is targeted to address the homeland security issues facing agriculture, our food production, natural resources, distribution system, or our rural and urban communities. We fully recognize that there is an immediate need to address public health, defense and law enforcement homeland security issues. However, it is just as important and just as urgent that protect our food production and distribution system. It is important not to alarm the public or our trading partners unnecessarily. It is even more important to take the immediate and straightforward steps that will ensure that there is no tampering with our food supply system.

The Land-Grant University (LGU) system is unique in the world in that it was designed to work in partnership with the federal, state and local agencies. We were designed to address national issues at the state and local level. This partnership is critical in providing the science base and education outreach programs that are uniquely important in food production and distribution. This same distributed network will be critical in addressing homeland security needs. Our universities provide much of the innovative research and have the science knowledge base regarding biological pathogens that could impact the food production system and natural resources. Our Cooperative Extension System provides a network of personnel in every county of the country, with staff that are already trained to work with local community leaders to plan and respond to natural and civic disasters, as well as years of experience designing and implementing education programs for producers, processors, and consumers. The LGU system's premier teaching facilities can also educate the next generation of scientists about agro-security. It is imperative that the security issues facing our food production system be addressed. It is essential that the existing distributed information and outreach system that resides within the Land-grant universities be harnessed and integrated into the efforts of all federal agencies seeking to collaborate with rural communities.

I respectfully offer the following testimony to describe the bridge between land-grant research and extension activities and the health sciences, security, and emergency management conducted by other federal agencies. I will also offer ways in which the land-grant universities could be a valuable resource in the federal, state, and local government solution to coordinating and conducting the prevention and response to biosecurity threats.

CAPABILITIES OF THE LAND-GRANT UNIVERSITY SYSTEM

The federal government created the LGU System in 1862 and is anchored in every state and U.S. territory. In partnership with the local, state, and federal governments, the LGU System addresses national issues at the local level. Central to the LGU System are the State Agricultural Experiment Stations (SAES) that conduct research and the Cooperative Extension Service (CES) that builds provides outreach from the university to our communities across the country.

SAES, with over 10,000 highly specialized researchers, has for years engaged in research that is relevant to protecting the nations food production, processing and distribution system from acts of terrorism. CES has an established presence in communities across the country with 3,150 local offices that continuously manages and controls emergencies, particularly natural disasters. CES' unique capacity to self-evaluate its program effectiveness constantly improves agriculture and community safety. Moreover, multi-institutional/multi-state procedures for coordinating the research of SAES and integrated activities with CES are already in place, ready for immediate engagement.

What must Agriculture Experiment Stations and the Cooperative Extension System do to Enhance Agro-security?

Address Immediate Security Needs

Securing Experiment Station Research

Research results and data are often openly communicated and stored electronically via electronic posting and web sites and could be easily used to locate and abuse hazardous materials. SAES and federal research laboratories must develop protocols to safeguard this information while keeping necessary information and communication channels open.

Furthermore, it will be important for state and federal officials to be able to locate or track the location of these materials over time. Recent questions about the location of anthrax samples in federal laboratories demonstrate why this new level of security will be needed. There should be a national list of potentially dangerous materials inventoried across agricultural research facilities that would be maintained and updated regularly and available to appropriate federal, state and local emergency management agencies.

While laboratories should be secured, there should also be respect for the information sharing between scientists. Legitimate communication mechanisms and efforts should not be thwarted as a result of the added security. Therefore, security plans should be made in conjunction with SAES and federal laboratories to ensure the continuation of secure and critical agricultural research and communication.

Training Industry to Secure Their Operations

In a natural partnership with SAES, CES provides educational programs to the private sector on how to secure their operations. As we have sadly learned, equipment and materials such as fertilizers and crop dusting planes can be used as bioweapons. Appropriate protocols for securing these materials should be developed in collaboration with USDA's Agricultural Research Service (ARS), the Animal and Plant Health Inspection Service (APHIS), the Food Safety Inspection Service (FSIS), and other appropriate federal agencies.

Secure Communities

Producers, processors, suppliers, retailers, and consumers may one day be the "first responders" to an agro-terrorist attack and thus play a pivotal role in quickly containing contamination. CES agents need to be trained to recognize possible threats and employ the appropriate protocols for working with local and federal law enforcement and health agencies. CES has a unique role to play in training community leaders to prepare and plan for potential terrorist activity. CES can help rural and urban communities, businesses and farms develop tools to determine points of exposure and risk, so that they can develop programs at the local level that best meet their needs. Because rural communities are sparsely populated, the infrastructure may not already exist to mitigate a disaster. Many of the mitigation strategies will deal with preparedness and training of community volunteers. With more research on disease vectors, these communities could better shape both prevention

and containment strategies via vaccines and agents to neutralize and treat the effects of disease outbreaks. CES has already developed a way to communicate with and keep on the same page as partner agencies called the Extension Disaster Education Network (EDEN). EDEN is a clearinghouse for educational and related materials used for disaster mitigation. The recovery process for communities and their constituents may require sustained presence within the communities and the mobilization of significant research resources.

Respond to emergency outbreaks

A purposeful biological attack on our plant and animal species would probably spread quickly and from separate locations. Immediate recognition that there is an unnatural outbreak of a disease in multiple locations is critical if the spread of the disease is to be contained. Although the food and fiber production process opens up many opportunities for purposeful contamination, most existing safeguards were not designed to protect against intentional attacks. Modeling and communication tools need to be developed that would facilitate early detection and recognition of unnatural outbreaks. The private sector, the federal government, and the LGU System will need to develop new standards and protocols to: improve detection and monitoring practices such as enhanced border screening practices; develop a communication system that alerts appropriate agencies and points of entry that a problem may exist, with guidance on appropriate actions; improve the ability to trace contamination back to its source; and enhance communication networks with public health agencies, law enforcement agencies and state and local officials.

The timing of the recognition and response is also critical. If a purposeful introduction of a biological agent is recognized quickly, the impact can be greatly reduced. A difference of several days can mean the difference between curtailing a viral outbreak and losing control over the spread of a contagion. As mentioned, with a lower population base distributed across vast areas, rural America typically lacks the infrastructure to recognize and respond to terrorist attacks.

Educate scientists, teachers and specialists

Who will provide the expertise for these efforts in the future? We will need people whose education concentrates on security in agriculture and natural resources. Courses or degrees in agricultural security will be necessary. This kind of expertise currently does not exist in institutions and initially will require outside expertise. Institutions will require help to design long-term educational programs that can provide the scientists and educators the ability to address the issues of agricultural security.

LINKING THE LAND-GRANT SYSTEM WITH FEDERAL AGENCIES

The LGU System offers across the broad experience with agricultural security research and extension that lends itself to the purposes of other federal agencies. The attached budget summary table links funding requests from different agencies with biosecurity activities.

United States Department of Agriculture

The LGU System has a long historic relationship with USDA in protecting our food production system. We are recommending a $212 million increase in new funding for USDA/CSREES to address agro-security and food safety issues. The LGU have a historic working relationship with USDA and our recommendations for agro-security funding have been detailed in testimony submitted to the House and Senate Agriculture Appropriations Subcommittees. While the LGU have worked with each of the following federal agencies, we have not done so in a systematic way, and so we provide more detailed description of what our expanded cooperative efforts should include.

Department Of Defense

Science and Security: Linking SAES with National Agro-Security Efforts

The LGU System proposes to develop new ways in which to collaborate with the Department of Defense in order to engage the SAES and CES in providing federal, state, and local governments with rapid access to the best information and services for eliminating, avoiding or mitigating domestic and foreign threats to national food systems and U.S. agricultural production. The SAES could help to provide the Department of Defense with support services in the following areas: National advisory service for research site security; organization of research facilities (domestic and international); strategic planning facilitation; document services; research outcome reporting; resource mobilization and allocations; financial accountability; informa-

tion security and confidentiality assurances; and rapid responses for requested information.

Moreover, we recognize that certain data collection and monitoring activities, threat assessments; interventions, and related training activities are necessarily classified; and therefore, we propose forming with others a partnership that would draw upon selected (cleared) experts from the LGUs and from pools within intelligence and law enforcement certain expertise to provide decision makers specific support in the following areas:

—Security firewall for engaging the LGU expert community at large;
—Conduct, oversee and/or advise on classified data collection and monitoring activities;
—Conduct, oversee, advise and/or participate in classified research and assessments; and,
—Education and training programs for: First responders; incident monitoring systems; diagnostic services providers; and, risk and threat assessment resources.

Preparing Our Civil Defense

Since World War II, CES has worked with the military in our rural communities to coordinate civil defense needs. The CES network could heed the call once more to increase our civil defense, and prepare it for biosecurity aspects through volunteer training programs conducted in collaboration with the military. Additionally, CES has ongoing family programming designed specifically for those families living on military bases. CES could adapt these programs to discuss and address potential biological threats to family security on military bases.

Funding

The costs of prevention are small relative to the cost of a terrorist attack. Severe economic disruption could result to our production, distribution and trade system, if we do not take responsibility to act now. We are recommending a beginning funding level of $171 million in fiscal year 2003 from the DOD for the following purposes:

—$136 million to link land-grant research with DOD agro-security issues;
—$76 million to collaborate in securing research facilities and developing a system for appropriate security screening and background checks for individuals with access to sensitive materials; and
—$35 million to initiate CES technology transfer and networking activities related to improved diagnostic and testing technologies.

Federal Emergency Management Agency

FEMA is charged with working closely with state and local governments and agencies to ensure their planning, training, and equipment needs are addressed and to ensure that the response to weapons of mass destruction threats is well organized. Stepping up the partnership between CES and FEMA could improve the management of emergency agro-terrorism situations by employing programs for risk awareness, risk assessment, mitigation, and recovery.

Coordinated Emergency Planning and Training

CES has collaborated with FEMA for many years to manage and control emergencies, although to date, most disasters have been natural such as floods, storms, droughts and disease outbreaks. In addition, CES has almost 100 years of experience in the recruiting, training, utilization and management of volunteers. CES works with thousands of volunteers every day, is familiar with all aspects of volunteer training and management and has a reputation of being a "volunteer organization" in the community. Many of the volunteers seek more intensive training through one or more of the "master volunteer" programs which target specific community or program needs such as agro-terrorism mitigation. As part of its emergency management work, CES created the Extension Disaster Education Network (EDEN), a clearinghouse for educational and related materials used for disaster mitigation. Most recently, CES mounted a nationwide train-the-trainer program to prepare small and rural communities and public and private organizations for Y2K. CES trained hundreds of thousands of individuals, families, and private and public organizations to manage the Y2K threat in little more than one year.

Building on EDEN, CES could assist FEMA in ensuring that first responders at all points in the food production system are well trained in new technologies and techniques to improve emergency response efforts. Such a program could involve training first responders and citizen volunteers in biosecurity risk assessment and mitigation. The program could have four parts: (1) risk awareness to inform communities and leaders about the potential threats of terrorist activity; (2) self-directed

risk assessment that allows for flexibility required in given community of producers, processors, retailers, and consumers; (3) mitigation; and (4) recovery.

Awareness.—This training would inform communities and leaders of the potential threats of terrorist activity including: likely approaches of terrorists, materials that may be used and their indicators, the symptoms of affected plants and animals, how materials might spread, the contacts to identify or verify contamination, and the ways in which the effects of materials manifest themselves in the community. This training could occur based on specific information about the nature of the threat and rapidly mobilized and disseminated through pre-organized train-the-trainers networks, the CES communications system, and local offices. Various state and federal agencies could also be resources for this training.

Risk Assessment.—This would involve building self-directed risk assessment instruments. These instruments would make it possible for the communities, organizations and households that create them to rapidly determine and prioritize points of exposure. Risk assessment templates could be adapted to different types of threats and be used to monitor the progress of the communities, determine the elements of the communities involved, and determine where those who live in the communities feel the most susceptible. The latter information would be valuable in adding to the strategy for intervention and additional training.

Mitigation.—With risk assessments made, the users of the instrument are ready to deal with mitigation. What are the major areas of risk? How do they vary within and among communities, what are the efficient strategies, given the "distribution" of perceived and actual risk? Many of the mitigation strategies would deal with preparedness and training of community volunteers. Training certifications could adapt to the changing nature of terrorist threats. Using its close link with existing state and federal programs, CES could leverage the distribution of the mitigation materials and training. Volunteer and community leader trainings could be delivered cooperatively with various state and federal agency staff.

Recovery.—The recovery process for communities may require sustained presence within communities and the mobilization of significant research resources. The recovery process may itself be unknown and require close cooperation between the researchers and CES staff working "on the ground" in impacted communities. The land grant model that links strong research capacity with a field presence is likely to be of value to all agencies involved.

In addition to the risk assessment training program, CES could also develop education programs that would mitigate public health and economic disruptions to rural communities from terrorist attacks. A key example of a mitigation strategy is preparing individual families for an agro-terrorist attack. Families need to have survival kits on constant standby that would mitigate the effects of an attack. Should an attack occur, they may need to know how long their food will stay fresh in the refrigerator or how they can sustain their crops if contaminated. In partnership with appropriate federal agencies, CES could develop proper survival kits and train the families to implement the survival tools in the case of a disaster.

Linking Research to Extension and Asking New Research Questions

The State Agricultural Experiment Stations (SAES) within land-grant colleges and universities have significant research capacity. The researchers within the land-grant system are used to working with CES and have established communication mechanisms about new technologies and techniques. Thus, CES and the land-grants can be supportive of the mitigation approaches and the identification of the materials that may have been introduced by the terrorists. SAES is engaged in a breadth of issues relating to technologies that would mitigate a disruption to nation's food safety and economic health from a terrorist attack.

There are many key examples of how SAES could support mitigation the effects of an agro-terrorist attack on rural communities. One topic could delve into the extent of a community's social capital. Is there a network of interested non-profits to address its community's particular piece of counter-terrorism? Another topic would be determining the impact on security by population variables. Demographics such as ethnicity, religious beliefs, and income levels are critical pieces of information in developing a mitigation plan for health and economic disruptions. Finally, research would need to be done on how to retain consumer trust. If there is a biological attack on the crops, consumers might question the safety of their food. SAES could determine methods that would alleviate these real or perceived fears.

Funding

To address emergency planning and training needs, the LGU system recommends—

—a beginning funding level of $237 million in fiscal year 2003 to incorporate biosecurity concerns into the emergency and disaster education network, design and implement risk management training programs, and train community leaders and citizen volunteers
—$87.5 million for risk management education packages and training
—$50 million for research to improve identification and intervention strategies and technologies
—$25 million for monitoring and evaluation of training program results
—$75 million to enhance communication and education systems.

Health and Human Services

Agriculture production is inextricably linked to food safety and public health. There is necessary overlap between the health and agricultural sciences that should be reflected in the budget and in research efforts.

Health Resources and Services Administration (HRSA)

HRSA functions on the frontlines of public health protection in communities and will develop programs to address the emerging need for public health emergency response teams in the event of a biological attack. As part of HRSA, Health Centers provide public health education in under-served communities. The Centers' effectiveness is due in part to their ability to train and mobilize public health volunteers in these communities. Such training programs will need to be expanded to address new Homeland Security aspects such as biosecurity. With nearly 100 years of experience in recruiting, training, utilizing and managing volunteers, CES can add to the Center's capacity to meet the Homeland Security challenge. For decades, CES has successfully partnered with FEMA to prepare communities and families to respond effectively during natural disasters and can draw on this experience to collaborate with the Centers in designing biosecurity-public health emergency response plans. Health Centers also use volunteers to help assess operational capability at the community level and then provide on-site support to affected communities. CES could offer additional resources to the Centers in this area as well. In many states, CES is the public gateway to science-based information developed in academic disciplines across the university. CES could engage its research and evaluation tools, community planning experience, and facilitating skills in support of community capacity building.

National Institutes of Health (NIH)

NIH is charged with promoting biomedical research, and other scientific inquiries that may lead to medical advances, and will be the lead research agency in the federal government's effort to fight bioterrorism. Within NIH, the National Institute of Allergy and Infectious Diseases (NIAID) will lead research activities aimed at developing biomedical tools to detect, prevent, and treat infection by biological agents.

The State Agricultural Experiment Stations (SAES) and veterinary diagnostic labs within land-grant universities have broad and deep research portfolios to improve public understanding of disease vectors, particularly for infectious diseases that can cross between animal and human populations. They also perform critical research in applied animal science designed to serve medical advances. With this knowledge base, the land-grant universities can provide a critical research foundation for the development of diagnostic technologies and treatment of infectious diseases suitable for responding to the circumstances surrounding purposeful exposure.

Funding

To initiate the activities described in this testimony, the LGU system recommends funding for fiscal year 2003 of $265 million, which would be used to support the following activities:

—A total of $165 million in support of SAES research and research facilities—
—$100 million for basic and applied research through the NIH
—$15 million for enhanced research facility security through the NIH
—$25 million for integrated food safety research through the FDA
—$25 million for basic and applied research through the CVM.
—A total of $100 million in support of CES education and outreach activities, with a budget estimate of $500,000 per state per program—
—$25 million for Extension education and outreach to general public on food safety through FDA
—$25 million for integrated Extension for training in new food contamination detection and containment technologies through FDA
—$25 million for integrated Extension for farmer and rancher risk management program through CVM

—$25 million for Extension volunteer program development and training through HRSA.

CONCLUSION

I would like to thank the Senate Appropriations Committee for taking the leadership to look at how our country is addressing homeland security issues across the federal government. Only by taking this comprehensive view can we insure that our federal, state and local agencies are working together in the most effective way. The land-grant university system stands ready to provide its distributed research and education network to work in partnership with each of the federal agencies to help them successfully address their specific homeland security missions.

MULTI-AGENCY BIOSECURITY—AGRO-SECURITY BUDGET LAND-GRANT UNIVERSITIES

[In millions]

	USDA	DOD	HHS	FEMA	TOTAL
BY FUNDING MECHANISM					
Research Formula; NRI	$64	$60	$100	n/a	$224
Extension Formula	62	35	50	$124.5	271.5
Integrated Sec. 406; RREA	28	n/a	100	87.5	215.5
Facilities	50	[1] 76	15	n/a	141
Education	8	n/a	n/a	25	33
TOTAL	212	171	265	237	885
BY AGRO-SECURITY ISSUE					
Respond to Outbreaks [2]	49	[3] 55	75	137	316
Counteract Terrorism	30	[4] 40	100	n/a	170
Secure Communities [5]	45	n/a	75	75	195
Address Immediate Security Needs	80	[6] 76	15	n/a	141
Education Scientists, Teachers, and Specialists	8	n/a	n/a	25	33
TOTAL	212	171	265	237	885

[1] Includes funding for site security assessment, security upgrades, and background check system.
[2] All Extension and Integrated funding split between Respond to Outbreaks and Secure Communities.
[3] Includes $30 million for research, $25 million for extension.
[4] Includes $30 million for research, $10 million for extension.
[5] See reference 1.
[6] National Association of State Colleges and Land-Grant Universities.

CONCLUSION OF HEARINGS

Chairman BYRD. The hearings will stand in recess awaiting the call of the Chair.

[Whereupon, at 5:52 p.m., Thursday, April 11, the hearings were concluded, and the committee was recessed, to reconvene subject to the call of the Chair.

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