

S. Hrg. 108-84

**INVESTING IN HOMELAND SECURITY: STREAM-  
LINING AND ENHANCING HOMELAND SECURITY  
GRANT PROGRAMS**

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**HEARING**

BEFORE THE

COMMITTEE ON  
GOVERNMENTAL AFFAIRS  
UNITED STATES SENATE  
ONE HUNDRED EIGHTH CONGRESS

FIRST SESSION

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MAY 1, 2003  
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**INVESTING IN HOMELAND SECURITY:  
STREAMLINING AND ENHANCING  
HOMELAND SECURITY GRANT PROGRAMS**

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**THURSDAY, MAY 1, 2003**

U.S. SENATE,  
COMMITTEE ON GOVERNMENTAL AFFAIRS,  
*Washington, DC.*

The Committee met, pursuant to notice, at 10:08 a.m., in room SD-342, Dirksen Senate Office Building, Hon. Susan M. Collins, Chairman of the Committee, presiding.

Present: Senators Collins, Levin, Stevens, Voinovich, Specter, Fitzgerald, Akaka, Carper, and Pryor.

**OPENING STATEMENT OF CHAIRMAN COLLINS**

Chairman COLLINS. Good morning. The Committee will come to order. Today, the Governmental Affairs Committee continues our efforts to streamline and strengthen homeland security grant programs for States, communities, and first responders.

I want to start by welcoming Secretary Tom Ridge, who will discuss the Department of Homeland Security's ongoing challenges in providing the resources needed to protect our homeland.

Mr. Secretary, let me start this morning by commending you for your leadership in building a more effective homeland security partnership with our States, localities, and first responders. But in some ways, I believe that Congress' lack of guidance has left you with one hand tied behind your back. Despite these constraints, you are doing a great job, but we can and must do more to ensure that those who are on the front lines receive the information, equipment, training, and planning they require to be effective.

The Homeland Security Act provides a framework to establish your new Department, yet the law contains virtually no guidance on how the Department is to assist those at the State and local level with their homeland security needs. Congress wrote a 187-page law creating the new Department, yet only a single paragraph describes grant programs for first responders. As a result, the Department is allocating billions of dollars to States and localities with very little guidance from Congress as to how such decisions should be made.

As with so many other important issues, much of the front-line responsibility for homeland security has fallen squarely on the shoulders of our State and local officials and first responders. Communities across America have risen to this challenge and have developed scores of innovative homeland security strategies.

Instead of encouraging these new ideas, however, the tangled web of Federal Homeland Security Grant Programs is stifling State and local innovation.<sup>1</sup> Instead of providing a foundation on which States and localities can build homeland security strategies tailored to specific risks, Federal programs present States and communities with a mountain of paperwork. Instead of giving communities the flexibility that they need, State and local officials face a one-size-fits-all grant structure.

Mr. Secretary, in my judgment, the current homeland security grant program structure simply doesn't work as well as it should. Congress should give you a map to replace the maze of homeland security programs with a straight path, to topple the mountain of paperwork, and to provide States and communities the flexibility that they need to be effective.

Today, I am announcing principles for legislation that I will be introducing in coming weeks to streamline and enhance homeland security grant programs. This outline is based on extensive input from State and local officials and first responders and includes several key principles.

First, my legislation will topple the mountain of paperwork by eliminating duplicative homeland security application and planning requirements that States and localities are now required to complete as a condition of receiving Federal funds. As this chart illustrates,<sup>2</sup> on my right, a State must engage in a 12-step odyssey to obtain funding from a single homeland security grant program, and this is just one of several homeland security grant programs to which a State, community, police, or fire department can apply.

Second, my legislation would allow flexibility in the use of homeland security funds. Instead of a one-size-fits-all formula determining how homeland security dollars must be allocated, the legislation will allow State and local officials to decide how to spend Federal dollars to meet their highest priority needs.

Third, my legislation will make it easier to apply for grants by moving toward one-stop shopping within the Department for accessing homeland security dollars in a direct and timely fashion. A single source within the Department will provide States, communities, and first responders with information on grant programs, both within and outside of the Department.

Fourth, the bill will help to coordinate the wide range of grant programs that provide homeland security funds for planning, preparedness, and response capabilities. Federal programs inside and outside the Department of Homeland Security provide much-needed support to ensure basic level of equipment and training among first responders, yet they often lack even basic coordination. The legislation I am proposing will coordinate these programs to avoid duplication, ensure that a broad spectrum of needs are being met, and maximize the return on the taxpayers' investment. We simply cannot afford to spend Federal dollars in a duplicative or haphazard manner. The risks are simply too great.

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<sup>1</sup> Chart entitled "Tangled Web of Federal Homeland Security Grant Programs," submitted by Senator Collins appears in the Appendix on page 78.

<sup>2</sup> Chart entitled "12 Steps for a State to Receive Homeland Security Dollars" submitted by Senator Collins appears in the Appendix on page 79.

Fifth, the legislation will promote a community-based approach to homeland security funding. It will ensure that local officials and first responders have a seat at the table in the homeland security planning process and that they can access resources in an efficient manner.

Sixth, we must allocate homeland security dollars according to need, while at the same time ensuring that each and every State receives a reasonable share of funds. Currently, the Department is allocating billions of dollars with little guidance from Congress.

Seventh and finally, this legislation will not reinvent the wheel. It will recognize the importance of building on existing successful programs, such as the popular and effective FIRE Act.

All States face security challenges, including our Nation's rural and less populous States. Maine, for example, was the starting point for two of the September 11 hijackers and is home to one of New England's busiest seaports. Unique challenges also face smaller States, such as Delaware, which must protect a major military base and an international speedway. In other words, the size of the State does not necessarily determine the seriousness of the threat.

We don't need to look far into our history to witness the tragic events that can occur in even relatively rural States. Just consider Oklahoma City, the highest casualty domestic terrorist event prior to September 11.

We must engage in a thoughtful dialogue about how best to distribute homeland security funds or we may end up leaving some of our communities more vulnerable to attack because we inadequately assessed the risk.

Again, Mr. Secretary, let me close by commending you for your efforts to simplify the grant process and make it easier for States, communities, and first responders to access funding. But Congress has provided you with an incomplete tool box. You need more to build an effective homeland security partnership with States, localities, and first responders, and I know that the Members of this Committee are committed to giving you the tools that you need. We look forward to working with you on legislation to build a stronger and more effective homeland security partnership in the months and years ahead.

At this point, I would like to turn to Senator Levin for his opening remarks.

#### **OPENING STATEMENT OF SENATOR LEVIN**

Senator LEVIN. Thank you very much, Madam Chairman, and let me join you in welcoming Secretary Ridge to this hearing and join you also in commending him for the extremely great effort that he is making to put together a Homeland Security Department which reflects the needs of this country. I think you are doing a fine job and I join in that commendation.

We obviously have a number of concerns which we want to raise with you today. The programs and operations of the Department of Homeland Security continue to be unclear to our people and to our local governments. The coordination or lack thereof between your agency and State and local governments is troubling. The interaction with State and local governments is still confusing, unclear, and of great concern to us.

There are other issues, too, which I want to raise with you during our question period, particularly as to the relationship between your Directorate for Information Analysis and Infrastructure Protection and the CIA entities that now exist. There are now two entities in the CIA, the Counterterrorist Center and the new one which was apparently just announced yesterday, Terrorist Threat Integration Center (TTIC). So you have these two entities that are engaged in analysis of intelligence information, now both located apparently at the CIA, and how that is going to relate to your directorate, which was the place where some of the dots were going to be connected, at least, is very unclear and I think we need you to give us some guidance on that, as to what the intent is.

There are also other issues besides the one that is the focus of today's hearing that I want to raise with you, including access to information under the Freedom of Information Act and how that is going to work and what information would be protected from public scrutiny by corporations just simply filing with your agency information and thereby protecting themselves from the corrective remedies that might otherwise be indicated or from public access to that information. That is a whole issue which we kind of ducked at the time that this agency was put into place.

I don't want to repeat all of the concerns which our Chairman has just raised, but I will just simply highlight a couple of them that I hear a lot about when I go back to Michigan.

I hear many complaints about how the Department issues grants and allocates funds to State and local governments and the first responders, like the police and the fire fighters. The first issue, which I hope you will address, is the overall budget issue. According to my figures, the Department of Homeland Security funds for first responders, when you add the Office of Domestic Preparedness allocation in 2004 and the fire grant program, which is not given any money in 2004, you have actually less money, the way we add it up, for first responders in your budget for fiscal year 2004 than we had in 2003, and I wish you would address that issue. The total is \$3.5 billion for first responders in 2004, roughly, and \$4 billion in 2003 when you put those two programs together, the Office of Domestic Preparedness and the fire grant program.

There is still no 800 number where people can call just to get information, as far as I know. We had gone into that issue at the time we were considering the creation of your Department. There is still no one-stop grant process for State and local officials and there is the whole host of budget questions which were raised. The administration is proposing to basically drop the COPS program to decrease the Byrne grants and to eliminate or almost eliminate the local law enforcement block grant program, and that is not made up for, as far as we can see, in the budget dollars that have been proposed for your agency.

So those are the big picture budget items that we hope you will address, as well as for first responders, as well as some of the issues which relate to the grant application process, whether we can't have a one-stop grant process where people can go to one place or call one number to get information relative to what is available to local governments.

We then have all the formula issues, which I think to some extent, at least, are based on legislative decision, but where you have made some recommendations which we would like to hear as to how these funds can be more fairly apportioned to where the greatest risks are. Some of those formulas make no sense to me. When we have flat-out minimums guaranteed, for instance, that is not based on threat. It should be based on threat. I understand you have some recommendations in that area, because I agree that we ought to put our funds where the greatest threats are and I don't think that is the case where we have fixed formulas that go to States or to localities based on anything other than what the threat is and what their infrastructure vulnerabilities are.

So you have got a lot of questions before you. I know there are a lot of challenges on your plate. And again, I just want to add my thanks for all the good work of you and your staff in attempting to address those challenges.

Chairman COLLINS. Thank you, Senator Levin. Senator Stevens. [The prepared statement of Senator Levin follows:]

#### PREPARED STATEMENT OF SENATOR LEVIN

The Department of Homeland Security (DHS) is still a new agency but pressing questions about how it should function, how it should coordinate with other Federal agencies, and how it should interact with State and local governments are issues that Members of this Committee have now been raising for over a year. New questions are piling up, while many old issues remain unresolved. It is past time to get definite answers to some of these questions and to clarify how this Department is going to be set up and run to ensure the safety of our country.

As the key oversight Committee for the new Department, our job is to identify key issues and help with the solutions. One of the key issues that I have been focusing on for the past year involves intelligence—improving our ability to map terrorist threats and prevent terrorist acts. The 9-11 tragedy exposed troubling gaps and weaknesses in our intelligence efforts and made it clear we need to improve the Federal Government's ability to connect the dots, identify threats, and stop terrorism.

Simply creating a new Department has not cured our intelligence weaknesses. In fact, the intelligence situation may have been muddled, not improved, by the creation of the DHS which appears to be causing new confusion over who has what intelligence responsibilities and who can be held accountable. The DHS will have a new intelligence capacity that will map threats and try to prevent future terrorist attacks. In addition to this, the administration recently announced the creation of a new intelligence entity called the Terrorist Threat Integration Center or TTIC. But frankly, I'm not convinced that anyone really understands what the TTIC will look like, what its mission will be, or how it will work with other intelligence agencies.

We've been told, for example, that the TTIC is supposed to be a gathering point for all sources of intelligence on terrorism so that information can be analyzed and distributed. But that is also the mission of the Counter Terrorist Center in the Central Intelligence Agency. Today, the Counter Terrorist Center or CTC receives 17,000 pieces of intelligence a month and produces about 300 outgoing intelligence products a month. All of the key agencies sit at the CTC table. But the same agencies are supposed to also participate in the TTIC. The question this Committee must ask is what is the expected relationship between the CTC and the TTIC?

What are their respective intelligence roles and responsibilities? Will they share information and resources to minimize duplication and ensure effective communication? Or, by asking both entities to perform the same or similar tasks, will we diffuse responsibility, waste resources, and increase the risk of important information slipping through the cracks?

In addition to defining the general relationship between the TTIC and CTC, it is critical to know which agency has primary responsibility for gathering, analyzing and distributing foreign intelligence to ensure this information is acted on. The statute failed to assign clear responsibility for handling foreign intelligence, which could be lodged in at least three places: The DDS, the TTIC, or the CTC. I have been talking about this issue for a year and a half, and it has yet to be clarified.

On January 17, I asked Secretary Ridge whether the principle responsibility to analyze foreign intelligence would remain at the CTC. He said yes. At a hearing on February 26, I asked Deputy Secretary Gordon England the same question, and he also named the CTC. On February 26, I asked other administration officials with responsibility for intelligence matters to provide a written statement naming the agencies with primary responsibility for the analysis of foreign intelligence and domestic intelligence, and Chairman Collins seconded that request. It's more than 2 months later, yet nothing has been placed in writing. Given the size of the intelligence community, the potential for confusion, the importance of this matter, and the need for accountability, assigning the CTC primary responsibility for handling foreign intelligence needs to be placed in writing, and it's unclear why that has yet to happen.

A second critical issue involves the public's right to know what the new Department is doing. When we first started the process of creating a Department of Homeland Security, a key concern was how to strengthen our national security without abandoning public oversight and the openness that a free society requires to function. It is frustrating to have to remind people that we reached a bipartisan compromise on this subject last summer—now almost 1 year ago—balancing the two concerns in a provision clarifying how the Freedom of Information Act would apply to the Homeland Security Act. But that bipartisan compromise, which also enjoyed administration support at the time, was dropped from the final bill in favor of much more restrictive language that over 50 public interest groups have been protesting ever since. To resolve this issue, Senators Leahy, Lieberman, Byrd and I have re-introduced the compromise as S. 609, the Restore FOIA bill. The Department also recently issued proposed rules on the subject, but that effort appears to have only further confused the issue and further inflamed public interest groups who believe the public has a right to reasonable amounts of information affecting their security, health, and safety. This issue continues to fester.

A third critical issue that is only beginning to receive attention involves the role of the new Department in combating money laundering. Terrorists launder money to finance their schemes. Some terrorists also work with other criminals, such as drug traffickers, to obtain funds and other assistance to commit terrorist acts. For this reason, it is crucial to track down money launderers of all types around the globe and shut down their operations. It is also crucial to ensure that terrorists are not using our own financial systems against us, by moving funds through U.S. bank or securities accounts or misusing our trade laws to launder dirty money. The new Department has acquired some of the leading Federal experts on money laundering, including the Customs anti-money laundering unit known as Greenquest, which plays a key role in stopping terrorist financing and other money laundering efforts. But so far, it is unclear who at the new Department is in charge of the anti-money laundering mission and how the new Department is plugged into government-wide efforts to battle this problem. Money laundering is too important to get lost in the shuffle, and it needs to become much more of a DHS priority.

That brings me to a final issue which is the focus of this hearing: How the new Department is working with State and local governments to fight terrorism. Complaints are increasing as to how the Department is issuing grants and allocating funds to State and local governments and first responders like fire fighters and the police. There is still no 800 number for grant information and still no one-stop grant process for State and local officials. Increases in DHS funds are apparently being offset by decreases in other Federal grants programs to the same units. For example, look at three grant programs for local police: COPS was funded in 2003 at \$929 million, but in 2004 the administration requested just \$164 million, an 82 percent decrease; the Byrne Grants were funded at \$651 million last year, but in 2004 the administration requested zero; and the Local Law Enforcement Block Grant Program was funded at \$400 million last year, but in 2004 the administration requested zero dollars.

I was also extremely surprised and disappointed that when DHS announced recent grant awards to high-threat urban areas, absolutely no funds were allocated to Detroit. Detroit is the eighth largest metropolitan area in the country, it is home to the largest U.S.-Canadian border crossing in the Nation, it has a diverse immigrant population, and it has been the site of numerous recent investigations and prosecutions related to terrorism. Excluding Detroit from the initial round of funding for high-threat urban areas is a flat out mistake if homeland security is to be strengthened. It also indicates the current funding process is flawed, and that better criteria are needed for awarding funds to high-threat urban areas. There are also signs that key funding formulas need adjusting. For example, Wyoming now gets more funds per capita than Michigan for first responders, even though Michigan has 20 times Wyoming's population. This anomaly apparently results from the Office of

Domestic Preparedness grant formula, which has a mandatory State minimum that many experts believe is set too high. Secretary Ridge has indicated that he would support adjusting at least some of the funding formulas, and I look forward to working with him to better target funds to match the country's security needs.

There is a lot of work that needs to be done, and I hope this Department will work with us in resolving some of the long-standing issues as well as addressing the new ones.

#### **OPENING STATEMENT OF SENATOR STEVENS**

Senator STEVENS. Thank you very much, Madam Chairman. I am pleased to be here with Secretary Ridge. As a matter of fact, we have an Appropriations hearing going on right at this time on homeland security. I will be going over there from here.

I am here for two reasons. One, I do really sincerely thank the Secretary for what he is doing and his responsiveness to our Congressional action so far. But I want to make this point. Legislation concerning homeland security should originate in this Committee and not on the floor of the Senate in appropriations bills, and I intend to oppose any such amendments now on appropriations bills to deal with the basic laws concerning homeland security.

We have got to get back to the point where legislation is considered legislation. I think we are through the emergency phase after September 11, but we are setting the parameters for the relationships between the Federal Government and State and local governments on homeland security. I do not believe that all homeland security expenses, and costs should be underwritten by the Federal taxpayer and we have to define, in detail, in the legislation that comes from your committees and those in the House what that relationship should be.

Clearly, we already have a substantial responsibility in supporting the National Guards of each individual State. Those are people involved and who have been involved in homeland security for years.

There is a hope and a desire in every community in the country that we will find Federal money to assist in meeting the newly perceived requirements for homeland security. I, myself, have had one representative of a small area in my State come to tell me that I should help him get money for a new fire truck. When we looked into it, they never have had a fire truck. There is a limit to the amount of money that is going to be made available for homeland security, including first responders, but this Committee and your colleagues in the House should help us define, and Congress with the President's approval should define what is that relationship. It should not occur on each individual appropriations bill that comes up.

So I hope that you will join us in trying to decide that the authorizing committees are going to set those parameters. We will do our best to find the money within those parameters after you have established them. But I do believe it is time for us to come to agreement and to reduce the expectation of unlimited assistance from the Federal Government for homeland security that exists in State and local governments today. Thank you very much.

Chairman COLLINS. Thank you, Senator Stevens.

We have now begun a 15-minute vote. I am going to call on Senator Akaka. I am going to go vote. I would ask Senator Levin if he

would call on my colleagues in my absence. I will get back as soon as I can, and if the time expires, we can take a short recess. Thank you.

Senator LEVIN. I would be happy to do that.

Chairman COLLINS. Senator Akaka.

#### **OPENING STATEMENT OF SENATOR AKAKA**

Senator AKAKA. Thank you very much, Madam Chairman. I join you and my colleagues in welcoming Secretary Ridge to this hearing.

Secretary Ridge, I share my colleagues' concerns that since September 11, local governments have not received adequate funding to help them prepare for the possibility of new terrorist attacks. Just last month, this Committee heard from first responders who testified that sufficient funding for homeland security is still not reaching the local level. They told us that even when Federal assistance is received, restrictions prevent them from using grant funding for their specific needs.

It is a huge challenge and we need to address this challenge. First responder funding is most effective when it is utilized for the specific needs of a community. For that reason, I am a cosponsor of Senator Collins' legislation which provides States and localities with much-needed flexibility to use unspent grant funding.

For example, an estimated 1.4 million people, including U.S. service members and tourists, are in Hawaii any given day. Formulas for first responder grants, however, are based on States' permanent population. As a result, Hawaii is responsible for protecting a significantly higher population than is reflected in grant allocation formulas.

Like other States, in the event of a terrorist attack, Hawaii would rely on support from Federal, State, and local officials. However, unlike most States, external assistance from the U.S. mainland is not immediately available. Hawaii's geographic location makes mutual aid for mainland States impractical for that reason. Hawaii's National Guard, State, and counter-response agencies require special consideration for additional homeland security funding to attain a comparable level of training and equipment to respond to a weapon of mass destruction attack.

We must also maximize existing State capabilities which are so important to our homeland security. As an example, the State of Hawaii has an advanced database called the Criminal Justice Information System, or CJIS, which contains information which may be invaluable in preventing a terrorist attack. Currently, TSA is not accessing this information and I believe this is a mistake. We should promote better integration and sharing of possible terrorist information, which is the subject of a just-released GAO report.

Secretary Ridge, I thank you for being here. As you and I have discussed before, funding for first responders is crucial to Hawaii given its strategic and geographic location, and I really do appreciate your willingness to work with me and our State officials and thank you so much for what you are doing for our country in your position now. Thank you very much, Mr. Secretary.

Senator LEVIN [presiding.] Thank you, Senator Akaka. Senator Carper.

**OPENING STATEMENT OF SENATOR CARPER**

Senator CARPER. Thank you. Secretary Ridge, welcome today. I don't think I have ever called you Secretary Ridge, Governor. It is nice to have you before us again.

Secretary RIDGE. Thanks.

Senator CARPER. I want to say thanks very much for joining us last night at the Fire Services Caucus dinner, where you hit not one home run, but maybe a couple with some men on base.

The Chairman is gone. I want to thank her for holding the hearing, and her staff and our staffs for putting it together and certainly to you for being with us. We look forward to working with Senator Collins, Senator Lieberman, and others on trying to figure out how we can take this important program and make it better.

I like to say that the road to improvement is always under construction and this road to improvement is going to be under construction for some time and we look forward to working with you on that.

Last month, we had a hearing where, wonder of wonders, everybody agreed. Sometimes, I am sure you recall from the time that you served in the House, sometimes you have a hearing where all the witnesses disagree and it is hard to find a common thread. Last month, we had four local first responders—one of them was a police chief from Dover, Delaware—and they agreed on just about everything. They have been dealing with a number of their new homeland security responsibilities over the past 18 months or so and they told us that in doing their jobs since September 11, that they have been operating in what they described as an intelligence vacuum. They said they often learned about increases in our Nation's terrorism threat levels not from the FBI or from our new Department but from the media.

Again, any legislation authorizing a new Federal first responder aid program should streamline the grant approval process so that States and localities get the resources that they need faster, and I think we would all agree with that. It should also improve coordination between the Department of Homeland Security and States and local first responders. I would like to see more officials from States and localities given access to threat information so that they can deploy their scarce resources in the ways that they believe best protect their own citizens.

I would also like to encourage the Department to begin offering States and localities technical assistance in putting together response plans and needs assessments so that emergency planners can better match what they are doing on the ground with what the intelligence community and the Federal experts think that is needed.

This Committee would also, in my judgment, do well to consider creating a separate first responder grant program for localities. It is something that the Dover Police Chief and the other witnesses from our hearing last month were calling for. And while it is important that localities coordinate their emergency planning and equipment purchases with States, some, and especially in the larger urban areas, have special needs that might not be reflected in State plans.

A new grant program for localities could also be used to encourage interstate coordination in metropolitan areas, such as those around Philadelphia, which include not only Southeastern Pennsylvania, but Southern New Jersey and the first State, the State of Delaware.

With all that said, this Committee's top priority should be to come up with a better formula for distributing first responder aid to States. The current formula is largely based on population and it shortchanges less populous States like my State that are home to some important critical infrastructure. Senator Collins actually mentioned a couple of them. Dover Air Force Base is one. We have the Northeast Corridor with all that it involves. Even though we don't have a lot of people, we have a fair amount of threat for a State as small as ours is.

I understand the need to give the larger States, especially those with densely populated urban areas, enough money to protect their larger populations. No State, though, should be less safe than our neighbors simply because we happen to have a relatively small population.

The Federal Government should be working to bring every State and locality to the point where they are able to respond effectively to any potential threat. By distributing first responder aid to States based largely on population, I fear we will fail to do this.

The current formula for distributing first responder aid ignores, as I said earlier, the fact that we do have a lot of unusual threats because of the Dover Air Force Base. About a third of the military airlift cargo material from the Afghanistan War went through the Dover Air Force Base, and a whole lot of it is going through that base again for Iraq and for the Middle East.

I want to applaud your recent call, Governor Ridge, for a new formula that gives greater weight to risk and I urge you and our colleagues on this Committee to recognize that all States, large and small, must take certain steps and make certain expenditures in order to be minimally prepared for a major attack.

When this Committee worked last year under Senator Lieberman's leadership to create the Department of Homeland Security, I think all of our colleagues hoped that what we are setting up would help the Federal Government to be better able to prevent and respond to terrorist attacks. No matter how well you do your work, and your staff and team do their work, at the Federal level, we are not going to be much safer than we were before September 11 unless our first responders are better prepared to do their work on the local level.

While homeland security should certainly be a shared responsibility, it is vitally important that the Federal Government does its part to provide each State with enough first responder aid to ensure that our citizens are adequately protected.

I would just add as a P.S.—Senator Collins mentioned this—she and I have introduced legislation that is designed to provide some greater flexibility to the State and local level. We don't mandate redistribution, but we do provide the local folks with some greater discretion. I would urge you to take a look at that and hope you find some merit in it and perhaps can support it. Thank you, Mr. Secretary.

[The prepared statement of Senator Carper follows:]

OPENING STATEMENT OF SENATOR CARPER

Thank you, Madam Chairman. I'd like to begin by thanking you for holding this series of hearings on the Federal first responder aid program. I look forward to working with you, Senator Lieberman and the rest of the Committee on taking what we are learning here and finding a way to make this important program work better. In my view, there is much room for improvement.

This Committee heard last month from four local first responders from different parts of the country, including Dover, Delaware Police Chief Jeffrey Horvath. All of them have been dealing with a number of new homeland security responsibilities over the past 2 years but have received little to no Federal aid. All of them have also been doing their jobs since September 11, 2001 in an intelligence vacuum, often learning about increases in the Nation's terrorism threat level from the media before they hear it from the FBI or the Department of Homeland Security.

I believe any legislation authorizing a new Federal first responder aid program should streamline the grant approval process so that States and localities get the resources they need faster. It should also improve coordination between the Department of Homeland Security and State and local first responders. I, for one, would like to see more officials from States and localities given access to threat information so that they can better deploy their scarce resources. I would also like to see the Department of Homeland Security begin offering States and localities technical assistance in putting together needs assessments and response plans so that emergency planners can better match what they're doing on the ground with what they need to be doing to protect their citizens.

This Committee would also do well to consider creating a new first responder grant program for localities, something Chief Horvath and the other witnesses from the last hearing called for. While it is important that localities coordinate their emergency planning and equipment purchases with States, some, especially larger urban areas, have special needs that might not be reflected in State plans. A new grant program for localities could also be used to encourage interstate coordination in metropolitan areas such as the area around Philadelphia encompassing southeastern Pennsylvania, northern Delaware and southern New Jersey. If a major incident were to occur in Philadelphia, first responders from neighboring jurisdictions in Delaware and New Jersey would certainly be called on to assist their colleagues in the city. The current first responder aid program, however, does not recognize that fact that planning and coordination does not stop at State borders.

All that said, this Committee's top priority should be to come up with a better formula for distributing first responder aid to States. The current formula, unfortunately is based largely on population so shortchanges less populous States like Delaware that are home to important critical infrastructure or that are situated in more dangerous, densely-populated parts of the country.

I understand the need to give larger States, especially those with densely populated urban areas, enough money to protect their larger populations. No State, however, should be less safe than its neighbors simply because it has a smaller population. The Federal Government should be working to bring every State and locality to the point where they are capable of responding effectively to any potential threat. By distributing first responder aid to States based on population, however, I fear we will fail to do this.

The current formula for distributing first responder aid ignores the fact that Delaware, small in population though it is, is located in the Northeast midway between New York and Washington. It ignores the fact that Delaware is home to a major port, oil refineries and chemical plants and everyday hosts scores of ships, trains and trucks as they make their way to destinations up and down the East Coast. It also ignores the fact Delaware is home to the Dover Air Force Base, a facility that played a crucial role in the war in Iraq.

I applaud Secretary Ridge's recent calls for a new formula that gives greater weight to risk. I urge him and my colleagues on this Committee to recognize, however, that all States, large and small, must take certain steps and make certain expenditures in order to be even minimally prepared for a major attack.

When this Committee worked last year under Senator Lieberman's leadership to create the Department of Homeland Security, I think all of my colleagues hoped that what we were setting up would help the Federal Government be better able to prevent and respond to terrorist attack. No matter how well Secretary Ridge does his work on the Federal level, however, we will not be much safer than we were on September 10, 2001 unless our first responders are better prepared to do their work on the local level.

While homeland security should certainly be a shared responsibility, it is vitally important that the Federal Government does its part to provide each State with enough first responder aid to ensure that its citizens are adequately protected.

Secretary RIDGE. Thank you.

Senator LEVIN. Thank you, Senator Carper.

I think we will now take a recess until Senator Collins returns, and I assume she will be back any minute.

[Recess.]

Chairman COLLINS [presiding.] The Committee will come to order. I would now like to call on Senator Voinovich for his opening remarks.

#### **OPENING STATEMENT OF SENATOR VOINOVICH**

Senator VOINOVICH. Good morning. Thank you, Madam Chairman. As you know, I have a deep, abiding passion for improving intergovernmental relationships, and when it comes to investing in homeland security, failure is not an option. Therefore, I commend you for investing your time and energy and resources to investigate, evaluate, and develop solutions to improve the current homeland security grant process.

I would also like to extend a warm greeting to my old friend, Secretary Ridge. I believe that you have one of the toughest jobs in the world. Merging 22 agencies into one Department comprised of over 170,000 employees is among the most significant challenges anyone has undertaken in the Federal Government since the creation of the Department of Defense in 1947. I think you have a tougher job than that.

I am sure that the days when you were Governor of Pennsylvania, including the floods, seem heavenly compared to the challenge you are facing right now— [Laughter.]

And I just want to thank you and Michelle and your family for your sacrifice on behalf of your country.

Secretary RIDGE. Thank you, Senator.

Senator VOINOVICH. I think people should really understand what a burden that you are carrying for our country, and I am glad that you are willing to do it.

As former governors, we know what it takes to accomplish goals at the State and local levels of government. Executives' decisions should be based on proper alignment and allocation of resources which are designed to meet a specific need within a community. Unfortunately, our current homeland security grant system is based on a fragmented structure that impedes the effective decisionmaking at the State and local governments, and I think you are aware of the problem. I am cosponsoring a bill with the Chairman of the Committee that moves the Office of Preparedness into your office. As you begin working in the Department, it is important for Congress to make small legislative changes to help you to get the job done and to respond to the needs of people on the State and local level.

I think one of the biggest problems that we have, though, Mr. Secretary, is the fact that—and it is the one that Senator Stevens just mentioned before, and that is that there are big expectations out there about what we are going to do for State and local governments. We must put them in a position where they can respond to

the new risks that they have because of September 11. I think it is really important to streamline the grant dissemination process, but it is more important to clarify just exactly what it is that we are going to do in terms of helping State and local governments first and foremost.

Senator Stevens made reference to a fire department that was in need of a fire engine, and because of September 11 and the new homeland security funding, they are going to obtain a fire engine. I have mayors that are telling me that they don't like the fact the money is going into the States and then it is allocated to them. Some have expressed an interest in going back to the community development block grant program. As you recall, there is a large city entitlement program and then you have got the small cities entitlement. That might be a way of dealing with that problem.

And then the other one that has been a problem is the issue of paying for personnel and do we anticipate paying for personnel. There is a provision, I guess, that you can only spend the money for equipment. Well, maybe that is what it is supposed to be. We are only going to pay for equipment or training. But are we involved in paying for personnel, adding new people to our fire department, police department, emergency medical services? Is that what this is all about?

So there are a lot of these questions that I think that really need to be clarified, and my only suggestion to you would be that perhaps it is time for you to maybe sit down with the National League of Cities and the U.S. Conference of Mayors and maybe our old National Governors Association and have a very honest dialogue with them about just who is responsible for what.

I mean, we cannot prepare for every incident that can possibly happen and pay for it. If Osama bin Laden is alive today, the guy has got to be the happiest man in the world because he has wrought more on this country than probably any individual in the history of the United States of America, and if we keep going the way we are, we will bankrupt the country. There are just so many resources that we have and they have got to be allocated in the most efficient, effective way possible because you can't possibly take care of everything.

Madam Chairman, intelligence is probably the most important thing that we have in this country. If we have a good intelligence system and we can prevent things happening in this country, then we don't have to spend the money to secure everything that we can possibly think of that could be in jeopardy.

So you have a tough job and we want to work with you, and we know it is not going to happen overnight. I think that too often, those of us on the legislative side of government think you can snap your fingers and something is going to happen, and I know from my experience as Mayor of Cleveland and as governor, it doesn't happen that way. I have to say that some of the most important changes I made in my governmental career took 3 and 4 years to accomplish. It took time. And if I had rushed into them and tried to do it quickly, I would have fallen flat on my face.

So I think that we need to be patient with you, and at the same time, I think you have to understand that we have got a lot of pres-

sure being put on us. People want action, and we just want you to know we want to work with you.

Secretary RIDGE. Thanks, Senator.

Chairman COLLINS. Thank you very much, Senator Voinovich. As a former mayor of a large city, your perspective is particularly helpful to this Committee as we try to define the appropriate relationships and roles of the Federal, State, and local governments for homeland security.

I am now very pleased to welcome our witness today, Secretary of Homeland Security Tom Ridge, as we try to find ways to help our first responders and State Governments receive the resources that they need to succeed in their duties.

Secretary Ridge officially assumed his position when the new Department of Homeland Security opened its doors on January 24 of this year. He had, however, been serving as the administration's point person on homeland security since he was appointed as the first Director of the Office of Homeland Security in 2001.

I would be remiss if I were not to mention that this past Tuesday marked the Department's and the Secretary's official first 100 days of work. In such a short time, Secretary Ridge and his team have put the new homeland security structure into place and completed the first phase of the largest Federal reorganization since World War II. He has also successfully implemented Operation Liberty Shield, deployed new programs and tools to protect our borders, and distributed billions of dollars in grants.

I look forward to hearing the Secretary's testimony today. Again, thank you for your hard work and for appearing before us today and please proceed with your statement.

**TESTIMONY OF HON. TOM RIDGE,<sup>1</sup> SECRETARY, DEPARTMENT OF HOMELAND SECURITY**

Secretary RIDGE. Thank you and good morning, Chairman Collins, Senator Voinovich, and to the distinguished Members of the Committee who I am sure will be joining us after the vote.

It is a pleasure and a privilege to be here with you for my first appearance before the Governmental Affairs Committee—as your colleague Senator Carper mentioned—as Secretary of Homeland Security. This is, after all, the Committee's principally responsible for the creation of the Department itself, and I thank you for your historic efforts in that undertaking and for your continued interest and support.

I particularly appreciate the opportunity to appear before you today to discuss possible ways to improve the Department's homeland security grant programs. We, as Americans, have an appropriately deep sense of gratitude, respect, and admiration for the dedicated and courageous first responder community. They are the ones we turn to first in time of need and they never let us down. When something happens in the local community, whether it is by force of nature, a criminal act, or the force of evil, folks don't dial area code 202 for help. They pick up the phone, and they call the local first responder. I think we now better appreciate that more than any other time in our Nation's history.

<sup>1</sup>The prepared statement of Secretary Ridge appears in the Appendix on page 43.

It is a priority of this administration and the Department of Homeland Security to effectively and efficiently meet our responsibility to support first responders as they play their critical role in counterterrorism efforts. I am pleased to be given the opportunity to work with leaders at the State and local level to ensure that this support, as all the Members of the Committee have noted very appropriately to make sure, is properly organized, properly focused, and properly funded.

Today, we operate in both a fiscal and homeland security environment where we must ensure maximum benefit is derived from every security dollar. To do that, we must have the courage to question the way we do business and the will to make changes if we find that there is a better way.

Two questions I would like to address today are, first, can we improve the way that the Department of Homeland Security's first responder grant programs are organized? And second, can we improve the way that these grants are distributed? I believe the answer to both of these questions is an emphatic yes.

Currently within the Department, the Office for Domestic Preparedness issues formula grants to State and local first responders from its placement within the Directorate of Border and Transportation Security. At the same time, the Directorate of Emergency Preparedness and Response issues fire grants to State and local fire fighters. At the same time, there is also an Office of State and Local Government Coordination, which serves as our principal liaison to State and local entities, but this office doesn't administer any grant programs at all.

All three of these entities are doing a superb job with their respective programs, but without a doubt, the degree of coordination is far greater than before the Department was created, and yet I believe, and I think it is shared by the Chairman and many Members of the Committee, that there are steps available to us that would streamline and improve the important work that they do in supporting our State and local partners in the war on terrorism.

The President's budget request for fiscal year 2004 proposes that all monies for both the Office for Domestic Preparedness and fire grant programs be administered through the Office for Domestic Preparedness. The request is a \$3.5 billion commitment to support first responders, and it is a major step toward simplifying the administration and dissemination of first responder grants. It would also move State and local governments toward the much-needed one-stop shop they have been seeking, consolidate related functions within the Department of Homeland Security, and certainly would improve the coordination among these programs.

S. 796, a bill written and cosponsored by Chairman Collins and Senators Lieberman and Durbin, takes a second and equally important step. It would move the Office for Domestic Preparedness from its current placement within the Directorate of Border and Transportation Security and place it within the Office of State and Local Government Coordination. It would also strategically place funding programs for State and local first responders within the office directly responsible for maintaining communications and coordinating Department activity with State and local governments.

The administration supports the move of ODP as proposed in this legislation, and I look forward to the opportunity to work with everyone on this Committee, the Chairman and the Ranking Member, in a bipartisan fashion on the particulars of the bill.

Both of the above-mentioned steps will substantially increase the efficiency with which these programs operate. There are additional changes, though, that are needed to reach similar improvements to increase the effectiveness of the grants.

We have learned much about securing our homeland since September 11, 2001. One lesson that has become clear is that we certainly can improve upon the formula currently being used for distribution of ODP grants as partially defined within the PATRIOT Act. The concept behind the PATRIOT Act is valid. Security needs to be improved everywhere, and more protection is usually needed where more people reside or work. The current formula fails to recognize that linear population increases do not always equate to linear threat increases. Concentrations of people, critical infrastructure, and politically attractive targets can tend to increase threat levels exponentially.

The need to separate out funds for high-threat urban areas was first recognized and addressed in the fiscal year 2003 Omnibus Bill. That need was again addressed in the fiscal year 2003 War-time Supplemental. While the steps taken in these bills are effective in the short term, I believe we need to address the cause behind the need for them, as well, and make long-term, better yet, permanent changes to the distribution formula.

In that spirit, DHS is currently working to develop an updated formula that better takes into account threats, population density, and presence of critical infrastructure. We look forward to working with Members of this Committee, Members of Congress, our Nation's State and local first responders, and stakeholder communities throughout this entire process to ensure that effective and equitable funding is provided.

Let me close with a reaffirmation of the administration's, of the Department's, and my own personal commitment to our Nation's heroic first responders. We all salute them for their patriotism and thank them for their service. The people at the Department of Homeland Security are committed to doing all within our power and purview to see that the first responder community and all those involved in protecting our homeland are part of a well organized, properly resourced, and focused team.

I thank the Committee for the opportunity to share these thoughts on this most important topic and welcome any questions you might have.

Chairman COLLINS. Thank you very much, Mr. Secretary.

Before turning to questions, I would like to give the Senator from Illinois an opportunity for any opening comments that he might like to make.

#### **OPENING STATEMENT OF SENATOR FITZGERALD**

Senator FITZGERALD. Thank you, Madam Chairman. I would just ask unanimous consent to submit my opening remarks for the record.

Chairman COLLINS. Without objection.

Senator FITZGERALD. Thank you.  
 [The prepared statement of Senator Fitzgerald follows:]

OPENING STATEMENT OF SENATOR PETER G. FITZGERALD

Good morning, Secretary Ridge. I want to join my colleagues in welcoming you today. The last time you appeared before this Committee was for your nomination hearing on January 17. You and the Department of Homeland Security have accomplished a lot since then, and I want to thank you for your dedication and leadership in protecting our Nation and the American people from acts of terrorism.

The subject of today's hearing is streamlining and enhancing homeland security grant programs. I have heard from a number of Illinois officials regarding the need to streamline the homeland security grant process to expedite the allocation of funds, especially to first responders. Therefore, I want to thank Chairman Collins for holding this timely and important hearing today.

As we consider this issue, it is important to ensure that tax dollars allocated for homeland security are invested wisely and that the investment is maximized to the greatest extent possible.

One area for consideration is how funds are spent when localities respond to heightened alert levels. The U.S. Conference of Mayors recently reported that cities spend an estimated \$70 million more per week when the national threat level is Code Orange, compared to Code Yellow. Localities across the country deploy police officers and other emergency response personnel for longer hours in what appears to be a "one-size-fits-all" approach. This leads to significant overtime expenses although there is no specific local threat. I look forward to hearing how the Department of Homeland Security is providing guidance and intelligence to localities to improve the allocation of limited resources.

A second way to maximize the Federal investment is to minimize duplication and overlap of homeland security programs through close coordination at the State and local levels. The State of Illinois, for example, has a Terrorism Task Force that includes over 40 agencies, associations and organizations throughout the State. The Terrorism Task Force represents law enforcement, fire service, public health, emergency management, public works, and other disciplines. With limited resources, this Task Force is working to ensure a coordinated domestic preparedness strategy in our State. I would be interested to hear how the Department of Homeland Security is working with State and local officials to foster collaboration and coordination in the allocation of grant funds.

Another way in which the Department can help ensure the best use of tax dollars is through rigorous audits and financial management. As the Chairman of the Governmental Affairs Subcommittee on Financial Management, the Budget, and International Security, I have a special interest in the issue of independent audits of Federal agencies and in making our government more accountable to the taxpayers.

In January 2003, the General Accounting Office (GAO) included the Department of Homeland Security on its so-called "High Risk" list as a program with Major Management Challenges and Program Risks. Strong financial management systems are necessary to ensure that homeland security funds are not misdirected at the Federal, State, or local level. Therefore, I look forward to hearing what steps the Department is taking to institute financial systems that will ensure sound accounting of homeland security grant funds.

On a related issue, news reports indicate that the FBI this week issued an alert to State and local law enforcement agencies regarding nuclear power plants. Although no specific threats were reported, the FBI urged that the plant owners and operators should be aware of any suspicious activity that may signal a possible terrorist attack. In addition, on Tuesday of this week, the Nuclear Regulatory Commission issued new security rules for nuclear power plants. I look forward to hearing your views on these developments.

Again, thank you Secretary Ridge, for being here today and for your leadership on behalf of the American people.

Thank you, Chairman Collins.

Chairman COLLINS. Secretary Ridge, I want to start my questions by following up on your testimony about the allocation of Federal funds. We all know that formula fights are never pretty. Pitting various regions or cities in the country against one another as they scramble for Federal funds is always a difficult task.

The largest source of homeland security funding now is ODP's State Homeland Security Grant Program, and it is my understanding that ODP currently distributes the funds based on a minimum State allocation of 0.75 percent and then adjusts the rest according to population. Is that essentially correct?

Secretary RIDGE. That is correct. The States each get three-quarters of one percent of whatever the dollar amount is, the territories get one-quarter of a percent, and the rest is population-based. You are absolutely correct.

Chairman COLLINS. And I know that you are looking at modifying the formula. You make the point in your comments that population doesn't necessarily equate to threat, and we certainly know that population density would in no way have predicted the unwelcome role that my small State played in the September 11 attacks.

In addition, population-based formulas don't take into account the presence of historic monuments that might be attractive targets, seaports, whether the State is a border State, military bases or other particularly vulnerable targets. Could you expand for the Committee on what factors the Department is looking at as you attempt to come up with recommendations for a new formula?

Secretary RIDGE. Thank you, Madam Chairman. I would be pleased to. We have run some exercises using the traditional formula, which is the basic allocation plus population, and have used varying weighting on threat, that is, the threat which would be acknowledged by the intelligence community, analysts from the FBI would take a look at the region or the State, from the Department of Homeland Security, from the CIA, so that we have taken a look at the basic funding formula plus weighting some factor for purposes of the threat assessment. Based on intelligence information, the threat may be higher in certain cities or communities than others. Then we plugged in a certain weighting factor for vulnerability. Vulnerability relates to the infrastructure, both public and private, in a particular region or community. And then, clearly, there is a place for population density.

To date, we haven't, in the numbers and the dry runs that we have done on a Statewide or national basis, haven't found anything that's acceptable. That's why we welcome the opportunity to work with Congress to find something that is acceptable.

It is much easier, and I think Congress may have given us a pathway that I think we should discuss, because I do start with the notion that every State needs a minimum level of funding, because there will be training. One of our jobs is to create national training standards and certify them, and so States will be, I think, ultimately in need of X-number of dollars for training their first responders and their first preventers.

So, you start with a basic formula and then you add these other components of threat and vulnerability and population. It is much easier to apply that, we think, to either large urban areas or regions. What Congress did in the 2003 bill, by giving the traditional funding of \$1.5 billion, and then there was \$100 million for an urban security initiative. In the supplemental, there was a traditional funding and then \$700 million for high-threat or urban security areas.

There is a little bit more flexibility in that, and so I think there is possibly a combination of both where we may take a look at the formula, where we make sure all the States get a minimum level of funding because there are certain things that the Federal Government wants the States to do, and the Congress has said those dollars are distributed 20 percent to the States, 80 percent to the locals. And then, another pool of funding is available where I think, frankly, the threat assessment and the vulnerability assessment, more clarity and more precision is brought.

But no matter what we do, Madam Chairman, we will attribute certain weight and certain value to the threat, the vulnerability, the population, and population density. We just have to see if we can come to some agreement as to what the weighting factor is.

Having said all that, and I didn't mean to give you such a long-winded answer to a very complicated problem, but at the end of the day, I hope that while we are discussing the formula, we say to our friends, governors, the cities, and mayors, as Senator Voinovich pointed out, we shouldn't distribute a dollar, a security dollar, unless it is consistent with a plan, an overarching plan brought to us by the States.

That doesn't mean we are going to necessarily send all the money through the States to distribute through the locals. But every security dollar we should distribute should be distributed according to a plan rather than trying to respond to the individual requests of thousands and thousands of communities around the country.

Chairman COLLINS. Mr. Secretary, let me follow up on your point about having a plan. One of the concerns that I hear from State and local officials is that there are too many homeland security plans required, each with its own set of benchmark and questions. I am told by emergency management officials in my State, for example, that they have to have an emergency management plan for ODP, for FEMA, for the Department of Health and Human Services, for the Environmental Protection Agency, that there are a lot of the same questions, that there is no coordination. That produces a lot of paperwork for them.

Shouldn't there be a way to consolidate some of those plans? A plan is very important, and we all agree that should be required. But do we need to require so many plans to so many different agencies?

Secretary RIDGE. Madam Chairman, you and your colleagues are absolutely correct. One of the challenges we have, and I believe together we can solve it, is to eliminate the duplication in the planning process associated with dollars that not only relate to terrorism and counterterrorism activity, but as you indicated, there is a lot of overlap on basic questions, because some of the training and the exercise equipment that you may get from one agency are really relevant and useful in the event of another non-terrorist-related event. So I think there is enormous benefit that we could bring to the whole process of ensuring that every dollar is well and wisely spent if we work together to consolidate that process.

We are doing the same thing. Over the years, there have been four or five national incident management plans. Congress said to this agency, you develop one, and said to another agency, you de-

velop one. We don't need four or five national incident management plans, we need one.

And so I certainly would look forward during the 2004 budget cycle to working with this Committee to see what we can do to reduce the paperwork. Ultimately, our goal in the Department of Homeland Security is to have all plans submitted to us without paper, and I think a lot of the folks out there, the States and the locals, would appreciate having the opportunity to submit one paperless plan to one agency that would direct a substantial part of their funding.

Chairman COLLINS. Thank you, Mr. Secretary. I have additional questions for the next round, but I will now turn to Senator Levin and I want to thank Senator Levin for presiding while I was voting.

Senator LEVIN. I am afraid I didn't fully occupy that spot because I had to leave and had to recess, but sorry we couldn't quite connect the dots.

Chairman COLLINS. It went well.

Senator LEVIN. Mr. Secretary, in your initial grant announcement of high-threat urban area grants, I was, frankly, quite surprised to see that my home town was not there given the obvious factors that exist, including the border location, the highest commerce point between ourselves and Canada, the whole population issue, what that population is, the nature of that population in terms of the immigration and so forth.

But in your grant announcement, you said that the cities were chosen by applying a formula based upon a combination of factors, including population density. And then it reads, critical infrastructure and threat vulnerability assessment. Can you tell us something about that, that criteria that was used—

Secretary RIDGE. Yes.

Senator LEVIN [continuing]. Critical infrastructure and threat vulnerability assessment. Was there a factor given to that? Was there a qualitative number given to all of the cities that were considered, or how did that work?

Secretary RIDGE. Senator, thank you for the opportunity to explain the distribution of that \$100 million. As I mentioned briefly, I think Congress gave us the discretion, but with some guidance, and said, come up with an assessment based on the factors that you mentioned, threat, what does the intelligence community view the nature of the threat based on information they have secured about either this city, this region, or this State. Again, we looked and got three different estimates from our own shop. We had the FBI take a look at it. We had the CIA take a look at it. And by and large, the estimates were pretty much the same. In a classified session, I will be happy to show you what we did.

Vulnerability—you can't confuse threat from vulnerability. Threat is basically an assessment based on information that the intelligence community has. Vulnerability has a lot to do with the kind of infrastructure that exists if subject to a terrorist attack could result in a catastrophic loss of human life or enormous economic disruption.

And then, obviously, we weighted population. More often than not in the United States, the greatest possibility of a catastrophic

loss is associated with infrastructure close to or proximately located next to a large urban area, and we weighted it, and admittedly, the factors that we put in the equation for threat and vulnerability and population density are a variation. You gave us the discretion and we did it. We came up with those cities, and obviously, your city of Detroit and other cities were assessed.

I then made the decision, and I will take full responsibility for it, that instead of sending out a little money to a lot of cities to make significant investments in the cities that under our formula seemed to merit the support with that limited amount of money. I assure you, Senator, using basically the same formula, Detroit, because of population density, and infrastructure, will be there.

But again, it is something I would be very happy to share with you privately.

Senator LEVIN. I would like to see those numbers that were allocated—

Secretary RIDGE. Yes, absolutely.

Senator LEVIN [continuing]. And the various criteria, and I assume other Members of the Committee would also be interested. But in any event, I would be interested.

Secretary RIDGE. Yes.

Senator LEVIN. Now, I want to go back to the coordination of intelligence question. There is a new independent intelligence agency called TTIC, or the Terrorist Threat Integration Center. The operation was announced yesterday.

I would like to know the relationship between your Directorate for Information Analysis and Infrastructure Protection and TTIC and the Counterterrorist Center, the CTC. It seems to me that there is some duplication involved there. I don't quite understand, and I read the article about the operational announcement yesterday describing it, and it sounds an awful lot like the CTC to me, both in the CIA, both analyzing intelligence, foreign intelligence.

But what is your understanding, first, of the difference between the CTC and TTIC, and second, what is your relationship between your agency and both of those two entities, and finally, we suggested at our last hearing that there be a written statement as to what the responsibilities are, because if they are not clear, if they become vague, we are not going to have accountability and we are going to have a repeat of the intelligence failure that we saw prior to September 11. So we have got to be very clear on responsibility so that we have accountability in this process.

So what is your understanding of those three relationships and will there be a written statement of those three relationships forthcoming?

Secretary RIDGE. Senator, the CTC, the Counterterrorism Center, the CIA, the FBI's analytical team, DOD, the new Department of Homeland Security, and several other agencies, as you know, have their own independent analytical teams. There is no single place, no single venue, where all the information generated by all of those information gathering agencies within the Federal Government, as well as external international sources, is located.

TTIC, the Terrorist Threat Integration Center, will be the final and ultimate consumer and collection point for all of the information. The CTC feeds information as does the FBI. We have several

intelligence gathering units within our Department. We will feed information in.

So the Threat Integration Center is the venue that has access to all the information generated by everybody else on a day-to-day, real-time basis. It will continue to get stronger and better as each of the individual agencies improve their technology assessment capability within it. That is number one.

Senator LEVIN. Because my time is up, what will it get in terms of information to analyze that the Counterterrorism Center does not get? What will TTIC receive in terms of information that it is supposed to analyze and be ultimately responsible for that the Counterterrorist Center does not receive?

Secretary RIDGE. I think there are certainly occasions when information generated by Federal agencies as a matter of course, don't necessarily get to the CTC. I think with the new Department of Homeland Security, as I have traveled around the country, and I think you have, too, as we are developing State and local sources of critical information relating to terrorist activity, that information will be poured into the TTIC. I think there are significant pieces of information that are out there in the world that don't, as a matter of course, get to the CIA, and I think, again, this is the single collection point for all of that.

Our unit, the information analysis and infrastructure protection unit, is both a consumer of that information from the TTIC and a provider of information to it. We will have some of our analysts working side-by-side on a daily basis with the other analysts in the CIA, the FBI, and DOD on a day-to-day basis, as well.

So the advantage it gives to us in the new Department, and there was a lot of concern expressed by Members of Congress, is access to raw data. Will you have access to the work products or the raw material generated by all these other agencies? The answer is absolutely yes, because we will be placing some of our own analysts from the Department of Homeland Security to work on a day-to-day basis within the Threat Integration Center.

Senator LEVIN. Thank you, Madam Chairman.

Chairman COLLINS. Senator Voinovich.

Senator VOINOVICH. I would just like to comment that I am as much concerned about this as Senator Levin is in terms of the coordination of all this intelligence because I think that is the best defense that we have against terrorism, and if we did that right, then a lot of these other costs wouldn't have to be incurred. So I do think that is real important.

Second of all, according to the General Accounting Office, there are 16 different grant programs for the Nation's first responders. I would like to suggest that as you are looking at the idea of bringing the domestic preparedness into the State and local coordination, that possibly you might get in touch with Health and Human Services and the Department of Justice, who have programs, and see if there was some way that you would have a one-stop shop where it all comes into that one place.

Also, about 3 years ago, I introduced a bill with Rob Portman from Ohio called the Federal Financial Assistance Management Improvement Act. The purpose of it was to untangle the web of Federal grants available to States and localities and nonprofits. It

directs each Federal agency to develop and implement a plan that, among other things, streamlines and simplifies the application, administrative, and reporting procedures for Federal grant and loan programs and also reporting on them. I suggest you examine what other agencies are doing to implement this law. I know HHS is spearheading one of the President's E-Government initiatives called E-Grants. That might be a good place to start.

The other issue, as the Mayor of Columbus is concerned about, he says, "I only can use money for equipment, but none for personnel," and I suspect the reason why they can't use it for personnel is that you didn't anticipate that they would be using it for personnel, and some of them are saying, well, if you get the equipment, I need the personnel. I think that needs to be clarified. Are there instances where money is made available for personnel?

Secretary RIDGE. Senator, I think the answer to that is to support overtime payments for personnel, but here is one of those defining issues that I think, at least from our perspective, Congress may have a different perspective. From our perspective within the Department, historically, there has been primarily a State and local responsibility to provide for public safety. Historically, mayors, the Mayor of Cleveland, Governors of Ohio and Pennsylvania worked to provide money for police and fire and emergency responders and the like, and I think that is still very much a part of the Federal system that we have.

And so I think the notion that even under the new circumstances under which we operate in the 21st Century, combatting international terrorism, that the Federal Government would be involved in the hiring of local or State police and fire fighters, that is just not, I think, consistent with the history or the appropriate approach toward the shared responsibility of dealing with this issue.

I have heard from governors and mayors that they would like that some of the dollars that we are distributing now be allocated not just to training and exercises and equipment, but to overtime, because some of the things that we have asked them to do and some of the things they have had to do when we have gone to Code Orange or Liberty Shield involved keeping people at work longer. I think that is a legitimate cost that we should help them absorb. So as we go about talking about flexibility either now or in the future, I think overtime costs related to enhanced security, particularly at the direction of the Federal Government, should be an eligible cost.

Senator VOINOVICH. That being clarified would help a great deal, I think.

The other issue is that we have seven high-threat cities, and I think you have already answered that, that you allocated those funds because you felt, based on your assessment, those are the ones that were most vulnerable. But Detroit, Columbus, other cities—for instance, Columbus is the capital city. There are many defense installations and so forth. Are you contemplating adding any more?

Secretary RIDGE. Absolutely, Senator. The \$700 million, even with the same formula, gives us a lot more flexibility to make significant investments in additional cities, as well. There was a question of whether I thought the Congress wanted me to dilute those

dollars or really make a significant investment in enhancing the security of those communities, and I thought it would be better to make that significant investment. Then you gave us the same flexibility with a lot more money, so there will be quite a few more cities that will benefit.

Senator VOINOVICH. And I am just as interested in how that is going to be done.

I am also concerned about the Emergency Management Performance Grant, the EMPG. As you know, they are the backbone of our Nation's State and local government emergency management agencies. According to Dale Shipley, who runs our EMS situation in Ohio, EPMG's have not been identified in the 2004 budget. How is that going to be taken care of?

Secretary RIDGE. I have had that good conversation, maybe even with Dale, but when I was in Ohio a couple of times, emergency management professionals talked to me about that, some from our own State of Pennsylvania have, and the like. It is not identified specifically, but I know its role and how important it is to planning and then operational preparation.

So I have assured the emergency management community that I supported those grants. One, I felt there was a good possibility that Congress may just restore the line item, but in the event they didn't, I think it is a critical program and I would ensure they had funding similar to last year's level at the minimum.

Senator VOINOVICH. The last question would be just how you are going to continue the 100 percent grant program, because many of the communities are strapped right now for funds and they are interested in knowing whether their rules are going to change.

Secretary RIDGE. Under the ODP program, as a matter of fact, we just went online yesterday with the \$1.5 billion you gave us in the supplemental. The rules haven't changed. While you gave us the discretion to send some of that money out based on threat and vulnerability and critical infrastructure, again, we worked hard to see if we could make a formula work. We weren't satisfied with anything we came up with. We also saw you gave us \$700 million where we thought the formula worked much better. So that \$1.5 billion is going out as Congress directed, 80 percent to local communities, 20 percent to the States under the traditional ODP formula.

Senator VOINOVICH. Thank you.

Secretary RIDGE. Yes, sir.

Chairman COLLINS. Thank you, Senator. Senator Pryor.

#### **OPENING STATEMENT OF SENATOR PRYOR**

Senator PRYOR. Thank you, Madam Chairman.

The first question I have is about interoperable communications. We have had some discussion about this in this Committee, and I think you have been part of that and some of your people at Homeland Security have. Is there something that this Committee should be doing to encourage this and get interoperable communications systems in place?

Secretary RIDGE. Senator, Congress has been, I think, fairly generous, appropriating in excess of \$40 million so that we can run some demonstration projects with regard to interoperability of com-

munications. That is something that we are engaged in now. That is something that the science and technology unit of the new Department has as one of its highest priorities.

There was an announcement in the past couple of days that the FCC has expanded the broadband that will be available for homeland security, so right now, Senator, it is a high priority. It is a work in progress, and at some point in time, I will get back to you either privately or publicly and respond to the Committee to tell you where we are and how the demonstration projects are working out.

Senator PRYOR. Great. I know that today, there has been a lot of discussion about the grant process and the money and the complexity there has made it difficult to actually get the money to the local level. Obviously, this Committee has focused on it. It is important. You have acknowledged many times already it is important.

But I want to talk about other things that are on your plate, other things that you are dealing with that are important, as well. And what I would like for you to do is just tell me, as a Member of this Committee, what should we be focused on to help you accomplish your mission? I mean, what tools do you need? What log-jams do you need us to help break through? What do we need to be doing to help you accomplish your mission?

Secretary RIDGE. Well, I think, first of all, the Chairman and Ranking Member have identified a couple of operational needs that we have so that we can streamline security plans and streamline the distribution process. We will have further consultation with you with regard to getting more and better information down to the State and locals.

But I will tell you, I think one of the most important things if we could reach agreement on with Capitol Hill, which means we have got to get agreement with our friends, the mayors and the governors and the like, that security dollars are distributed according to plans, not on an ad hoc basis, because, obviously, we will need to build in the years ahead basic capacities around the country, so that within large cities and then within regions, there are certain kinds of equipment, training exercises, and protocols that are fairly commonplace. We need in the new Department to set certain standards for communications, standards for equipment, and then certify that certain manufacturers meet our standards and let the mayors, police, governors, and fire fighters negotiate the best deal.

So we know we have a role here, but I think one of the biggest challenges we have in terms of using Federal dollars most effectively is getting everybody on the same page. There has to be some mechanism that we can compare the request for the dollars and the expenditure to an outcome that we all want and see as important to this country in enhancing our security.

I have talked to the League of Cities. I have talked to the NGA. I have talked to the mayors, and there is a predictable and traditional preference that they just come down and make their own application and fund it accordingly.

I understand the concerns of local governments. They are afraid that if we just send the money to the governor's office that it is going to get tied up there. I think there are ways we can certainly

obviate that. But I think the bigger issue is, let us agree on the strategic plan, capacity building over the years, and I think we can work out the funding stream rather easily.

Senator PRYOR. Do you feel like the process is in place to get through that logjam, or is it—

Secretary RIDGE. No, it is not. Candidly, I have spent the last year trying to convince folks that this is the best way to go about doing it. We have made a lot of progress. Everybody out there shares the common goal. They want to do the best for their community. They want to access the most dollars for their community. And they do understand the need for mutual aid. But some are more inclined to do it than others, and I just think that if we can work together here at the national level and say to our friends out there, you are going to get the dollars, and we will assure you that you will get them in a timely way. But, they are Federal dollars, and we just want to make sure that they are spent according to a plan. I don't think that is too much to ask.

I think, just with your support, we will bring in the League of Cities and the NGA and everybody else to see how we can best do this, and I think if we streamline some of these grant programs, they might be far more inclined to do it.

Senator PRYOR. OK. Well, that is good to know, and I am about to run out of time, but let me ask one last question. In the past when we have talked about establishing the new Department, establishing a model agency, one that is very efficient, very effective, very good at what you do. And I know it is early in the history of the Department of Homeland Security, but if you can, grade yourself, grade the agency on how you are doing in terms of efficiency and effectiveness and completing your mission.

Secretary RIDGE. We haven't even had the mid-term first quarter exam yet.

Senator PRYOR. I look forward to it.

Secretary RIDGE. But I will tell you this. What I will grade is the interest, the desire, and, I think, by and large, the morale of the 175,000 to 180,000 people working in the Department. Some of them have been involved in agencies that haven't enjoyed the best public relations and they feel perhaps put upon, sometimes legitimately, sometimes not, but these people go to work every single day. They work hard. They work as smart as they can.

Our job is to not only manage it better and organize it differently to build new capacity, but to train them better, to provide them more and better technologies. They are good people that are working hard. I will let somebody else give us a grade, but I think we have made a lot of progress in the first 100 days. But we still have an enormous amount of work to do, and on some of these critical issues, we will need Congressional support in order to get it done. Thank you.

Senator PRYOR. Thank you, Madam Chairman.

Chairman COLLINS. Thank you. Senator Fitzgerald.

Senator FITZGERALD. Thank you, Madam Chairman, and Secretary Ridge, welcome back to the Committee. I want to compliment you again. I think you are doing a wonderful job, and keep it up. You are providing strong leadership for the new Department.

I want to follow up with your answer to one of Senator Pryor's questions. You point out the need that allocating funds for homeland security should be based more on a plan than perhaps we are doing now, and it strikes me that you are really hitting on a key problem we have with these grant programs. I know the requests that are coming into my office, including a lot of communities all over my State that come to my colleagues from the Illinois Congressional delegation and me asking for this and that. Every local community wants more money.

Half of what we do all day is talk to people who want more money, but we are not proceeding according to a plan here. I imagine that we are allowing too many political considerations to come into play. Your Department is probably receiving letters from Senators and Congressmen demanding a grant for this town or this city, and some House Committee Chairman or some key Senator who is up for reelection, who knows. These political considerations are going to come into play too much.

Do you think we should maybe consider revamping the whole system to try and wall it off more from the political considerations? This is serious business. These are not pork projects. They are not public works projects. We are talking about the people's security. Is there something we could do to wall this off from politics more?

Secretary RIDGE. First, Senator, I would share with you, and I think we all agree, anybody that has been in public service longer than a day, and I have been there 20-plus years and some of my colleagues here have been here longer, no one ever walked across my threshold in the Congressional office or the governor's office and lobbied me for less.

Senator FITZGERALD. Yes.

Secretary RIDGE. No one ever walked in and said, well, you really gave me a lot of money last year. I don't need as much this year. When it happens, I hope you will call me.

So I understand. There is enormous pressure on all of us to try to find more resources, particularly during times when revenues are down at the State and local and national levels. So I understand that.

I think that the existing grant programs that I have seen are products of the debate and perhaps compromise on the Hill as part of the political process. But like the ODP program or any of the other grant programs, I think Congress has pretty much immunized them from the politics of the town or the moment because there is a formula. We used the political system to decide everybody deserves a baseline and we used the system to decide, plus the baseline, you need to calculate and give credit to population and population density.

So I am not worried at all about that. I think Congress has legitimized the process and made sure that the dollars go out absent any political considerations. This is why we need to engage ourselves in rethinking what that formula might be.

Senator FITZGERALD. So you are saying all the letters we write don't really matter? [Laughter.]

Secretary RIDGE. I will tell you, there aren't too many places, Senator, in the grant program that I have seen where you have given us discretion, we have used it, but we have used it based on

calculations and weighting factors that you told us we could use. If the letter is consistent with the conclusion we drew from the weighting factors, you got the money, and if it wasn't, you didn't get it, so—

Senator FITZGERALD. I am glad to hear that, and if there is anything we need to be doing, let us know, because I think the money needs to be going out the door strictly on the merits, based on our security needs.

With respect to the financial management of your Department, in January, the GAO included the Department of Homeland Security on its high-risk list, citing a number of major management challenges and program risks that you have. You are bringing in so many other components and consolidating them. Do you feel you are going to be able to get a grip on the financial records across the board and come up with clean financial statements that comply with the Chief Financial Officers Act that we are now requiring all the Departments to follow and hopefully get clean audit opinions every year?

Secretary RIDGE. Senator, that January report really just highlighted the circumstances around financial management practices of the different units that we began to consolidate on March 1. One of the things that we have done, we have taken a look at those GAO reports and Inspector General reports and basically gone back to those units saying, one of the first orders of business, since this is criticism with regard to either process or organization or fiscal management, is clean this up as we go about consolidating our effort. And I think, in fact, the process of consolidation and stricter accountability and more controls will help us address that. But those documents highlighted some challenges that we have and it is our job to meet the challenges, so we view them as constructive direction.

Senator FITZGERALD. And finally, I just want to ask a question about nuclear power plant security. I saw briefly on the news yesterday some reports indicating that the FBI had this week issued an alert to State and local law enforcement agencies regarding nuclear power plants. I didn't see much more about it this morning.

We are heavily reliant in Illinois on nuclear power. Almost 50 percent of our power statewide comes from nuclear power, and we have more nuclear power plants than any other State. Can you give me an overview of what your Department is doing with respect to nuclear power plant safety?

Secretary RIDGE. Well, first of all, as you know, the nuclear facilities are under the control and regulated for both safety and security purposes by the Nuclear Regulatory Commission. Since September 11, 2001, there have been a series of initiatives that they have undertaken to assess vulnerability, and based on the assessment, improve security at each site. We work closely with the Nuclear Regulatory Commission. They have at least an individual accountable to them at each facility and we—and they monitor not only the assessments, but the actions that have been done, that have been taken in order to enhance security at those facilities, and they have the regulatory authority to direct that it be done if it is not.

To date, it is my understanding that the assessments have been completed and that the enhanced security has been begun. Some of it is new construction. Some of it is with regard to perimeter security, cameras and the like. We have worked with them to do background checks, not only on employees, but contractors and subcontractors who come in, because there is constant work going on at these nuclear facilities.

So I think there have been significant improvements since that time and because in the intelligence community that venue as a possible target pops up once in a while. I think what the FBI does is just send out a reminder, not too subtle, but a reminder that you might be a target to make sure you are following directions from the Regulatory Commission and you enhance the security protocol as you have been directed to.

Senator FITZGERALD. Secretary Ridge, thank you very much.

Chairman COLLINS. Thank you, Senator. Senator Carper.

Senator CARPER. Thank you, Madam Chairman.

Governor, when I was succeeding Mike Castle as Governor of Delaware, he told me about a vision that he and his administration had for creating a Statewide interoperable communications system for fire, police, paramedics, and other emergency responders. The idea was an 800-megahertz system. We were just coming out of a recession at the time, however, so didn't have the money to do anything about it.

As you know, during the time that we were governors, we had better times financially. We were able to do a lot of things. We actually had the money to go out and to hire somebody to put that kind of system in place in our State.

I always think of the States as laboratories of democracy. Because Delaware is so small, it is more affordable to use it as a laboratory.

As we go forward, looking at interoperable communications and demonstration projects around the country to see what works and what doesn't work and what the problems might be and how to address those, I would offer our little State. We have done it. We had some hiccups along the way. The folks at Motorola kept working with us until we got most of those resolved. But it is a pretty good case study and it might be of value. The folks who run the system are the Department of Public Safety and our DEMA operation, the Delaware Emergency Management Agency, so I would offer that if it is of any value.

Second, I mentioned earlier, and so did Senator Collins, some legislation that she and I have introduced. I think Senator Akaka alluded to it, as well. The issue deals with flexibility.

Secretary RIDGE. Right.

Senator CARPER. I will just mention a couple of things. When we passed No Child Left Behind here a year or two ago, we provided more money for education, but we gave more money to States with greater flexibility to use in their schools. We said, in return for more money, more flexibility, we want results. We are going to hold you accountable.

When we were working in the NGA—I see at least one NGA staff person sitting out in the audience there behind you—we sought to convince the Congress and the administration that if we are not

going to provide a lot more money for passenger rail service, at least give State's governors the ability to use some of our transportation money, congestion mitigation money, for passenger rail if that makes sense. I recall a time when we said, well, we can use this money for bicycle paths, we can use it for freight railroads, we can use it to build roads and highways. We can't use it for passenger rail, even if that makes sense in our respective States.

I think we have a similar situation here, and I would just recommend it for your attention. As I understand, the money goes out in four categories. I think they include planning, training, equipment, and maybe exercises. I think those are the four. And the legislation that Senator Collins and I have introduced, along with the support of others, allows States to apply to your Department for a waiver that would give them the opportunity to use some of the money across categorical lines. The Department, your Department would review the application from the State or from a local unit to ensure that the State's planned expenditures is consistent with the emergency response plan for that jurisdiction.

If this bill becomes law—and a lot of the things that Senator Collins and I work on together do become law, I have noticed, isn't that right, Senator Collins?

Chairman COLLINS. Absolutely.

Senator CARPER. It is kind of amazing.

Chairman COLLINS. We have a good record.

Senator CARPER. We really do. We worked on something a year ago, and actually had a big success on the Senate floor, a big vote, and I said, you know, this the first time I have ever won anything. [Laughter.]

And she said, "I have never lost." [Laughter.]

Chairman COLLINS. A slight exaggeration, but— [Laughter.]

Senator CARPER. I said, well, let us work on some other things, so this is one of them.

But if the bill becomes law, a State can get away with spending planning money on equipment, for example, or some other variation of that. I don't know that you are familiar with what we proposed. Any initial reaction to it?

Secretary RIDGE. Senator, I am familiar with the purpose of the legislation and the fact that you have introduced it. It is certainly consistent with how I think we should, as a country, deal with homeland security issues. We don't want to be so rigid that if—

Senator CARPER. So what?

Secretary RIDGE. Rigid. I was afraid you caught that. [Laughter.]

Secretary RIDGE. That we limit our funding so that it is not available to meet needs that they might have identified in the plan that I want them to have.

I mean, you are right. We have four categorical areas, fairly broadly identified. But I would welcome the opportunity to work with you, because the principle is good of a little flexibility. I am not sure across the board. Someone mentioned earlier the notion that we just make it similar to a community development block grant. I am not sure that gets us where we need to be and assures that the security dollar gets the outcome that we want.

But I look forward to working with you on that legislation and providing the locals and the governors some flexibility—you and I

enjoyed some flexibility with financing. As long as it is consistent with a plan, there is a great deal of merit to giving the States and locals more flexibility.

Senator CARPER. One last quick one, if I could. Governor, you have called on Congress to develop a new formula, we have talked about it a little bit here, but a new formula for Federal first responder aid so that the program places more of an emphasis on risk. As you know, the current formula is based largely on population. I talked to you a little bit about that in my comments. I think that can tend to shortchange less populous States.

How would the new formula or a new formula that you envision take into account the need of less populous States like Maine or Delaware?

Secretary RIDGE. I think you start, Senator, with the base that there is a certain amount that every State receives at the outset, regardless of population, whether it is percentage or a dollar amount. I do think we have to recognize that there are long-term needs that every State will have that we should help sustain. But I don't know, Senator, whether long-term is a specific dollar amount based on population, if it is a percentage of the overall appropriation as it is now. It is just one of those issues that we need to review to get us much closer to the day when we are all more comfortable with the notion that the dollars are going where they are most needed.

But clearly, there is a need to make sure that every State starts with a basic sum. How we arrive at that is in itself debatable. But then there are some add-ons that I think that we need to see if we can reach agreement on.

Senator CARPER. Mr. Secretary, we appreciate you being here today. We appreciate very much your stewardship and very much look forward to working with you, especially on the issue of flexibility of the legislation that we have introduced and hope that we can make some headway there.

Secretary RIDGE. Thank you, Senator.

Chairman COLLINS. Thank you, Senator. Senator Specter.

#### **OPENING STATEMENT OF SENATOR SPECTER**

Senator SPECTER. Thank you very much, Madam Chairman.

Mr. Secretary, I want to follow up on some questions which I had asked yesterday during the Appropriations Subcommittee on Homeland Security. First, I hope that these sessions before the various committees are not draining you of too much time to impede the operation of your office. We have, as you well know, the two Houses. You were in the House of Representatives for so many years, and authorizing and appropriating committees. But we do appreciate your coming in.

The reports that I talked to you about yesterday, the GAO report was just made available actually yesterday afternoon, the one on local law enforcement, and they are voluminous and really matters of some concern on the central question as to coordination and really as to whether the Secretary of Homeland Security has sufficient authority.

I continue to think that you need more authority. This is something you and I have discussed repeatedly, and it was really too

bad that when we passed Homeland Security last fall, the Senate had a “take it or leave it” situation, where the House passed a bill and left town, and then it was a matter of our offering amendments or not. I had been pressing this amendment which would have given you the authority to “direct the agencies to provide intelligence, analysis of intelligence, etc.”

As I read through the voluminous GAO report and pick one of the conclusions on page 28, that to date, the Federal watch systems environment has been characterized by a proliferation of systems among which information sharing is occurring in some cases but not in others. This is inconsistent with the most recent Congressional and Presidential direction.

And another voluminous report on local-Federal partnerships says this at page 64. “Current systems are simply inadequate. While progress is being made in certain regions, the lack of national information sharing severely limits the ability of law enforcement to prevent and investigate terrorism,” and repeated references to the FBI culture.

I had decided not to introduce an amendment to give an opportunity to see how the system would work, and perhaps there hasn’t been sufficient time to really see, but if we did have legislation and if this Committee took a very incisive oversight view, hearing from CIA Director Tenet and FBI Director Mueller, and the other agencies, really as only Congress can do—these reports are one thing, but when the Governmental Affairs Committee, when this Committee, which has principal authority and jurisdiction over these lines, would dig into it, we can, I think, make the best assessment as to whether the authority is sufficient.

It may be that I just have a lot of confidence in you, Secretary Tom Ridge, which is certainly true. But after having chaired the Intelligence Committee and after having seen the battles with the FBI and DOJ oversight on the Judiciary Committee and the culture of concealment, I just have very strong reservations as to whether any system is going to be as good as having a new broom like the Secretary of Homeland Security come in.

Do you think it would be helpful, and I know it is our choice to make, but do you think it would be helpful if this Committee undertook such an analysis with a view to legislation to give you the authority to direct the agencies to provide intelligence?

Secretary RIDGE. Senator, under the President’s executive order—Senator Levin and I had a brief conversation about this in the earlier questioning—with regard to the Terrorist Threat Integration Center, which becomes the ultimate depository of all information, all raw data, and the like. We have by virtue of this, our relationship with this Terrorist Threat Integration Center, the capacity to set intelligence requirements. Our analysts within the Department of Homeland Security will also be placed in the Terrorist Threat Integration Center and we can go back to the Terrorist Threat Integration Center and seek very specific information and actually set some intelligence requirements that we need in order to do our job to protect the critical infrastructure.

So I think—you mentioned in your introductory comments—you are waiting to see the outcomes of how the reorganization might unfold and whether or not it addresses the concerns you have. I

think, conceptually, it does, and I have no reason presently to think that it will not work operationally. We have only been up and running for a day, but I know that as we expand our intelligence analytical effort and as we begin to engage the State and local law enforcement community and the large cities around this country, they are developing their own analytical capability. As a matter of fact, they are starting to connect with one another, which I think will be enormous value added down the way, if they detect in different parts of the country different surveillance patterns, different kinds of activity, criminal and/or terrorist related.

So I think we have that capacity right now, and I have no reason to think that the TTIC won't be responsive to any request for information we need.

Senator SPECTER. My red light is on, but I have one more question. I came in after being at a Judiciary Committee hearing, but I was informed that you had testified that the only the Department of Homeland Security could receive raw intelligence was through the Terrorist Threat Integration Center. Is that so?

Secretary RIDGE. That is correct. Our information analysis group, and it is a concern that I think you raised even during our public discussions about this unit within the Department of Homeland Security, you expressed the concern of perhaps Senator Levin and others did, would we have access to the raw data. Since we have our analysts accompanying the CIA, the FBI, and other analysts in the Terrorist Threat Integration Center, we will. We will actually have DHS employees in that Threat Integration Center that will have access to it.

Senator SPECTER. But that is only what the CIA or the FBI may voluntarily turn over.

Secretary RIDGE. Well, Senator, I think that the President's direction to the CIA and the FBI and everybody else is that everything is to be available to the Terrorist Threat Integration Center, and—

Senator SPECTER. Well, unfortunately, as I have seen, there may be directives, but they are honored in the breach more than the observance. Maybe it wouldn't do any real good to give you the authority to direct, but I would certainly feel a lot more comfortable if the new agency which has the ultimate responsibility was in a position to direct, as contrasted with waiting for the other agencies to comply.

Thank you very much, Mr. Secretary.

Secretary RIDGE. Thank you, Senator.

Senator SPECTER. Thank you, Madam Chairman.

Chairman COLLINS. Thank you, Senator Specter.

I know the Secretary is on a tight schedule. We are going to do one final round of questions of 5 minutes each, and I would ask my colleagues to try to adhere to that 5 minutes in view of the Secretary's schedule.

Mr. Secretary, at our last hearing, we heard from first responders who talked about the communication between the Department and first responders. A report that Senator Specter alluded to that was requested by Senator Levin and Senator Grassley and released yesterday suggests that there are still problems as far as getting

terrorist watch lists in a consolidated way available to State and local law enforcement officials.

Similarly, the witnesses at our last hearing testified that they had all learned of the elevated threat status to Code Orange from television rather than any sort of formal communication. Could you address both of those issues and the issue of communication with State and local governments?

Secretary RIDGE. Sure. First of all, Madam Chairman, I don't believe there is any Federal agency that on a routine basis has as much interaction with States and locals as the new Department of Homeland Security. I may be wrong, but we have several phone calls a month with homeland security advisors where we engage. We have a very aggressive outreach effort, and it will continue to improve and I am not going to say here that all is right and is as complete and comprehensive as we want it to be.

But we think we have a very strong foundation upon which we can build. The President has very appropriately noted that you can't secure the homeland without securing the hometown, and the only way we do that is make sure that our partners at the State and local level are engaged.

So we will continue to work on that. I think pulling in the grants into the State and local unit within the Department of Homeland Security, and as we staff up, that communication will continue to get better and better.

Let me just briefly share with you the process, because I anticipated the question because I hear it from our friends all the time in State and local government, that we go through once we have made the decision to take the system up. We have done it three times in a year.

We make the decision to raise the threat level, and that is another series of steps. We then give advance conference calls that I am engaged in to notify governors, State homeland security advisors, and key mayors, as appropriate. Simultaneously, there is an electronic notification to the Homeland Security Centers, the State, local, private sector, and other Federal agencies via INLETS, FBI, and the law enforcement community.

Shortly thereafter, there is a conference call with the Big Seven and other State and local associations. There is a conference call with as many State and local law enforcement associations that we can get. And again, one of the challenges is that we admit that you can't arrange these conference calls too far in advance because the decision hasn't been made. We then engage the Business Roundtable CEO Link. We then make a public announcement through a press briefing. That is something we have done historically. Then we have conference calls with 14 critical infrastructure associations. We call other business groups.

It is as much a frustration to those of us in the Department who appreciate the need to get timely and accurate information to our State and local partners as it is to them that on a couple of occasions—one occasion, we had made the decision, had talked about it with the President, and we weren't 15 feet away or 30 seconds away when someone came in and said, somebody just announced that we have gone to Code Orange. Now, if I could figure out how that happened, obviously that is not the way I choose to have my

friends informed. Now, the flip side of it, the last time around, we were able to get some information out.

So it is a process. We will work continuously with you, Madam Chairman, and our friends at the State and local level to improve. I share their frustration.

Chairman COLLINS. Thank you.

I would now like to switch to the issue of port security.

Secretary RIDGE. Yes.

Chairman COLLINS. It is my understanding that the Department has yet to allocate about \$170 million in port security funding that is distributed by the Transportation Security Administration. Could you tell us what the Department's plans are for distributing those funds? Some of us are concerned about the delay, given the tremendous need to improve port security.

Secretary RIDGE. That distribution schedule should be made available to me. I think Congress directed, I may be wrong since we have gotten several directions from Congress with regard to certain dollars, but I think we had to run the distribution plan through OMB. I think that process is done. I think you gave us a June 1, 2003 date to get it out, and we are certainly going to be in advance of that date.

The \$170 million is there. It hasn't been reprogrammed. It is going to be used for that purpose and the announcements will be made shortly.

Chairman COLLINS. And finally, I just want to touch on the fire grant program. Of all the Federal grant programs that I have ever had experience with, none gets higher reviews from State and local officials than the fire grant program, and it seems that it is working well being administered by FEMA. The President's budget originally has proposed transferring that program to ODP. Is there a way to keep the program administered by FEMA, but with oversight and coordination by ODP so that we don't have a case of tinkering with something that is working extraordinarily well?

Secretary RIDGE. Madam Chairman, I believe that if we are looking to consolidate and create a one-stop shop, we need to bring the program into the State and local, and put ODP under State and local. I think it is a good program and I think I can assure the Chairman, as I have tried to assure the fire and emergency services, that change in the venue where the program is administered will not affect the program. They have their own way of going about peer reviewing the applications.

One of the reasons that it is such a successful program that it was designed by fire fighters, reviewed by fire fighters, and then implemented by fire fighters. That is the reason about 97 percent of the grants, when you farm them out the door, are used and are used well.

So I would hope that with your support, we could convince—as long as we assured the fire services that we are not going to alter the program, but again, all those dollars that relate—and a lot of their acquisitions are dual-use. You can use a lot of this equipment whether responding to a natural event, a criminal event, or a terrorist act. So there is a lot of flexibility in that program. But my preference would be to have it administered under the State and local operation of the Department of Homeland Security with a pro-

viso that we are not going to alter the program itself. As a matter of fact, we might bring some of those FEMA employees over.

Chairman COLLINS. Thank you. Senator Levin.

Senator LEVIN. Let me pick up there, also, on the fire grant program. When you say the program won't be altered, in terms of dollars available to that program, it is going to be, as I understand it now, part of the Office of Domestic Preparedness budget. Is that accurate?

Secretary RIDGE. That is correct, Senator. At least, that is the budget submission, hopefully.

Senator LEVIN. You are right, and I do want to talk about budget submission. I don't know that I have the budget resolution numbers yet. We tried to get them but could not disaggregate them.

But just in terms of dollars, the Office of Domestic Preparedness in 2003 had \$3.28 billion, let us round it off to \$3.3 billion in 2003. The fire grant program had over \$750 million. So together, they had about \$4 billion-plus in 2003.

Your 2004 request for the Office of Domestic Preparedness is \$3.5 billion, roughly, which means together, you have a half-billion less dollars for first responders when you link together the Office of Domestic Preparedness and the fire grant program.

So if our numbers are correct, even though you say the program won't change, it is going to be put under great pressure financially because if you are going to keep anywhere near the same amount of money for all the programs that you got in ODP last year, then you have a half-billion-dollar shortfall.

Secretary RIDGE. Senator, first of all, the history, if I recall correctly, of the fire grant program, in 2001, it was \$100 million. In 2002, it was \$200 million. I think we requested \$350 million in 2003 and Congress more than doubled it to \$750 million. So in terms of budget request, we are requesting \$150 million more this year than we requested last year for the fire grant program.

Senator LEVIN. I thought that there is no specific request for the fire grant program.

Secretary RIDGE. In the—

Senator LEVIN. It is not in the administration request that we have.

Secretary RIDGE. Well, the ODP, you will notice there is \$3.5 billion, but you notice—I have got to refresh my recollection of the budget document, but I think we indicated out of that \$3.5, we wanted to make sure there was \$500 million available to fire fighters, and it was our intention to use that \$500 million to continue this program.

Senator LEVIN. That would be, then, \$250 million less than what we appropriated last year, is that correct?

Secretary RIDGE. Well, it would be \$250 million less, but Senator, last year, my recollection—again, it is the budget process. We send up some priorities, and you have your priorities. At the end of the day, the budget reflects a compromise. But in fact, last year, assistance to the States and localities, if my numbers are correct, and this is across the board, our request was about \$5 billion and we received less than that request from the Congress because you made decisions that were different than ours. That is just the way the process works.

We wanted \$350 million. We wanted to continue to see the growth of the fire grant program. That is why we took it to \$350 million. You more than doubled it. We think it is appropriate from our perspective to ask for more money than we requested before and you may choose to—

Senator LEVIN. But less than the authorized amount.

Secretary RIDGE. Less than you authorized, correct.

Senator LEVIN. Let me just quickly, because I have just a few minutes, on the question of population, I just want to kind of point out to my colleagues that in your ODP program, on a per capita basis, the small States in population have done very well because of that minimum grant. I was giving my good friend, Tom Carper, this information on the way out. Delaware, for instance, per capita, got \$6.60 from the ODP programs, whereas Pennsylvania got \$1.50 per capita. They are doing very well. It is not necessarily reflective of the threat—maybe, and, by the way, small States could have greater threats than big States population-wise. I happen to agree with that. But this population distribution formula is not based on threat.

Secretary RIDGE. That is correct.

Senator LEVIN. And when there is a minimum amount that goes to small States, I mean, you have got Wyoming that gets almost \$10 per capita, and you have got New York that gets \$1.40 per capita. Let me tell you, they start with a pretty good floor, the small States, which is not reflective of threat.

So I tried to persuade him that small population States were doing probably better logically than they had a right to expect. I don't think I persuaded him, but I at least gave him—

Secretary RIDGE. You take information.

Senator LEVIN. He is not one of the people who crosses your doorway who talks about less, either.

My red light is on, but if I can take 2 more minutes, I want to get the leave of the Chair to do this, as well, and this has to do with the sharing and the analysis of intelligence information.

We have still got a big problem here, obviously, as to whose responsibility and whose role it is to analyze all the intelligence that we get. Your answer before was that the difference between the Threat Integration Center and the Counter Terrorist Center is that more information will go to TTIC than went to CTC. They will both be analyzing a threat. I don't see how that is quite true, since FBI is located at both and local and State law enforcement is located at neither except through the FBI.

So I think it would be helpful here, rather than trying to sort this out right now, which I don't think we can, is if you are able, obviously with CIA and with FBI and everybody else that is involved in this effort, to come up with a written statement of responsibility clearly laying out what information is going to what entity, obviously including your own entity inside your own agency, and who is responsible for what, but in writing, and I think that the Chairman was very supportive of this approach last time we had this meeting. I think it would be very helpful for the country—

Secretary RIDGE. I would—

Senator LEVIN [continuing]. And this will focus accountability, which to me is the key issue.

Secretary RIDGE. Senator, I would be pleased to take on the task of coordinating that effort with my colleagues from the FBI and the CIA.

Senator LEVIN. And I greatly appreciate that, and one last question. Two quick questions, if I can. Is your State and local government office in your agency able to provide to State and local governments all necessary information on all grant programs anywhere in your Department for which State and local governments are eligible?

Secretary RIDGE. Not yet, so the answer is no.

Senator LEVIN. Is that your goal?

Secretary RIDGE. Yes, sir.

Senator LEVIN. That is great. That is, I think, precisely what the Chair and so many of us really need in terms of that one stop, is that piece of your agency, you have all the information on all grants that your agency offers to State and local governments.

Secretary RIDGE. To your point, Senator, you suggested earlier there be a 1-800 number. There is one, but it only relates to ODP programs. We will make sure that there is the 800 number, is adequate staffed, but also on the DHS website, that kind of information is available to the State and locals.

Senator LEVIN. That is great. And then one issue which I briefly had a chance to chat with you about was the *New York Times* article relative to your former aides lobbying your Department, and I think it would be good to clear the air on that issue as to whether or not you are in the process, or maybe already have, some kind of guidelines relative to that issue, to ethics guidelines.

Secretary RIDGE. Senator, absolutely. One of the first responsibilities and undertakings of the new General Counsel, who we announced, is to take a look at our ethics laws, since we develop our own internal code to deal with potential conflicts. I was aware of the article. I might say that I have known those people for a long time, but they have also known me for a long time. If they learned one thing in our relationship, is that the personal side won't do them any good unless they have got the best product for this country. But I think it is very appropriate that the Department have its own set of internal guidelines relating to ethics and conflicts and we will.

Senator LEVIN. And given the public interest in that issue, when you do complete those, if you could supply those to the Committee—

Secretary RIDGE. Absolutely. I would be pleased to.

Senator LEVIN. I think I, and I am sure I speak for everybody around here, have great confidence in your ability to do exactly what you just described. You have set a very high ethical standard and we have great confidence that will be maintained through those guidelines, but also in just the day-to-day messages that are sent forth from you personally, because we know you well enough to believe that deeply.

Secretary RIDGE. Yes, sir.

Senator LEVIN. Thank you.

Chairman COLLINS. Thank you, Senator Levin.

Secretary Ridge, thank you so much for being with us today. I have several additional questions, but I am going to submit them to the record.<sup>1</sup> range from questions about the Coast Guard to questions about the fact that we have some five different Federal grant programs for interoperability, to achieve that goal, and yet there seems to be no coordination among them. So there are many other issues that I want to explore through submitting questions to the record. But you have been very generous with your time today and I don't want to prolong your stay with the Committee further.

I hope that you will direct your staff to continue to work with us on the formula and other issues that we have covered today. I do intend to have an additional hearing on this issue on Thursday, May 15, and we are going to hear from State and local officials at that time. We then are going to sit down, draft the legislation which I hope we will mark up shortly thereafter. We need your help and assistance in doing so.

Secretary RIDGE. We will welcome that opportunity to work with you and the Committee, Madam Chairman. Thank you.

Chairman COLLINS. Thank you, Mr. Secretary.

The hearing record will remain open for 15 days for the submission of additional statements or questions. I want to thank the staff for their hard work on this issue, and this hearing is now adjourned.

[Whereupon, at 12:12 p.m., the Committee was adjourned.]

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<sup>1</sup>Post-hearing questions for the Record submitted to the Hon. Tom Ridge appears in the Appendix on page 47.



## A P P E N D I X

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### PREPARED STATEMENT OF SENATOR LIEBERMAN

Thank you, Madame Chair, and thank you for holding these very valuable hearings on how we can reform and reengineer Federal homeland security programs to meet the needs of States, localities, and the first responders and preventers who protect us. I appreciate your bipartisan leadership and partnership. I also want to thank Secretary Ridge for being here.

One of the Federal Government's first responsibilities under the Constitution is to provide for the common defense. In the face of the threat of terrorism, that means more than building a mighty Army, Navy, Air Force, Marines, and Coast Guard. It means strengthening the shared security of our fifty States and their cities and towns, as well as our territories.

That takes money. To train and employ top-flight police officers, firefighters, and public health professionals. To buy new biometric security systems, install information sharing networks, and develop biological and chemical testing and treatment capabilities. To improve security around water plants and air ports. To revamp aging ports and protect chemical and nuclear plants. These tough jobs and countless others can't be accomplished with wishful thinking or a magic wand. And they cannot be accomplished by placing an unfair share of the burden on State and local governments who are already facing the worst fiscal crises in decades.

One challenge we face is clearly to improve the process for distributing funds to State and local governments. We need to make the funds flow faster, cut unnecessary red tape, and make certain that programs are adequately coordinated so that we get the most out of the dollars once they are appropriated. I agree that there needs to be more flexibility in the use of Federal funds—and I am pleased to co-sponsor your legislation, Madam Chairman, to provide State and local officials with some the ability to move funds between accounts when it is necessary. I think we can certainly make a lot of improvements here. But this is more than just a red tape problem. It's also a red ink problem.

We didn't spare a penny in fighting the war in Iraq. Our resources matched our rhetoric and our resolve. But here on the home front, there's a gap between our resources and our rhetoric and resolve. And the gap is about the size of Texas.

That's unacceptable and it is unfair—and worst of all, it leaves our citizens in danger. States and localities are being spread thinner than ever at the moment they can least afford it. Their deficits are growing. Their homeland security and healthcare costs are rising. The economy remains sluggish. The fiscal straitjacket is getting tighter by the day.

And in response, the Bush Administration offers no economic leadership to help get all of them and all of us out of the fix. In fact, it wants to pile on hundreds of billions of new tax cuts that won't work, which will only make things worse, while shortchanging homeland security and other needs.

Asking States and localities to bear a greater share of their security burden now, of all times, is like asking a runner to complete a tough new course in record time with bricks strapped to his back.

I have called for \$16 billion in funding in the next fiscal year above and beyond the President's request for homeland security, much of which would go straight to States and localities—to provide our first responders, our public health networks and more with better troops, better training, and better technology.

Let me give you one quick example of an urgent challenge facing many State and local governments that my plan would address: interoperable communications equipment. First responders must have the ability to talk to each other in an emergency. They don't need that equipment 10 years from now. They need it *now*. If police, firefighters, and emergency medical workers across jurisdictions can't talk to each other, they simply cannot react swiftly and effectively in a crisis that requires

mutual support. We have been painfully aware of this for a long time. The problem first got major media attention over 20 years ago after an Air Florida plane crash. It reared its head again after the first bombing of the World Trade Center in 1993, and after the bombing of the Oklahoma City Federal building in 1995. And of course, firefighters lost their lives because of it on September 11, 2001.

If ever a country could fix this once and for all, we're living in it. Think about the genius of our innovation economy. Our communications technology is so advanced that we could view a war half a world away, in real time, on the television. But just last week, fire officials from different jurisdictions right here in the D.C. metropolitan area told this Committee that their departments still could not communicate with one another if both responded to a regional emergency. The Public Safety Wireless Network—a project of the Justice and Treasury Departments—issued a report 2 weeks ago which stated that only 14 States have upgraded communications equipment enough so that public safety agencies can talk to each other during a terrorist attack or other emergency situation. The remaining States remain vulnerable during crises that require communications between police officers, fire fighters, paramedics, and other emergency personnel.

This problem is still with us—because the Federal Government hasn't made it a priority. Too little leadership, vision, and money. We have basically left it up to States, and many of them need our help. When will the administration come to realize that loose change can't bring about real change?

It's true that a long-range solution to this problem will take several years to implement. But I don't want to wait for the perfect fix. We have the technology to put working interoperable communications systems in place now. We have the way—if the Bush Administration finds the will.

The Bush Administration also needs to find the will to support the SAFER Act, which will invest \$7.5 billion over 7 years in communities across the country to hire new firefighters. Our fire departments are losing strength just as their responsibilities are increasing. That's a recipe for disaster.

Finally, I urge the White House to wake up to what's happening in city halls and State capitals, and with police departments and State law enforcement agencies around the country as a result of the sagging economy and inadequate Federal support. The fiscal crisis facing State and local governments has forced one in four cities to layoff police officers in the past year, according to the National League of Cities. That is creating a double danger—threatening our homeland security *and* the fight against domestic crime at the same time. In 44 big American cities the picture is particularly stark. Since 2000, their police forces have been shrinking by 2 percent per year, and their crime rates have been going up by nearly 5 percent per year. Why, then, would the President's budget for next year eviscerate the COPS program and other key law enforcement grants? What sense does that make? That directly compromises the fight against terrorism by placing an ever growing burden on the backs of our police forces.

Madame Chair, I hope we focus not only on how to modify these key homeland security grant programs to get resources out to our States and local communities more quickly. That's very important—but I urge us all to realize that getting the money out faster is just one part of the solution. Our States and localities need more support. More funding. And more leadership from the President on down. I hope we can work together to provide the brave, experienced, and hardworking men and women who protect us from terrorism the genuine assistance that they deserve and that our security demands.

Thank you.

**Statement of Secretary Tom Ridge**  
**Department of Homeland Security**  
**Before the Senate Committee on Governmental Affairs**  
**May 1, 2003**

Good morning Chairman Collins, Senator Lieberman, distinguished members of the committee. It is a pleasure and privilege to be with you for my first appearance before the Governmental Affairs Committee as Secretary of Homeland Security. This is the committee principally responsible for passage of the Homeland Security Act, and as a result, the creation of the Department of Homeland Security. I thank you for your historic efforts in that undertaking and for your continued interest and support as we work to build the Department we all envision. Your oversight and involvement play a critical role in moving DHS forward, whether through confirmation of critical departmental appointees, through monitoring implementation of the Homeland Security Act, or through exploring ways that we might improve upon the original blueprint for the Department.

Thank you for the opportunity to come here today to discuss possible ways to streamline and improve the Department's homeland security grant programs. It is a subject that continues to receive considerable attention and debate as we all work together to properly balance and distribute the costs of protecting our American homeland from terrorism.

We, as Americans, have an appropriately deep sense of gratitude, respect and admiration for our dedicated and courageous First Responder community. They are the ones we turn to first in time of need, and they never let us down. The diligence and professionalism that First Responders recently involved with Operation Liberty Shield demonstrated typify the way these selfless Americans approach their duties. They are really more than First Responders; many are "first preventers" as well, sending a clear signal to those who would do us harm that America is on watch, at every level, to keep our homeland and our home towns secure.

It is a priority of this administration and the Department of Homeland Security to effectively and efficiently meet our responsibility to support First Responders in playing their critical role in our counter-terrorism efforts. I am pleased to be working with leaders at the state and local level to ensure this support is properly organized, properly focused and properly funded. Today's hearing is an important part of this process.

We are operating in a fiscal and security environment where we must ensure maximum security benefit is derived from every security dollar. To do that, we must have the courage to question the way we do business, and the will to make changes if we can find a better way.

Two questions I would like to address today are:

First: Can we improve the way the Department of Homeland Security's First Responder Grant Programs are organized within the Department?

Second: Can we improve the formulas by which these grants are distributed?

I believe the answer to both questions is, YES.

Currently within the Department, the Office for Domestic Preparedness issues terrorism preparedness formula grants to state and local First Responders from its placement within the Directorate of Border and Transportation Security. At the same time, the Directorate of Emergency Preparedness and Response issues Fire Grants to state and local firefighters. There is an Office of State and Local Government Coordination, which serves as our principle liaison to state and local entities, but they administer no grant programs at all. All three of these entities are doing a superb job with their respective programs. The degree of coordination is far greater than before the Department was created. But there are steps available to us that would streamline and improve their important work of supporting our state and local partners in the war on terrorism.

The President's budget request for Fiscal Year 2004 proposes that monies for both ODP and Fire Grant programs be administered through the Office for Domestic Preparedness. The request is a \$3.6 billion commitment to support First Responders, is consistent with

ODP's statutory mandate to direct and supervise federal terrorism preparedness grant programs, and is a major step toward simplifying both the management and the application processes for First Responder grant funds. It would move state and local governments toward the "one stop shop" they have been looking for, consolidate related functions within DHS, and improve coordination between the programs. This represents a critical first step toward streamlining and improving DHS grant programs.

S796, a bill co-sponsored by Chairman Collins and Senators Lieberman and Durbin, takes a second and equally important step. It would move the Office for Domestic Preparedness from its current placement with the Directorate of Border and Transportation Security and place it within the Office of State and Local Government Coordination. Oversight of its functions would be elevated from the Under Secretary level to the Secretary's level. More importantly though, it would collocate funding programs for state and local First Responders within the office directly responsible for maintaining communications, and coordinating DHS' efforts, with state and local governments. The Administration supports the move of ODP as proposed in this legislation and I look forward to working with you in a bi-partisan fashion on the specifics of the legislation.

The above mentioned steps represent important structural changes that would improve the way DHS administers First Responder grant programs by substantially increasing the *efficiency* with which these programs operate. There are additional changes though that are needed to reap similar improvements in the *effectiveness* of the grants.

We have learned much about securing our homeland since September 11<sup>th</sup>, 2001, including much within the past few months from Operation Liberty Shield. One of the lessons that has become clear is that the formula currently being used for distribution of ODP grants, and partially defined within the Patriot Act, can be improved upon. The concept behind the Patriot formula is valid; security needs to be improved everywhere, and the most protection is needed where the most people are located. But our current formula fails to recognize that linear population increases do not equate to linear threat

increases. Concentrations of critical infrastructure and politically attractive targets can tend to increase threat levels exponentially. Just because one city has twice the population of another, it doesn't necessarily mean that its threat level is double. That larger city could, for a variety of reasons, have a level of threat that is far greater.

As Secretary of Homeland Security, I have come to recognize the shortcomings of our current formula. The Congress, I believe, has seen them as well. The need to separate funds out for high-threat urban areas was first recognized and addressed in the Fiscal Year 2003 Omnibus. That need was again addressed by separating funds out from the ODP formula grants in the Fiscal Year 2003 Wartime Supplemental. While these steps are effective in the short term, I believe we need to address the cause behind the need for them. The Administration is currently working to develop an updated formula for use in fiscal year 2004 that better takes into account threats, population density and the presence of critical infrastructure. This work is essential in ensuring that the substantial monies we are currently providing through these programs are distributed for absolutely maximum security benefit to the nation. We look forward to working closely with our nation's State and local first responders and stakeholder communities throughout this process to ensure that effective and equitable funding is provided. We also look forward to continuing to work with the Congress as that process moves forward.

Let me close with a reaffirmation of the Administration's, the Department's and my personal commitment to our nation's heroic First Responders. I salute them for their patriotism and thank them for their service. DHS is committed to doing all within our power and purview to see that they, and all involved in protecting our homeland are part of a well organized, properly resourced and focused team. I thank the committee for the opportunity to share my thoughts on this most important topic and welcome any questions you might have.

**Post-Hearing Questions for the Record  
Submitted to The Honorable Tom Ridge  
From Chairman Susan M. Collins**

**“Investing in Homeland Security:  
Streamlining and Enhancing Homeland Security Grant Programs”**

May 1, 2003

**Question:** Secretary Ridge, during your confirmation hearing in January, you assured the Committee that the new Department of Homeland Security would not lose focus on the Coast Guard's critical traditional missions. Recent statistics reported by the Coast Guard and GAO indicate significant declines in the resource hours being devoted to missions, most notably fisheries enforcement, drug interdiction and environmental protection. In the Coast Guard's First District, which includes New England, the number of hours spent on fisheries enforcement has dropped by 50 percent since before 9/11 and drug interdiction is down by more than 60 percent. The same is true nationwide. What is your plan to reverse this trend and strike a better balance between homeland security and non-homeland security missions?

**ANSWER:** *First let me say that the Department is committed to supporting the Coast Guard as a multi-mission force. A necessary first step to help balance mission requirements is to determine a base-line for maritime Homeland Security (MHS) requirements. To accomplish this, the Coast Guard has focused on a Strategic Deployment Plan (SDP) for implementing the maritime component of the President's National Strategy for Homeland Security. Various components of the Maritime Security Strategy Deployment Plan are under development, with the first component to be completed in April/May of 2003.*

*These MHS requirements will roll into the Coast Guard's comprehensive blueprint to achieve overall mission balance. The Coast Guard's existing strategic planning process and performance plans will serve as the cornerstone of an integrated approach emphasizing three general areas of effort: Preserving Non-MHS missions, conducting MHS missions, and maintaining military readiness to conduct Defense Operations. The planning process provides the ability to detail the difference between pre and post-9/11 levels of effort and performance in missions. Completion of this comprehensive blueprint for mission balance is expected by the end of Fiscal Year 2003.*

*The multi-mission resources requested in the Fiscal Year 2004 budget are critical to overall mission balancing efforts and to the sustainment of the Coast Guard's high standards of operational excellence across all mission areas. It is important to note that every Homeland Security dollar directed to the Coast Guard will contribute to a careful balance between safety and security missions, both of which*

*must be properly resourced for effective mission accomplishment. The Fiscal Year 2004 budget reflects steady progress in a multi-year resource effort to meet America's future maritime safety and security needs. This new funding will positively impact our performance in all assigned MHS and non-MHS goals. The Department of Homeland Security is working closely at all levels to ensure that the Coast Guard is properly resourced to meet its many mission demands.*

**Question:** I am very appreciative of how much the Coast Guard has taken on since the terrorist attacks, and the excellent job the men and women of this small service have done. What is your best prediction of how long it will take for the Coast Guard to grow the additional trained personnel and procure the additional boats and aircraft it needs to resume pre-9/11 activity levels in all of its traditional missions?

**ANSWER:** *The Fiscal Year 2004 budget reflects steady progress in our effort to meet America's future maritime safety and security needs. This new funding will positively impact our performance in all assigned maritime homeland security (MHS) and non-MHS performance goals. The multi-mission resources requested in the Fiscal Year 2004 budget are critical to overall mission balancing efforts and to the sustainment of the Coast Guard's high standards of operational excellence across all mission areas. It is important to note that every Homeland Security dollar directed to the Coast Guard will contribute to a careful balance between our safety and security missions, both of which must be properly resourced for effective mission accomplishment.*

*To gauge future resource requirements, the Coast Guard has focused on a Strategic Deployment Plan (SDP) for implementing the maritime component of the President's National Strategy for Homeland Security. A necessary first step is base lining our MHS requirements to help balance our missions. Various components of our Maritime Security Strategy Deployment Plan are under development, with the first component to be completed in April/May of 2003, and the full plan by the end of Fiscal Year 2003.*

*These MHS requirements will roll into a comprehensive blueprint to achieve overall mission balance. Our existing strategic planning process and performance plans will serve as the cornerstone of an integrated approach emphasizing three general areas of effort: Preserving Non-MHS missions, Conducting MHS missions, and maintaining military readiness to conduct Defense Operations when tasked. The planning process provides the ability to detail the difference between pre and post-9/11 levels of effort and performance in missions. The overall effort will enable us to pursue a responsible and appropriate multi-year resource effort to accomplish all of our important missions.*

**Question:** The Coast Guard is serving with distinction in Iraq protecting U. S. and British warships as well as escorting ships carrying humanitarian aid into Iraq. One of Maine's 110-foot cutters, the WRANGELL, has been deployed in Iraq since December. More recently, several Coast Guard small boats were moved out of Maine temporarily to support defense operations. This loss of resources - albeit temporary - can only make it more difficult for the Coast Guard to maintain focus on its traditional missions. As things begin to stabilize in the Gulf, when do you expect for the WRANGELL and other Coast Guard assets in the Gulf to return to the U.S.?

**ANSWER:** *The naval commander in the Arabian Gulf is currently identifying the Coast Guard forces necessary to support stabilization operations. Coast Guard Patrol Boats and Port Security Units will likely be the last Coast Guard forces to leave the theater as they are needed to patrol Iraqi coastal waters, protect humanitarian supplies flowing through Iraq's only working port, and will likely fill an important role in efforts to build a new Iraqi maritime force. Based on initial discussions with the naval commander, the Coast Guard cutters WALNUT and BOUTWELL are being considered for release in the near future; however, the Patrol Boats, including WRANGELL, and Port Security Units may need to remain in theater for over a year.*

*While some Coast Guard assets are still needed in the Arabian Gulf, Coast Guard Forces deployed to the Mediterranean are being reduced. The four patrol boats and PSU 305 are being released and awaiting transport home.*

*In an effort to mitigate the impact of overseas deployments on domestic operations, the Coast Guard increased operational tempo, purchased over 100 small boats, repositioned forces and implemented a significant reserve mobilization.*

**Question:** According to the GAO, the Coast Guard's Deepwater Project is running behind its original 20-year implementation schedule because of funding shortfalls in the past two years totaling \$202 million. How will this impact the overall viability of the project and the Coast Guard's ability to resume a better balance between homeland security and traditional missions?

**ANSWER:** *The Coast Guard's system's integrator, Integrated Coast Guard Systems (ICGS), developed its IDS asset solution and 20-year implementation plan using Coast Guard provided planning factors that consisted of a 40-year service life, notional funding amounts for capital acquisition costs (CA), and operation and maintenance costs (OE). The CA notional annual planning funding stream for the contractor was \$300 million in FY 2002 and \$500 million from FY 2003 in FY 1998 dollars until project completion. Additionally, Deepwater estimated \$30 million per year for government program management to administer the program.*

*The IDS contracting strategy was chosen based on its flexibility and adjustments can be made depending on budget variances. Funding below notional levels will increase the time and cost necessary to fully implement the Deepwater solution.*

*The Coast Guard will continue to work to improve the balance between homeland security and traditional missions at any funding level for Deepwater.*

**Question:** Captain Jeff Monroe, the Port Director for Portland, recently told me that one of his greatest frustrations in managing security in the port is that there is no centralized, coordinated method by which critical information is passed between federal, state and local agencies. Certain information, if passed consistently and strategically, could serve to minimize vulnerabilities in a port. Often by the time information filters down to the local level, it has been diluted or arrives too late to enable an effective response. Does the Department plan to streamline this process and develop a centralized means of disseminating relevant information quickly and accurately so all players in the port have a chance to respond to potential threats?

**Answer:** *The Department is in the process of streamlining the information flow as Captain Monroe suggests is needed. The Homeland Security Center at Nebraska Avenue has representatives from all Homeland Security agencies as well as personnel responsible to assist in getting information into the private sector and to local government. This structure will ensure that the information flow is timely and reaches the appropriate people. [ Consider mentioning TOPOFF here.]*

*Other DHS initiatives that promote interagency connectivity are occurring as well. For instance, the Integrated Border Enforcement Teams (IBET) concept, in connection with Project North Star, has joined Canadian law enforcement entities with local, state and federal agencies to better link intelligence sharing and communications, as it pertains to cross-border trafficking, crime, and counter-terrorism. This initiative is headed up by the Border and Transportation Security Directorate, and should provide connectivity to the Coast Guard in area specific, operational law enforcement intelligence sharing*

**Question:** State and local officials in Maine have expressed a number of concerns about what they call the “tangled web” of homeland security grant programs. They tell me that the myriad of uncoordinated programs has created a great deal confusion and delayed the allocation of funds to the local level.

Thank you for supporting my legislation that begins to address these concerns by moving the Office of Domestic Preparedness from the Border and Transportation Security Directorate to the Office for State and Local Government Coordination in the Secretary’s office, where it belongs. Elevating ODP’s stature will begin the

process of establishing a centralized location to help support our first responders.

Aside from this legislation, what else is the Department doing to make it easier for states, communities, and first responders to apply for homeland security grants?

**ANSWER:** *Over the past year, the Administration has made great progress in making preparedness grants better coordinated and easier to access, including a Presidential e-gov initiative. Nonetheless, much remains to be done. The Administration is committed to developing a "one stop shop" for all federal grants for homeland security. The result will be a single point of access and a coordinated application process. States and localities will be able to access a portal that has all homeland security grant information, including information from DOJ, HHS and all programs within DHS. As part of the Administration's progress in coordinating grants, the Secretary of Homeland Security signed an Memorandum of Agreement with HHS to coordinate grants and unify the processes.*

*In addition, DHS, working with Congress, is continually increasing the efficiency of the allocation and distribution of funds. In FY03, through the State Homeland Security Grant Program (SHSGP), \$566.295 million has been made available to each of the 56 U.S. states and territories, for equipment acquisition, exercises, training and planning, all designed to augment the ability of first responders to prevent or respond to incidents of terrorism. Because there have been many concerns from the government as well as first responders in the field regarding ODP grant funding reaching local jurisdictions in a timely manner, the FY03 SHSGP I incorporated a strict timeline to facilitate the release and obligation of this funding. The application kit was posted online March 7, 2003. States had to submit their applications to ODP by April 22, 2003. Applications were reviewed at ODP within 7 days of submission; currently, all grants have been applied for and approved by ODP. The grants will be awarded to the states within 21 days of ODP approval. States must obligate funds within 45 days from award date.*

*Through SHSGP II, ODP has received an additional \$1.3 billion in the FY03 supplemental funding to address the equipment, training, planning and exercise needs of state and local emergency responders, as well as to pay for costs associated with increased security measures at critical infrastructure sites during Operation Liberty Shield as well as for future periods of heightened threat. SHSGP II has a similarly strict timeline. Applications were posted online April 30, 2003. States have to submit their application to ODP by May 30, 2003. Applications will be reviewed at ODP within 7 days of submission. The grants will be awarded to the states within 21 days of ODP approval. States have 45 days from the award date in which to obligate funds. In addition, to expedite the application and award process for SHSGP II, no program narrative or budget information is required to apply for this grant. However, applicants must provide budget detail worksheets with the Categorical Assistance Progress Report for the*

*period ending June 30, 2003.*

*It should be recognized that the 'tangled web' is partly a result of funding decisions made during the FY03 appropriations process, prior to the creation of DHS and its incorporation of agencies with jurisdiction over the many grant programs available to first responders. The President's Budget FY04 Budget attempts to streamline the number of homeland security programs by consolidating terrorism preparedness grants for first responders and emergency managers within ODP, with HHS as the primary grant-making agency for public health bio-preparedness.*

**Question:** Federal programs within the Department of Homeland Security and outside the new department provide much needed support to ensure a basic level of equipment and training among first responders. Despite these overlapping goals, I am very concerned about the lack of coordination among these related homeland security programs.

In addition to the terrorism preparedness grants administered by ODP, the Omnibus Appropriations bill provided almost \$2 billion in law enforcement grants administered by the Department of Justice and \$1.4 billion in bio-terrorism grants administered by the Department of Health and Human Services. Unfortunately, many states have been frustrated by the lack of coordination within these programs.

For example, communities can access funding for interoperable equipment through five different Federal programs, including the FIRE Act, COPS, the bio-terrorism program, FEMA's Emergency Management Performance Account, and ODP's state homeland security grant program. Despite the goal of these grants - to purchase interoperable equipment - Federal agencies are under no requirement to coordinate the grant process. And best I can tell, for the most part, they have not.

What steps are you taking to coordinate homeland security funding, both within the Department and across other Federal agencies?

**ANSWER:** *DHS is working internally and with other Federal Departments and agencies to coordinate these programs. DHS will consolidate all its first responder grant programs into one central source within the Office for Domestic Preparedness to ensure that all terrorism grants are coordinated based on information in the State Homeland Security Strategy (SHSS). The FY04 grant process will include close coordination among agencies, including collaboration to ensure alignment during the funding allocation process. Eventually, the administrative processes associated with the grants will be closely aligned as well. The SHSS is designed to give each state and territory one comprehensive planning document that includes all needs for response to a WMD terrorism incident or major natural disaster, irrespective of the sources of funding. Such plans will describe a coordinated strategy for public health, fire, law enforcement, emergency medical and other response*

*disciplines to improve their preparedness for homeland security incidents and major natural disasters. They should also identify related federal, state, local, and private resources within the state to address preparedness needs. In addition to preventing overlap and duplication among DHS programs, the SHSS will lead to better coordination with other agency's programs, such as the bio-preparedness programs administered by HHS.*

*Even as we move toward this vision for FY04, immediate coordination is occurring for grants being made today. On the issue of interoperable communications, it must be recognized that the diversity of funding sources is partly a result of the creation of brand new interoperable communication grant programs in COPS and FEMA, while such investments are being funded by ODP and the U.S. Fire Administration. DHS' Project SAFECOM is playing a major role in ensuring that these grant programs are as coordinated as possible, and aimed at delivering realistic technical improvements. The FY04 Budget embodies the long term solution by consolidating interoperable communication investments within ODP, with Project SAFECOM continuing its vital role in technical expertise and guidance. Similar efforts are being made to establish linkages being DOJ, HHS and DHS for other grants.*

**Question:** With more coordination, I think we can maximize the return on the taxpayer's dollar. Do you think that the equipment purchased under all these various programs should be reported to a coordinator within each state to promote interoperability?

**ANSWER:** *Coordination and reporting should exist across all of the preparedness spending areas, including equipment, training, exercises and planning. This is one of the important features of the states strategies.*

*While the Administration wants every state to have a coordinated interoperability plan, we are sensitive to concerns regarding the number of conditions already placed on ODP funds. Currently, the governor of each state already has designated a State Administrative Agency (SAA) that works directly with ODP to coordinate ODP programs and support services. Among other responsibilities, this coordinator is responsible for applying for and administering ODP grant funding. Requiring each state to designate a separate interoperable equipment coordinator might be perceived as yet another Federal mandate. The SSA is required to submit an equipment budget detail worksheet that lists all equipment items that the state will be purchasing with ODP grant funds. The grant application kit includes a standardized equipment list for all equipment categories, including Interoperable Communications, developed through the IAB (Interagency Board), intended to enhance interoperability of equipment and ensure that established equipment standards are met.*

*In an effort to improve public safety interoperability, all new or upgraded radio*

*systems and new radio equipment should be compatible with a suite of standards called ANSI/TIA/EIA – 102 Phase I (Project 25). These standards have been developed to allow for backward compatibility with existing digital and analog systems and provide for interoperability in future systems. The FCC has chosen the Project 25 suite of standards for voice and low-moderate speed data interoperability in the new nationwide 700 MHz frequency band and the Integrated Wireless Network (IWN) of the U.S. Justice and Treasury Departments has chosen the Project 25 suite of standards for their new radio equipment. In an effort to realize improved interoperability, all radios purchased under ODP grants from Fiscal Year (FY) 2003 and beyond should be APCO 25 compliant.*

**Post-Hearing Questions for the Record  
Submitted to the Honorable Tom Ridge  
From Senator Tom Carper**

**“Investing in Homeland Security:  
Streamlining and Enhancing Homeland Security Grant Programs”**

**May 1, 2003**

1. Some who have criticized the current formula for the federal first responder aid program point out that less populous states like Delaware and Wyoming are receiving more money per capita than larger states like New York and California that they feel are more at risk for attack. Do you believe that per capita allocation is a meaningful way of looking at the effectiveness of federal homeland security spending? If so, why? If not, how would you measure it?

*ANSWER:* The current formula for the allocation of ODP funds to the states for the FY03 State Homeland Security Grant Program (SHSGP) I and SHSGP II was computed on a base, pursuant to the Patriot Act, plus a population formula. Starting in FY04, the Department will seek to make changes in how it distributes funding to the states. Each state and territory will continue to receive a base amount, but the balance of funds will utilize a multi-faceted formula, taking into account factors including threat and risk assessments, critical infrastructure of national importance, and population density.

Until the overall formula is changed, each state must take into consideration needs and capabilities when allocating their state funds to local jurisdictions.

2. Every state, large and small, must take certain steps and make certain expenditures in order to be even minimally prepared for a major attack. I acknowledge that a good amount of federal resources must be spent to protect densely-populated urban areas but I believe the federal government’s main role in homeland security should be to help bring each state to the point where they are prepared to respond effectively to any potential attack. How do you view the federal government’s role?

*ANSWER:* The State Homeland Security Strategy (SHSS) is designed to give each state and territory one comprehensive planning document that includes all needs for response to a WMD terrorism incident, irrespective of the sources of funding. It is developed based on assessments of threats, vulnerabilities, capabilities, and needs regarding terrorism incidents at both the state and jurisdiction levels, compiled as part of the State Homeland Security Assessment and Strategy Process (SHSAS) that was originally established in Fiscal Year (FY) 1999. It serves as a blueprint for the coordination and enhancement of efforts to counter WMD incidents as well as identify related federal, state, local, and private resources within the state. Because of the importance of this information, the

grants are awarded based on the submission of this state plan to ensure that state utilizes the funds in accordance to the needs identified in the strategy.

The governor of each U.S. state and territory has designated one State Administrative Agency within their state to coordinate all ODP grant funding and program support with ODP, including oversight of the SHSAS and SHSS. In addition, ODP offers State Strategy Technical Assistance as a component of the State and Local Domestic Preparedness Technical Assistance Program. The goals of the program are to enhance the state and local jurisdictions' understanding of the assessment process, including how to conduct assessments, and how to enhance the state's ability to develop a comprehensive SHSS. ODP provides each state and territory with multiple technical assistance deliveries without charge to a requesting state or local jurisdiction.

3. There has been a lot of debate in Congress in recent months about how much the federal government should be spending on first responders. I personally believe that we should be spending more than we are. That said, how does the Department of Homeland Security help states and localities develop their needs lists or their state plans? Chairman Collins and I were both sponsors of an amendment to the Homeland Security Act that would have placed a department liaison in each state who would help states identify needs and communicate them to the department. What are your views on this?

**ANSWER:** The State Homeland Security Strategy (SHSS) is designed to give each state and territory one comprehensive planning document that includes all needs for response to a terrorism incident, irrespective of the sources of funding. It is developed based on assessments of threats, vulnerabilities, capabilities, and needs regarding terrorism incidents at both the state and jurisdiction levels, compiled as part of the State Homeland Security Assessment and Strategy Process (SHSAS) that was originally established in Fiscal Year (FY) 1999. It serves as a blueprint for the coordination and enhancement of efforts to counter incidents as well as identify related federal, state, local, and private resources within the state. Because of the importance of this information, the grants are awarded based on the submission of this state plan to ensure that state utilizes the funds in accordance to the needs identified in the strategy.

In further efforts to enhance the coordination of first responders, the UASI II requires an Urban Area Working Group. The State Administrative Agency (SAA) must work through the Mayor/CEOs from all other jurisdictions within the defined urban area to identify Points of Contact (POC) from these jurisdictions to serve on the working group. The Urban Area Working Group will be responsible for coordinating development and implementation of all program elements, including the urban area assessment, strategy development, and any direct services that are delivered by ODP. While the leveraging of previously established local working groups is encouraged, it is imperative that representatives from all jurisdictions in the defined urban area be included on the

Urban Area Working Group. The working group should also be multidisciplinary in nature, and may require development of associated sub-groups to support the assessment process and other program elements. Law enforcement, emergency medical services, emergency management, the fire service, hazardous materials, public works, governmental administrative, public safety communications, healthcare and public health are critical players and must be represented on the working group or its sub-groups to ensure that all emergency response personnel are involved in the planning of a response to a terrorism incident.

DHS expects these efforts to be carried forward into the FY04 planning process, and the State and Local Coordination Office looks forward to further strengthening state and local planning. As a result, the Administration believes creation of state-based liaisons employed by DHS is unnecessary.

4. Jim Mosley, the Public Safety Director for the City of Wilmington, Delaware's largest, tells me that he holds a meeting once a month between the different interests that would be responsible for responding to a major incident in the city. He brings together all of the city agencies that deal with public health along with officials from the state, New Castle County and local hospitals. I doubt that every city across the country coordinates their first responders this well. How can the federal government encourage states and localities to do the kinds of things that Director Mosley does?

**ANSWER:** We certainly commend Mr. Mosley on his efforts to bring the first responders of his region together to discuss these critical issues. It would be a service to the security of our homeland if more leaders could take an active role such as Mr. Mosley. To that end, the Department of Homeland Security, through the Office for Domestic Preparedness have taken several steps to attempt and facilitate more of these types of interactions. Just this summer, ODP hosted five regional conferences for State Administrative Agencies to discuss the upcoming requirements for their strategic plans. ODP is also launching the second phase of the Urban Area Security Initiative which will develop working groups that will be responsible for coordinating development and implementation of all program elements, including the urban area assessment, strategy development, and any direct services that are delivered by ODP. It is our hope that these sort of groups will be able to facilitate a more coordinated approach to communication among members of the first responder community, and take Mr. Mosley as an example as how to develop those relationships across discipline borders.

5. I think one of the major benefits of requiring that all federal first responder aid pass through states is that it means the localities that receive the money will be forced to spend it according to a state plan, meaning, in theory, that they will plan together and purchase interoperable equipment. If there is a major incident in Philadelphia, however, first responders from Wilmington and New Castle County, Delaware would need to cross state lines and assist their colleagues in Pennsylvania. How can the federal government encourage emergency managers

to develop regional response plans in parts of the country like the Delaware Valley? How can we encourage them to purchase interoperable equipment? Should there be a separate first responder aid program that would give money directly to regional planning entities?

*ANSWER:* DHS has strongly encouraged the development of regional response plans and mutual aid agreements, which are critical leveraging and coordinating resources. As it reviews state homeland security plans, the Office for Domestic Preparedness will seek to ensure that such agreements are being implemented. Interoperable communication procedures and equipment are vital to the success of regional mutual aid. Such equipment is already an eligible use of ODP funds (as well as other grant programs), and DHS will seek to ensure applications for communications equipment are based on sound planning for interoperability. While some FY 2003 funds appropriated to EP&R and DOJ's COPS Office will support regional interoperability planning, this activity is within the scope of ODP's State Homeland Security Grant Program.

**SENATOR CARL LEVIN (D-MI)  
POST-HEARING QUESTIONS  
FOR SECRETARY TOM RIDGE**

**THE COMMITTEE ON GOVERNMENTAL AFFAIRS  
HEARING ON  
“INVESTING IN HOMELAND SECURITY: STREAMLINING AND  
ENHANCING HOMELAND SECURITY GRANT PROGRAMS”**

**May 1, 2003**

- (1) Please identify which of the following agencies has primary responsibility for gathering, analyzing and distributing foreign intelligence and domestic intelligence and ensuring the information is acted on in an appropriate manner: Department of Homeland Security (DHS), Counter Terrorist Center (CTC), and Terrorist Threat Information Center (TTIC).

**ANSWER:** Each of these entities has unique responsibilities in the gathering, analysis and distribution of intelligence.

**The Department of Homeland Security (DHS)** has responsibility for gathering intelligence and information from its legacy organizations, including from Customs, Immigration, and Coast Guard and for ensuring that this information reaches TTIC and other IC and law enforcement agencies who can act upon this information. DHS has responsibility for the broadest review of all-source intelligence analysis as well as information it receives from state and local authorities and the private sector for the purpose of assessing threats—and particularly threats in the context of critical infrastructure vulnerabilities—to the homeland; it has the responsibility for disseminating any relevant threat information—along with recommended protective actions—to state and local authorities, private sector owners and operators, and the general public as appropriate.

**CIA’s CTC** has responsibility for gathering foreign threat intelligence and distributing it to those within the IC with a need to know. CIA’s CTC/OTA (Office of Terrorism Analysis) analyzes all-source intelligence threat information and distributes its analysis throughout the IC and federal government agencies with a need to know.

**TTIC** is not a collector of intelligence but receives all threat intelligence available to the USG. TTIC analyzes all threat information available to the US government, including domestic intelligence provided by DHS and FBI, to make it the single most comprehensive source of intelligence analysis on terrorist threats.

- (2) Over 50 public interest groups oppose existing language in the Homeland Security Act delineating how DHS will comply with the Freedom of Information Act (FOIA), and have endorsed the Leahy-Lieberman-Levin-Byrd bill, S. 609, to replace that language with a bipartisan compromise developed over one year ago. In the meantime, DHS

recently issued a proposed rule on FOIA compliance issues related to critical infrastructure information (CII).

- a. The proposed rule states that DHS intends to review all incoming information deemed CII, on an individual basis, to ensure it qualifies for the CII designation and can be withheld from the public. Please estimate the total number of documents to be reviewed in the first year under this proposed process and whether it will include, for example, all information submitted by chemical companies, railroads, computer networks, telephone communication networks, financial institutions, and others when deemed by them to be CII.

*ANSWER:* DHS has the statutory responsibility, under section 214, to designate voluntarily provided critical infrastructure information as protected CII. The purpose of that duty is to ensure the private sector has a protected means to provide to the Government information which is vital to protecting the nation's assets. To carry out that responsibility, DHS will, under the proposed rule, review CII which is voluntarily submitted to the Government with a request for protection under FOIA. Accordingly, DHS will consider for designation any information which private sector industries 1) believe meets the definition of CII, as provided in the Homeland Security Act, and 2) submit with an express request for protection under section 214. At this point, DHS anticipates the volume of information submitted will correspond closely to the confidence the private sector has in the protection of that information by the Department. That said, current estimates can be based solely upon the CII currently provided to DHS through its various component agencies.

- b. The proposed rule states that DHS will commit adequate resources to accomplish this task. Please estimate the total number of DHS employees who will be assigned to reviewing potential CII information. Please identify the total amount of funding committed to administering this program in the first year.

*ANSWER:* The proposed rule establishes a program for the receipt, acknowledgment, validation, and storage CII which is submitted for potential protection by DHS. This program will be overseen by the Under Secretary of Information Analysis and Infrastructure Protection and administered by a CII Program Manager who will be assisted by CII Officers. Under the proposed rule, there will be only one Program Manager with one or more persons serving as CII Officers in each DHS component. The amount of funding for the program will be based upon determinations by IAIP and the CII Program Manager.

- c. Since the first year will be critical in establishing precedents for classifying information as CII, please describe the process that will be used to establish these precedents and oversee classification decisions by individual DHS employees. If DHS plans to consult outside experts, please describe this consultation process.

*ANSWER:* The Department has established a working group to address and establish the administration of the CII program. The working group will make recommendations on the structure of the program to the CII Program Manager, the Under Secretary of Information Analysis and Infrastructure Protection. The Under Secretary and the CII Program Manager will, however, hold direct responsibility for the establishment of the program, including establishing precedents and the oversight of classification decisions.

- d. Despite this Committee's having specifically rejected this approach as unworkable, the proposed rule would allow CII to be submitted to federal agencies other than DHS and obligate those agencies both to forward the CII to DHS and to bar the information from public disclosure. Please indicate whether this new document review requirement will apply to agencies like the Environmental Protection Agency, Department of Transportation, and Federal Aviation Agency that get information about chemical plants, roads, bridges, and airports, and, if so, whether those agencies were consulted about this proposed requirement, whether they support it, and what steps DHS is planning to take to assist them. In addition, please describe how other agencies are expected to determine what information must be forwarded to DHS, how DHS will review these agency determinations on CII, and how DHS will communicate any changes in CII determinations to the originating agency. Please explain why this complex and burdensome system is preferable to requiring CII to be submitted directly to DHS, the only agency with authority to determine whether the submitted information qualifies as CII and exempt from public disclosure?

*ANSWER:* Under the statute passed by Congress, DHS has the sole responsibility to designate voluntarily provided critical infrastructure information as protected CII. Accordingly, the proposed procedures address the handling of information which is voluntarily submitted to the federal government by concerned citizens. The proposed rule specifically invites comment from government agencies upon this rule. CII information may indeed arrive first at an agency other than DHS; however that agency lacks the statutory authority to designate this information as protected CII. The purpose of these provisions in the proposed rule is to accommodate instances where CII is sent, along with the requisite request for protection, to an agency in the Government other than DHS. Therefore, when a person voluntarily submits information to an agency other than DHS and makes an express statement for protection under the CII Act of 2002, the agencies should forward this information on to DHS as it is the only entity charged with providing this protection. Whether submitted directly to DHS or indirectly through another agency, it is an express request for protection by the submitter which triggers DHS review of the voluntarily submitted CII information and a decision on its protection from public disclosure.

- (3) At the hearing, Secretary Ridge stated that the Department's office of legal counsel is currently drafting proposed ethics and conflict of interest rules for current and former DHS employees. Please indicate the timetable for the development of these rules,

whether DHS will solicit public comments on proposed rules prior to finalizing them, and whether DHS will provide the Committee with a briefing on the key issues prior to issuing a proposal.

*ANSWER:* We care very much about the potential ethical problems associated with DHS employees and are looking into the issue very carefully. Currently, DHS is not drafting any new rules, but will rely on existing rules regarding ethics and conflicts of interest. We would be happy to provide answers to any questions that the Committee might have regarding the existing conflict of interest and ethics rules applicable to DHS employees.

**Post-Hearing Questions for Secretary Tom Ridge  
Submitted by Senator Joseph I. Lieberman, Ranking Member**

**“Investing in Homeland Security:  
Streamlining and Enhancing Homeland Security Grant Programs”**

**May 1, 2003**

**First Responder Funding**

- 1) You testified that the Department recently tested a new funding formula for homeland security programs giving various weights to threats. Based on intelligence information, the threat may be higher in certain communities than in others. Another factor is vulnerability of the public and private infrastructure in a region or community. You stated that in the dry runs to date, you haven't found any formula that is acceptable. Can you explain the range of differences that you found using various formulas, and what specifically contributed to the varying results?

*ANSWER:* The current formula for the allocation of ODP funds to the states for the FY03 State Homeland Security Grant Program (SHSGP) I and SHSGP II was computed on a base, pursuant to the Patriot Act, plus a population formula. Starting in FY04, the Department will seek to make changes in how it distributes funding to the states. Each state and territory will continue to receive a base amount, but the balance of funds will utilize a multi-faceted formula, taking into account factors including threat and risk assessments, critical infrastructure of national importance, and population density.

For the Urban Areas Security Initiative (UASI) funds allocated in the FY03 Omnibus and the FY03 Wartime Supplemental, DHS developed a model using classified information to allocate resources to major urban areas based on a combination of current threat estimates, critical assets within the urban area, and population density. The formula uses a weighted linear combination of these factors to produce a proportional resource allocation.

- 2) Please explain how critical infrastructure vulnerabilities were considered in your dry runs – particularly since vulnerability assessments have not been completed for many areas.

*ANSWER:* As part of the \$1.5 billion allocation for the FY 2003 State Homeland Security Grant Program II (SHSGP II), \$200 million has been allocated for Critical Infrastructure Protection Funding. This funding is being provided to pay for costs associated with increased security measures at critical infrastructure sites, including chemical facilities located in close proximity to large population centers, during the period of hostilities with Iraq (March 17, 2003 – April 16, 2003)..

For the Urban Areas Security Initiative (UASI) allocated in the FY03 Omnibus and the FY03 Wartime Supplemental, DHS developed a model using classified information to allocate resources to major urban areas based on a combination of current threat estimates, critical assets within the urban area, and population density. The formula uses a weighted linear combination of these factors to produce a proportional resource allocation.

- 3) When determining the allocation of \$100 million in funding for high threat areas, you indicated that you considered vulnerability, which is based on an assessment of the degree of catastrophic loss of human life or economic disruption that could result from an attack on critical infrastructure. How did the location and risk associated with chemical facilities factor into your decisions?

*ANSWER:* As stated earlier, funding allocations for the Urban Areas Security Initiative utilized a classified formula, weighing critical infrastructures within the urban area as part of the proportional allocation of resources.

However, as part of the \$1.5 billion allocation for the FY 2003 State Homeland Security Grant Program II (SHSGP II), \$200 million has been allocated for Critical Infrastructure Protection Funding. This funding is being provided to pay for costs associated with increased security measures at critical infrastructure sites, including chemical facilities located in close proximity to large population centers, during the period of hostilities with Iraq (March 17, 2003 – April 16, 2003).

- 4) Approximately what percentage of the nation's most vulnerable chemical facilities (the 123 or so described by EPA as perhaps most dangerous) will be protected as a result of this funding?

*ANSWER:* As part of the \$200 million allocated for Critical Infrastructure Protection Funding under the FY 2003 State Homeland Security Grant Program II (SHSGP II), each State Administrative Agency (SAA) has ultimate discretion over which critical assets, such as chemical facilities, will be protected through this round of grant funding.

#### Minimum Capabilities and Plans

- 5) You testified that it is important that each state receive a minimum level of funding, because there are certain things that the federal government wants states to do. Please describe the minimum capabilities that you believe each state, major metropolitan area, other cities, and rural area should possess in the fight against terrorism? How are you determining these acceptable minimum capabilities?

**ANSWER:** DHS is developing a comprehensive national process for measuring the preparedness of state and local jurisdictions based on multiple factors to include assessment data, plans, equipment, training, and performance in exercises and actual incidents. These assessments and standards will help identify specific needs and shortfalls at the local, state, and national levels.

Important ground work for this process had already been laid within an emergency management context, in which three principal standards exist against which emergency management capability can be assessed. Those three standards are: the National Fire Protection Association (NFPA) 1600 Standard on Disaster/Emergency Management and Business Continuity Programs 2000 Edition; the Emergency Management Accreditation Program (EMAP) Standard, which is based on and expands upon the NFPA 1600; and the family of Capability Assessment for Readiness (CAR) self-assessment instruments. All of these standards are voluntary and, to some extent, complimentary.

Key elements of emergency preparedness and response are factored into the EMAP Standard, which was developed collaboratively by government officials and emergency management stakeholders from the private sector. The EMAP language uses NFPA 1600 as a starting point and covers 13 key emergency management functions as well as program management. These capabilities are invaluable to emergency responders following terrorism incidents as well as natural disasters.

In addition, the Department is working to implement the National Incident Management System (NIMS). NIMS will provide a consistent nationwide approach for Federal, State, and local governments to work effectively and efficiently together to prepare for, respond to, and recover from all domestic incidents, regardless of cause, size, or complexity. It will provide for interoperability and compatibility among Federal, State, and local capabilities. NIMS will include a core set of concepts, principles, terminology, and technologies, including development of standards, guidelines, and protocols.

- 6) Should the minimum capabilities include a locality's capacity to respond to disasters caused by acts of nature?

**ANSWER:** Most DHS grants will be targeted to enhancing state and local terrorism preparedness. However, the mechanisms and resources required for terrorism response will overlap with many of the mechanisms and resources for responding to natural disasters. . However, natural disasters also feature some unique considerations that localities must not overlook, particularly since these types of emergencies have historically occurred more regularly than terrorist attacks. As demonstrated by the recent tornadoes in the Midwest and devastating ice storms this spring, State and local governments must

prepare for all hazards, including natural disasters. DHS is working to address this need in a number of different ways, including grants to State and local governments and the development of comprehensive planning guidance.

- 7) Does it include a minimum number of police and fire fighters? If not, why not? If so, why does the Administration oppose the SAFER Act which would provide funding to hire additional fire fighters, and why have you proposed cutting the COPs program that helps local communities hire more police officers?

*ANSWER:* As directed by Congress, ODP has refined the State Homeland Security Assessment and Strategy Process (SHSAS) that was originally established in Fiscal Year (FY) 1999 to conduct assessments of threats, vulnerabilities, capabilities, and needs regarding weapons of mass destruction (WMD) terrorism incidents at both the state and jurisdiction levels. The refined assessment process will serve as a planning tool for state and local jurisdictions and will assist ODP and its partners in allocating federal resources for domestic preparedness.

In the FY04 Administration's request, there are two separate allocations of \$500 million for ODP. One \$500 million piece will be for assistance to fire departments, associated with the transfer of Fire Act grants from EP&R.. Since its inception, DHS's Office for Domestic Preparedness has enjoyed a strong relationship with the nation's fire service. For FY 2004, grants to fire departments will be focused on terrorism preparedness needs consistent with state homeland security plans. As is the current practice, these grants will be subject to peer review and will be awarded directly to fire departments.

The other \$500 million request is for state and local law enforcement for terrorism preparedness and prevention activities which include: training and equipment for WMD events, support for information sharing systems, training of intelligence analysts, development and support of terrorism early warning methods, target hardening and surveillance equipment, and opposition force exercises.

While DHS defers to the Department of Justice to address any questions about the COPS program, the Administration has not requested funds for the direct hiring of state and local emergency response personnel. In general, such staffing decisions require a long-term funding commitment, and should be based on state and local funding resources.

- 8) How can communities effectively use federal dollars to prepare to respond to terrorism if -- because of local budget short falls - they do not have sufficient numbers of first responders available?

**ANSWER:** An effective response can be accomplished through the development and implementation of mutual aid agreements. In FY 2002, EP&R provided \$100 million in funding assistance to State and local governments to update their Emergency Operations Plan for all hazards with special emphasis on WMD terrorism preparedness. Coordinated planning at the State and local level is essential if State and local emergency management and first responder organizations are to effectively request and use future response resources, thereby enhancing the nation's capability to respond to and recover from the imminent threat or actual occurrence of a terrorist attack. Under this program, States were encouraged to use a regional approach to planning that emphasizes mutual aid.

We recognize the challenges that State and local governments face in preparing for a response to a disaster, including difficult fiscal situations. There is not enough funding available to have every community build the all of the necessary capabilities to respond to every type of incident. For example, it is not realistic for every jurisdiction to have a specialized hazardous materials team, but all communities should have access to a HazMat team if the need arises. Through comprehensive planning, mutual aid initiatives, and regional approaches to preparedness, it is possible to ensure that all communities have access to the necessary resources and capabilities to respond effectively to an event.

DHS encourages local jurisdictions and States to use the resources that have been made available for planning purposes to develop regional response plans and mutual aid agreements. In FY 2002 FEMA, now the Emergency Preparedness and Response Directorate, provided \$100 million to States and local jurisdictions for planning initiatives. This funding encouraged the States and local communities to use the funding to support regional planning initiatives and the necessary planning and legal work to develop mutual aid agreements among jurisdictions or regions. These efforts help to build a jurisdiction's response capability, but are less expensive than establishing specialized teams and purchasing all of the necessary response equipment in every community.

EP&R has made promoting mutual aid a top priority, both through the enhancement of existing mutual aid systems such as the Emergency Management Assistance Compact (EMAC) and through the development of new inter-local and intrastate agreements and compacts. EP&R is improving the Nation's ability to respond to all-hazards events by facilitating mutual aid agreements between State and local governments.

EP&R is leading the national mutual aid project, which involves the establishment of a comprehensive, integrated National Mutual Aid and Resource Management System that will allow for an efficient and effective response to all hazards, including a terrorist attack. Under this system

jurisdictions will be capable of requesting and receiving resources quickly and effectively. Resources received through mutual aid will integrate operationally into ongoing response efforts, necessitating interoperability of management systems, equipment, and communications. This system also will provide senior officials and elected leaders at all level of government with detailed incident awareness and the ability to “see” in real-time an inventory of nearby response assets available through mutual aid and their operational status. ODP grants funds in FY 2003 and beyond may be used for planning and implementing such agreements.

- 9) Does DHS currently have or are you developing a process to measure existing capabilities against the minimum capabilities you have identified? If not, do you believe such a process is necessary and how do you propose that it be conducted?

**ANSWER:** DHS is developing a comprehensive national process for measuring the preparedness of state and local jurisdictions based on multiple factors to include assessment data, plans, equipment, training, and performance in exercises and actual incidents. These assessments and standards will help identify specific needs and shortfalls at the local, state, and national levels.

In the meantime, the FY03 State Homeland Security Assessment and Strategy Process (SHSAS) will allow state and local jurisdictions to update their needs assessment data to reflect post-September 11, 2001 realities, as well as to identify progress on the priorities outlined in the initial FY99 assessment. The SHSAS creates a baseline for emergency responder capabilities and needs, provides states the opportunity to formulate comprehensive State Homeland Security Strategies based on a detailed evaluation of response requirements and priorities, and assists states and the federal government with targeting resources and refining existing programs. As a result of this process, the federal government will obtain vital information on the capabilities and needs of emergency responders on a national scale.

To help provide America’s emergency response community with a baseline understanding of the training necessary to effectively and safely respond to an act of terrorism involving the use of WMD, ODP developed the *Emergency Responder Guidelines*. These non-regulatory guidelines were developed by subject matter experts from both the private and public sectors, and in concert with existing codes and standards of agencies such as the National Fire Prevention Association, and Federal Regulatory agencies, such as the U.S. Occupational Safety and Health Administration. These Guidelines are intended to be a tool for first responders seeking to improve their training and master their craft, reflecting a step-by-step progression from basic WMD Awareness training through Performance to Planning and Management training.

- 10) You testified that we should not distribute federal dollars for homeland security unless it is consistent with an approved plan. State and local officials contend that there are currently too many plans and assessments required for different grant programs and that they are not coordinated. Please describe your vision of the homeland security plan that you believe states should be required to submit. What specifically should the plan address? Does DHS plan to provide states technical assistance? What time frame do you believe the plan should cover? How long do you believe it will take states to complete the plan?

*ANSWER:* The State Homeland Security Strategy (SHSS) is designed to give each state and territory one comprehensive planning document that includes all needs for response to a WMD terrorism incident, irrespective of the sources of funding. It is developed based on assessments of threats, vulnerabilities, capabilities, and needs regarding weapons of mass destruction terrorism incidents at both the state and jurisdiction levels. It should serve as a blueprint for the coordination and enhancement of efforts to counter WMD incidents as well as identify related federal, state, local, and private resources within the state.

State Strategy Technical Assistance is available through the State and Local Domestic Preparedness Technical Assistance Program administered by ODP. The goals of the program are to enhance the state and local jurisdictions' understanding of the assessment process, including how to conduct assessments, and how to enhance the state's ability to develop a comprehensive SHSS. ODP provides each state and territory with multiple technical assistance deliveries available as on-site state-specific sessions without charge to a requesting state or local jurisdiction.

Because of the importance of this information, and to ensure that the state utilizes the funds in accordance to the needs identified in the strategy, submitting a State Homeland Security Strategy is a condition of the state's application for ODP grant funds for FY 2004. States are required to update and submit their SHSS to ODP by December 31, 2003.

Additional information about the SHSS is available upon request.

Interoperability:

- 11) You testified that Congress has appropriated in excess of \$40 million to run demonstration projects relating to communications interoperability - so that police, fire fighters, emergency managers and others responding to an emergency can communicate with one another. Please provide more specific information about the purpose, structure, and progress of these demonstration projects.

**ANSWER:** The FY 2003 interoperable communications equipment grant program will be coordinated between EP&R and the Department of Justice's Office of Community-Oriented Policing Services (COPS). Congress provided the two agencies nearly \$150 million in total funding for this program.

In coordination with the states, these grants to local jurisdictions will support demonstration projects for planning, equipment, and technologies to increase interoperability among the fire service, law enforcement, and emergency medical service communities. These projects will illustrate and encourage the acceptance of new technologies and operating methods to assist communities in achieving interoperability. These "best practices" will be highlighted and shared with other communities across the nation as we aggressively pursue solutions to interoperability. In addition, the lessons learned through these demonstration projects will be incorporated into future State Homeland Security Grant Programs under the Office for Domestic Preparedness.

- 12) According to some estimates, it would cost up to \$500 million alone for a major metropolitan area like Los Angeles to convert all of the current radios used by its fire, police, and emergency managers into a single network. The Public Safety Wireless Network has estimated that replacing all state and local communications equipment nationwide would cost \$18 billion. What has the Administration done to assess the costs of solving this problem? What do you believe should be the appropriate federal share?

**ANSWER:** While it is difficult to establish a precise Federal "share" given the varying levels of need, Federal grant funding can play a key role in advancing interoperability. Currently, there are numerous ongoing Federal programs addressing interoperable communications. In addition, state and local jurisdictions can apply for Federal grant funding, such as that administered by ODP, to resolve their interoperable communications problems. Consistent with the goal of creating a "one-stop-shop" these funding streams should be consolidated into ODP.

To directly replace the communications assets in use by all state and local first responder agencies with the necessary equipment to achieve interoperable communications system would be inordinately expensive. However, there are Federal interoperable communications programs, such as SAFECOM, COPS, and AGILE, that strive to solve the current interoperability problems through integrated planning and technology integration.

In the absence of a single, integrated network, there are a number of interim solutions, including the use of the ACU-1000 Modular Interface/Interconnect System and the TRP-1000 Transportable Radio Interconnect System. These systems are designed to interconnect dissimilar radio systems, telephone, and cellular units to allow multi-agency communication. These systems have the added benefit of adding a backup capability to regular communication and

dispatch systems. ODP has provided these systems to select jurisdictions, and is developing a training program to train emergency responders on its use.

- 13) You stated that interoperability is a high priority for the Administration. How is this priority reflected in the Administration's FY 04 budget?

**ANSWER:** In the Administration's FY04 budget, the \$3.2 billion in funding for ODP to administer to state and local emergency responders includes a significant allocation for equipment acquisition, such as interoperable communications. Over the last few years, an average 17 percent of ODP's equipment grants have been used for communications equipment.

- 14) Please describe the specific progress that has been made on this issue since September 11, 2001. For example, how many jurisdictions have achieved interoperability for first responders since that date and how has the Administration's efforts contributed to their success?

**ANSWER:** Progress in interoperable communications has been made across the nation. Seamless wireless communications interoperability is contingent on utilizing existing standards for State and local agencies and, where appropriate, applying the necessary standards to identify communications needs and assess capabilities. Technical guidance and standards for interoperable communications already exist and have been developed by Association of Public-Safety Communications Officials (APCO) and Project 25. Incorporation of APCO standards in ODP interoperable communications training and technical assistance efforts will help to identify specific areas where interoperable communications "fixes" need to be made in these agencies that participate. The results of the assessments and technical assistance will provide a roadmap for ODP to fill gaps and establish the appropriate levels of connectivity for communications interoperability.

True interoperability between law enforcement and emergency responder agencies is still several years, if not a decade away. The advent of emerging technologies, such as the software-defined radio, offer the best hope of connecting these agencies to one another but are not available yet. In the meantime, gateway switches, also known as cross band switches, provide the most cost effective means of creating interoperability. A short term, quick fix for State and local agencies is to purchase these devices utilizing ODP grant funds. A robust training and technical assistance effort can assist with engineering solutions and recommendations to build a more integrated interoperability capability for the jurisdiction or agencies requesting this help.

- 15) Emergency workers from 10 separate jurisdictions responded to the attacks on the Pentagon, but their efforts were stymied because they could not communicate with one another. Nineteen months later, at the GAC hearing on April 9, the fire chief of Arlington VA and a fire captain of Prince George's

County, MD testified that their respective departments still cannot communicate with one another in an emergency requiring mutual response. How does this testimony square with your assessment – in your written responses to the Committee’s questions during your confirmation process - that significant progress has been made on this issue? Why do you believe more progress has not been made in the nation’s capital region where the threat of terrorist attack is clearly high? What has the Administration done to address this issue specifically in the Capital region?

*ANSWER:* Progress has been made in establishing interoperable communications in the Capital region. A promising ODP demonstration program currently being piloted, known as CAPWIN (Capitol Area Wireless Integration Network) provides a partnership between the District of Columbia, and the States of Maryland and Virginia. This partnership provides the means to develop an integrated transportation and criminal justice information wireless network. CAPWIN will create wireless data connectivity for law enforcement and transportation authorities to provide them with critical terrorist related threat information. This technology, using non proprietary web browser application software, will reside in police cruisers and fire and EMS vehicles, and provide first responders with immediate access and allow the sharing of information between a number of different databases from disparate remote sites and servers. Preliminary results of the pilot project will be available this summer.

With the exception of a few jurisdictions we have, today, the ability to communicate among jurisdictions and among disciplines. We are working hard to bring those jurisdictions who currently cannot communicate on-line with that capability. The recent resources made available through the Office of Domestic Preparedness will be instrumental in accomplishing that important step.

Additionally, we are working with our State and local partners to identify technological solutions that will enable us to more easily tie together the entire region. However, it is important to note that the communications challenge we face here in the NCR and in other regions around the country is more than just a technological challenge. We need to ensure that the protocol and communication planning that must accompany the technology also occurs. Clear identification of regional needs, the data that needs to be communicated, and how such communication occurs are as important to success as having the correct technology. We have made significant progress within the NCR in this area as well. A communication protocol has been developed and is in the process of being adopted by the local jurisdictions.

The Department of Homeland Security, through our Office of National Capital Region Coordination, is engaged on this issue and working with the State, local and federal jurisdictions to ensure the coordination, planning and

technology all come together so that our emergency responders can communicate.

#### Intelligence Analysis

- 16) You testified that the Information Analysis and Infrastructure Protection Directorate within DHS would have access to raw intelligence generated by other agencies because DHS analysts will be placed in and work on a day-to-day basis within the new Terrorist Threat Integration Center (TTIC). However, the Homeland Security Act – which was passed before the President announced his proposal for TTIC - provides the Secretary of Homeland Security with direct access to this information. By relying on TTIC for access to raw intelligence as well as analyses, how can you as Secretary of Homeland Security assure the Committee that you will have access to all of the information necessary to fulfill the Department's missions?

**ANSWER:** Within the DHS, the Information Analysis and Infrastructure Protection Directorate (IAIP) has robust, comprehensive and independent access, mandated by the President and in the law, to information relevant to homeland security. It has the mission to obtain information and intelligence, including through DHS components, analyze that data, and take action to protect against terrorist attacks. The IAIP's Information Analysis (IA) division has the ability to conduct its own, independent threat and other analysis, and to leverage the resources of other entities, such as the FBI, CIA, and TTIC, to manage protection of the homeland. IA analysts assigned to TTIC will ensure that information gathered by the TTIC will be known to and accessible by IAIP. Conversely, data gathered by DHS reaches TTIC and informs its work.

- 17) Why does the Administration believe it is better that you receive access to certain intelligence through TTIC, which reports to the Director of Central Intelligence, rather than rely on your own capacity to build effective relationships across the intelligence community, with other agencies, and with state and local entities?

**ANSWER:** The TTIC was intentionally placed in the reporting chain of the Director of Central Intelligence, since the entire intelligence community—not just CIA—is participating in the TTIC. The structure is likely to be more effective than any other construct—including the creation of a self-contained DHS all-source intelligence fusion center at DHS dependent upon multiple external agencies to forward their data. With all terrorism-related threat information coming into the TTIC from whatever source, and with the DHS' unfettered access to any of that data needed through DHS analysts at the TTIC, accountability is ensured. The structure will in no way interfere with the DHS', though IAIP, building of relationships with the rest of the intelligence community, other agencies and with state and local entities. In

fact, the TTIC is only responsible for disseminating its information to relevant agencies in the federal government. DHS is responsible for disseminating such information to state, local and private sector representatives, and is building relationships with those sectors to obtain terrorist threat-related data.

- 18) How many analysts from the Department of Homeland Security are currently at the TTIC? What is the staffing plan for the Center and how many analysts from DHS will that plan include?

*ANSWER:* At present, there are three IAIP representatives at the TTIC, and this number is intended to rise to five in the near future. Additionally, it is planned that representatives of other DHS components with intelligence gathering functions related to their specific law enforcement or other duties, specifically, components of the Border and Transportation Security Directorate (the Transportation Security Administration (TSA), the Bureau of Immigration and Customs Enforcement (ICE), and the Bureau of Customs and Border Protection (CBP)), the United States Secret Service (USSS), and the United States Coast Guard, will place representatives at the TTIC, coordinating through the IAIP. At present, there are TSA and USSS representatives (one from each agency) at the TTIC. Longer range staffing plans are under development.

- 19) What significant pieces of information and intelligence will TTIC receive that the CIA's Counter Terrorism Center (CTC) has not been receiving?

*ANSWER:* This question is more appropriately addressed to the Central Intelligence Agency.

- 20) You stated that you would be setting the intelligence requirements for the Terrorist Threat Integration Center (TTIC). Could you provide us with a fictitious example, so as not to reveal sources and methods, of the type of intelligence requirement with which you are tasking TTIC?

*ANSWER:* The DHS is a participant in the TTIC, through its IAIP, along with the rest of the Intelligence Community. No one entity alone will set requirements for TTIC. As stated above, the DHS' mission is focused on the protection of the American homeland against terrorist attack. This domestic focus means the IAIP is tasked to work closely with other U.S. Government components with both overseas and domestic-focused missions, to ensure unity of purpose and effort against terrorist threats worldwide. In addition to mapping terrorism threats to the homeland and carrying out its other duties, the IAIP will identify, detect and assess the nature and scope of terrorist threats to the homeland. Some of this work will be carried out by IAIP analysts who will be full participants in the TTIC. We have asked TTIC for threat information related to the operational capabilities of key terrorist groups

which will serve to inform our protective measures against critical infrastructure vulnerabilities.

A hypothetical example: DHS/IAIP receives data from the private sector indicating a "spike" in surveillance around chemical plants. IAIP would then task TTIC (the CIA and FBI) with reporting on any historical data they may have which might relate to terrorist intentions/capabilities in that area; and request tasking of assets for more data.

- 21) Is all information and intelligence at the TTIC available to DHS analysts there? Does that include raw intelligence? Is that same body of information and intelligence available to other DHS employees who are properly cleared and have a need to know but are not located at the TTIC?

**ANSWER:** If information from any source obtained by or analyzed at the TTIC represents a threat to homeland security, it will be passed to the IAIP. It may be further analyzed or reviewed at IAIP, and disseminated as appropriate. For example, if information coming from the work of the TTIC needs to be passed on to State and Local officials, the IAIP's presence at the TTIC will ensure that the information is passed by DHS in accordance with its specific responsibility for providing federally collected and analyzed homeland security information to first responders, state and local officials, and private sector contacts. Additionally, information from the TTIC will be just one of the many sources of federal, state and local, and private sector and critical infrastructure information available to the IAIP. The DHS will continue to work directly with the intelligence community and other appropriate entities to fulfill its unique mission of protecting the homeland.

- 22) Could you please specify in some detail the communication network that you currently have established with state and local governments?

**ANSWER:** The Office of State and Local Government Coordination (OSLGC) is engaged in communicating with State Homeland Security Advisors on a biweekly basis. The purpose of this conference call is to provide them with updates related to State and local programs and activities DHS is undertaking. OSLGC also actively communicates with State and Local Homeland Security Advisors via e-mail - we continuously send real-time press releases, FBI Bulletins, and other information that are intended to help the Advisors coordinate activities to protect our nation's citizens. The OSLGC also has a permanent desk at the Homeland Security Operations Center - State and Local Homeland Security Advisors have been provided with our direct phone number to the Center, offering a "one-stop-shop" point-of-contact to call into DHS with questions, comments, or concerns.

Terrorism Watch Lists

- 23) Earlier this week, the General Accounting Office reported that the federal government has not made any significant progress in consolidating some 12 terrorist watch lists maintained by nine different agencies. The President's National Strategy for Homeland Security stated that the FBI would be responsible for standardizing and consolidating watch lists. However, GAO reported that the Office of Homeland Security subsequently assumed the responsibility. In April 2003, GAO staff was informed by officials of the State Department and other agencies that responsibility would be shifted to the new TTIC. Please explain why DHS should not have primary responsibility consolidating these watch lists. Why has the Administration failed to make any significant progress on this issue since the President cited it as part of his national strategy?

*ANSWER:* A distinction needs to be made between the terms "database" and "watch list." A database is the storehouse of a large amount of data, while a watch list is an extracted portion of the database. The GAO is correct in its assessment that the government's approach to using watch lists is decentralized because the lists were developed in response to individual agencies unique missions. Those historical missions include the duties of the law enforcement and intelligence communities, and now include the mission to defend the homeland. The effort to consolidate and establish the connectivity of information contained in historical databases, from which watch lists may be generated, requires close coordination among my IAIP Directorate, several other Departments, the Terrorism Threat Integration Center, and the White House. Discussions among the interested parties to affect the sharing and consolidation of information are ongoing, and all parties are working to establish a timeframe and means for implementation.

**Post-Hearing Questions for the Record  
Submitted to Secretary Tom Ridge  
From Senator George Voinovich**

**“Investing in Homeland Security:  
Streamlining and Enhancing Homeland Security Grant Programs”**

**May 1, 2003**

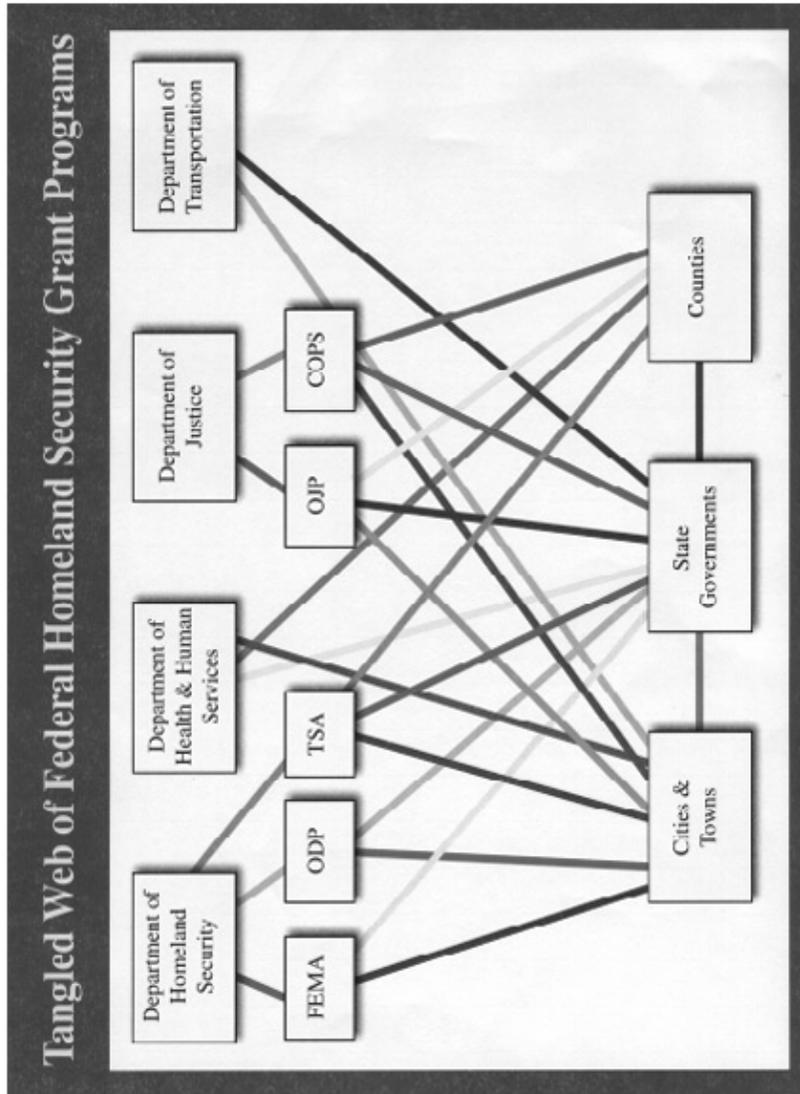
In the State of Ohio, the majority of threats lie within the six major Metropolitan Medical Response System (MMRS) cities. MMRS is a critical structure facilitating regional planning including emergency responders, public health officials, and hospitals from multi-jurisdictional areas. Currently, some homeland security funding is distributed to the counties using a population-based formula. Based on my conversations with local officials, first responders in Ohio have expressed the best way to prepare for a terrorist attack is through regional planning, which goes beyond county lines. I am concerned that the current funding formula is inflexible and does not allow our first responders to adequately meet the needs of our communities. Therefore, will the Department of Homeland Security create a better way to coordinate homeland security functions to strike the right balance between federal, state, regional, and local needs?

**ANSWER:** Building on the efforts of the White House Office of Homeland Security, the Department is creating a single entry point to address many of the homeland security concerns of our Governors, Mayors, and business leaders. The Office for State and Local Government Coordination, housed in the Office of the Secretary, will engage these interested parties and develop and sustain open channels of communication. DHS will also expect state homeland security plans and funding applications to appropriately provide for both regional and local needs.

As you know, Ohio, like all other states, is very regionalized. In fact, we have 88 different regions, which makes it difficult to plan for multi-jurisdictional, multi-agency events. The current grant distribution formula uses a base plus population methodology for distributing funds to our state and local governments. However, local officials in Ohio have expressed the need to design a new grant distribution formula based on a threat assessment within a specific area. Do you agree with this suggestion?

**ANSWER:** The current formula for the allocation of ODP funds to the states for the FY03 State Homeland Security Grant Program (SHSGP) I and SHSGP II was computed on a base, pursuant to the Patriot Act, plus a population formula. Starting in FY04, the Department will seek to make changes in how it distributes funding to the states. Each state and territory will continue to receive a base amount, but the balance of funds will utilize a multi-faceted formula, taking into account factors including threat and risk assessments, critical infrastructure of national importance, and population density.

Until the overall formula is changed, each state must take into consideration needs and capabilities when allocating their state funds to regions and local jurisdictions.



## **12 Steps for a State to Receive Homeland Security Dollars**

- Step 1. Develop multi-year homeland security plan with localities
- Step 2. Submit plan to Office for Domestic Preparedness' (ODP) approval
- Step 3. Once approved, State begins to implement plan
- Step 4. State becomes eligible for homeland security funds
- Step 5. State submits initial application for homeland security funds
- Step 6. Application reviewed by ODP
- Step 7. State negotiates with vendors to purchase equipment and training
- Step 8. State sends negotiated prices to ODP
- Step 9. ODP approves the application for the second time
- Step 10. State finalizes negotiations with vendors
- Step 11. State pays vendors and submits for reimbursement to ODP
- Step 12. State finally receives funding from ODP

Statement Submitted by: Hamilton County Fire Chiefs and Sycamore Township  
For the Senate Committee on Governmental Affairs Hearing on:  
"Investing in Homeland Security. Streamlining and Enhancing the Homeland Security Grant Program"  
May 1, 2003

Madam Chair and members of the committee, on behalf of the Hamilton County Fire Chiefs' and Sycamore Township I would like to offer the following statement for the hearing on Streamlining and Enhancing the Homeland Security Grant Program.

My remarks are about the regional issues that confront the Greater Cincinnati area, or the tri-state area of Kentucky, Ohio, and Indiana. The counties in Southwest Ohio all border each other with the western border of Indiana, Northern Kentucky to the south and Hamilton County in Ohio to the north. We currently share a regional hazardous materials unit and the Hamilton County Urban Search and Rescue team, which was developed for the Hamilton County Fire Chief's Association. This is now the State of Ohio's first strike force for response in the southwest corridor of the State and other regions of Ohio. Local and public funds have been used to sustain the operation of both units. In all cases, Hamilton County has been the lead agency proudly providing funding and staffing for both teams.

Today, we need funding for operational issues such as insurance costs for the replacement coverage we carry on equipment, worker's compensation, WMD training, and asset management. Asset management covers the repair of our fleet, maintenance of equipment issued to us from WMD grants, and the ongoing testing cycles required for the monitors, the suits, the respirators and other items covered under government compliance regulations. In order to be more effective regionally, we need to begin looking at issues such as additional vehicles, communications and the mobility of getting people to an incident scene so they can aid the incident commanders, fire chiefs and communities in their time of need.

We need help to move in the direction where all three states feed into a regional concept. One problem that exists in the new Homeland Security funding is that funds are directed to the states who are supposed to develop regional response teams and equipment. Each state has an emergency management agency that filters out funds to them. While the states are doing what they need to do in order to comply with the regulations for Homeland Security and WMD money, in some cases, duplications are occurring. The WMD strike forces, or response agencies, are duplications of a regional concept that is already in place. The need to develop teams in this area is important, but we must be cautious in moving forward so that the existing, accepted concept continues to be the model and continues to be the main adjunct for community services.

It would be remiss of me to say we do not need additional funds for the startup of new teams and for the agencies supplying personnel to those teams. However, I must also point out that the regional concept of the Greater Cincinnati Hazardous Materials Unit and the Hamilton County Urban Search & Rescue Team all came out of a need for communities to have an adjunct so that duplication efforts did not exist. One team needed to provide these services so that fire departments and communities did not have to invest additional dollars for responses.

In cases where teams are not needed, a local mechanism needs to be developed so that local EMA's and the state EMA's can properly fund and address the regional response criteria for sustaining an expansion of services in this area. We not only need the funding, we also need the legislation to allow this operability to occur. Governors for the states of Ohio, Kentucky, and Indiana have signed mutual aid agreements, but there are still problems with the legislation that allows the states to have interoperability under disaster terms. While we all act prudently, the law sometimes handcuffs us. We, therefore, need the Senate and the Congress to put into effect legislation that allows communities in tri-state areas to work together effectively on responses with full legal authority for the common goal. Each state has its own governance, each state has its own operational issues, but in the terms of Homeland Security and WMD events, we are under a new chapter regarding intra-state mutual aid.

The State of Ohio Fire Chiefs have put together a state wide mutual aid plan that would operate out of one phone number directed to the Columbus, Ohio dispatch. If a community needs additional fire resources

this one number is called and the necessary fire apparatus and EMS units can be dispatched to the scene so the disaster area is not depleted. A case in point is if an incident occurs in my jurisdiction and I need sustaining fire fighting support, I will make one phone call and I could receive 100 engines, 100 ladder trucks, and whatever EMS units and personnel I need to come to our scene.

The tri-state area of Ohio, Kentucky, and Indiana has worked together for a long time. History shows we have mitigated many disasters together. However, the time has come for us to create a new chapter in which the department of Homeland Security funds the far-reaching effects of regionalization. We need to minimize state bureaucracies. We need to create and preserve the future of our first responders by creating a funding stream that addresses this regional concept. Madam Chair, we need to think out of the box and address these kinds of issues that occur all over this country. The populace needs a blanket cover of resources and the knowledge that states are working together on this bi-partisan issue. If we come together under disaster services to mitigate a Homeland Security incident funding initiatives that will support the regional concept need to be in place.

There will be some duplication, but the object is to provide an effective resource so that all fire departments, all EMS services, all Police Agencies, and all first responders have the tools they need to do their jobs. I would like to suggest, Madam Chair, that this committee look at assessment areas, and that state EMA's report back to this committee after looking at the regional efforts, not only in the State of Ohio, but everywhere so we can join together as one nation since we all share these common problems of a regional approach.

I feel the regional approach is the best avenue we have in sharing not only personnel, but also local governments. When the Hamilton County Fire Chiefs created the Hamilton County USAR Team through a steering committee, 60% of the team's development and funding came from private sources. Another 40% came from two separate special grants from Hamilton County. A part of the equation not factored into these percentages is that many of the communities, cities, villages and townships in Hamilton County have lent personnel and trained personnel, at their own cost, to this process. The Greater Cincinnati Haz Mat unit was created 10 years ago as a non-profit organization contracting services with the counties in Northern Kentucky, Indiana and Ohio for the sole purpose of being a first response agency for hazardous materials incidents. Their funding comes from a per-populace charge of seventeen cents. This unit operates on less than \$200,000 a year and responds to a population of more than one million. Are there hazardous materials incidents every day? No. Are their structural collapse incidents every day? No. However, when those incidents do occur they are protracted over a period of time. They are sustained operations that need funding and initiatives and support from Homeland Security.

As we move into a new paradigm in our government and in our world, the first responders, firefighters, EMT's, paramedics and police officers of this country are your first line of defense. This regional approach is the answer to training more, developing more, and sharing more through all the communities in the tri-state area. The Greater Cincinnati area is not much different from any other area. We all share the same regional response problem. Therefore, Madam Chair, I ask that your committee look at the grant process and realize that it needs to get to the local level. It needs to get to the regional units in operation and to the new units starting up. We need to make it a fast track, and we need to make it effective and concise.

Pardon me for using the phrase "thinking out of the box", but firefighters, paramedics, EMT's and police officers think out of the box every day. If it weren't for their ingenuity, their integrity and their determination to complete the task at hand, our country would not be so well protected. These people provide you with the stamina and the guts to do the job every day. Now we need your help to move forward in a cohesive manner so that everyone can be secure, and the grants can have the most impact on communities without being hung up at the state level.

Thank you for allowing me to address this with you Madam Chair. Thank your honorable committee for their time and indulgence.

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