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COMBATTING TERRORISM: IMPROVING THE FEDERAL RESPONSE

JOINT HEARING

BEFORE THE

SUBCOMMITTEE ON NATIONAL SECURITY, VETERANS AFFAIRS AND INTERNATIONAL RELATIONS

AND THE

SUBCOMMITTEE ON THE CIVIL SERVICE, CENSUS AND AGENCY ORGANIZATION

OF THE

COMMITTEE ON GOVERNMENT REFORM

HOUSE OF REPRESENTATIVES

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COMBATTING TERRORISM: IMPROVING THE FEDERAL RESPONSE

TUESDAY, JUNE 11, 2002

HOUSE OF REPRESENTATIVES, SUBCOMMITTEE ON NATIONAL SECURITY, VETERANS AFFAIRS AND INTERNATIONAL RELATIONS, JOINT WITH THE SUBCOMMITTEE ON CIVIL SERVICE, CENSUS AND AGENCY ORGANIZATION, COMMITTEE ON GOVERNMENT REFORM,

Washington, DC.

The subcommittee met, pursuant to notice, at 9:30 a.m., in room 2154, Rayburn House Office Building, Hon. Christopher Shays (chairman of the Subcommittee on National Security, Veterans Affairs and International Relations) presiding.

Present from the Subcommittee on National Security, Veterans Affairs and International Relations: Representatives Shays, Putnam, Gilman, Lewis, Platts, Weldon, Otter, Kucinich, Tierney, Schakowsky, and Watson.

Present from the Subcommittee on Civil Service, Census and Agency Organization: Representatives Weldon, Morella, Souder, Otter, Davis, and Norton.

Staff present from Subcommittee on National Security, Veterans Affairs and International Relations: Lawrence J. Halloran, staff director and counsel; Dr. R. Nicholas Palarino, senior policy advisor; Thomas Costa, professional staff member; Jason M. Chung, clerk; David Rapallo and Tony Haywood, minority counsel; Michael Yeager, minority deputy chief counsel; and Jean Gosa and Earley Green, minority assistant clerks.

Staff present from Subcommittee on Civil Service, Census and Agency Organization: Garry M. Ewing, staff director; Chip Walker, professional staff member; and Scott Sadler, clerk.

Mr. SHAYS. I would like to call this hearing to order and to welcome our witnesses and our guests. This is a legislative hearing on H.R. 4660. None of our witnesses will be sworn in. It is a joint hearing with the Subcommittee on Civil Service, Census and Agency Organization with Dr. David Weldon, and he and I will be chairing this hearing. This is a hearing that we have been eager to have, and we are on our way.

And this morning we will hear from six Members of Congress, four from the House and two from the Senate. We are going to disburse with the opening statements of the Members until our legislative colleagues have made their statements and responded to our questions. Then we will have our statements before Warren Rudman who has appeared before this committee on a number of occa-

sions about this very issue: combatting terrorism, improving the Federal response, the reorganization of our government, to do that.

And we have before us the Honorable Mac Thornberry, the Honorable Jane Harman, the Honorable Jim Gibbons, the Honorable Ellen Tauscher, and the Honorable Joseph Lieberman, my colleague from Connecticut, and the Honorable Arlen Specter as well as our two Senate colleagues.

[The prepared statement of Hon. Christopher Shays follows:]

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Statement of Rep. Christopher Shays
June 10, 2002

In the course of twenty-seven hearings on terrorism, this Subcommittee has traveled the twisted bureaucratic byways and dead ends of our current homeland security structure. We saw duplication in research programs and a proliferation of narrowly focused counterterrorism efforts. We heard testimony on a crippling lack of coordination between more than one hundred federal departments, agencies, offices, task forces, steering committees and working groups attempting to protect America's people and property from catastrophic harm.

And we learned this hard fact: The menace of global terrorism respects no moral, legal or political boundaries. Terrorism cuts across Cold War jurisdictional stovepipes and turf boundaries as coldly and dangerously as a commercial aircraft cuts through a building.

In another age, in the face of another mortal challenge to our serenity and sovereignty, President Abraham Lincoln advised Congress, "The dogmas of the quiet past are inadequate to the stormy present. The occasion is piled high with difficulty, and we must rise with the occasion. As our case is new, so we must think anew, and act anew. We must disenthrall ourselves, and then we shall save our country." At this moment in history, saving our country requires bold action to reshape and refocus the instruments of government's most fundamental responsibility – defense of life and liberty.

Last week, the President proposed that bold action. Building on the work of three national commissions, and the work of thoughtful legislators like those on our first panel, the President asked us to establish a Department of Homeland Security with sufficient reach, strength, agility and efficiency to thwart any terrorist network.

The scope of the administration proposal reflects, and honors, the hard lessons learned at the World Trade Center, at the Pentagon, in a field outside Shanksville, Pennsylvania and in the caves of Afghanistan. It challenges us to think anew and act anew.

Yesterday's news should chasten anyone tempted to indulge the old habits of division and delay. That we captured a terrorist suspected of plotting to detonate a radiological device should sound an alarm. We are in a race against the terrorists who seek to use weapons of mass destruction against us. Each day, each hour, they get closer.

There is time for serious discussion and debate. There is no time for dilatory tactics or purely theoretical musings on the unintended consequences of prompt action. The consequences of inaction are intolerable.

As evidenced by our first panel, this effort is bipartisan. It is bicameral. And, I agree with the distinguished House Minority Leader: It can and should be done by September 11.

Mindful of the vigilance and sacrifices upon which we build, let the process to restructure our homeland defenses proceed with the urgency demanded by the challenge before us.

Mr. SHAYS. If we could close the doors, that would be helpful. And what we are going to do is we are going to have opening statements from our colleagues. This is not perfunctory. They are not in and out. Our colleagues will be responding to our questions. They have fought long and hard on this issue. They are experts on reorganization and we are eager to get their input. And we are just going to go down the row. Representative Thornberry.

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

Mr. THORNBERRY. Thank you, Mr. Chairman, and thank you for having me back. I remember very well in April 2001 appearing before your subcommittee to talk about this very issue. You and the members of this committee have really been out in the forefront in recognizing that we live in a different and, in some ways, sometimes more dangerous world and we have to reform government in order to meet those dangers and meet those challenges. And so I commend you and the members of this committee on your leadership.

Mr. Chairman, I would ask that my complete statement be made part of the record, and I would like to summarize without going through a lot of the history. Where we are is that the President has made a bold and I think well-considered proposal, and the ball is now in Congress's court. I have to admit that I have been working on this for about 1½ years, but I think the President's proposal is better than the bills that I have introduced, and it really advances the thought.

Let me make just a few points and I most eagerly would like to respond to your questions and comments. The first point I would like to make is that this proposal is well studied. There are some critics who seem to infer that this was four people in the middle of the night who all of a sudden came out with something.

The origins as far as I know go back to the Hart-Rudman Commission, and you will hear from Senator Rudman in a moment; but I think it is important for us to remember that in 1997, we in Congress passed into law authorization for this Commission to look at the broad range of security challenges over the next 20 and 30 years. And on this Commission were some of the most prominent, experienced Americans in issues of national security. In addition to Senators Rudman and Hart and our former colleague, Speaker Gingrich and our former colleague Lee Hamilton; it included people like Anne Armstrong, former counsel to the President and Ambassador to Great Britain; Norm Augustine, chairman of Lockheed Martin; John Galvin, the former CINC in Europe; Leslie Gelb, president of the Council on Foreign Relations; Jim Schlesinger, Secretary of Defense and Energy; Ambassador Andrew Young from the UN; and the others were just as prestigious.

They spent 3 years studying the broad range of national security issues. They said the No. 1 vulnerability we have got is homeland security, and what they said is we need to create a Department of Homeland Security, and they made the proposal.

I introduced the bill in March 2001, and you have spent time since then having hearings. Senator Lieberman's committee has had a number of hearings. The point is there has been lots of work

going into this proposal before now, and it is well studied and we have got to get the details right, but a lot of background work has been done.

The second point I want to make is that the need for this kind of reorganization I think is beyond question. I have been listening carefully to the comments made since the President's proposal and before. I don't hear anyone saying, no, I am satisfied with the current system, we can just rest with what we have and trust the security of our people to the current structures. Everybody agrees we have got to make changes. Everybody agrees 100 different agencies scattered around the government is unacceptable. They can't be coordinated. They don't have the right focus. Homeland security is not the kind of priority that it needs to be, and even the best efforts of Governor Ridge and 100 people in the White House cannot solve that problem. Everybody agrees that organization is needed, that it doesn't solve all the problems, but we must act.

The third point I want to make is that we must act, but this cannot and should not try to solve all of the problems with homeland security. I get a little frustrated with people who argue, well, this doesn't solve all the problems the FBI has; or what about the CIA difficulties? You cannot pass one bill that solves everything. What you can do is try to bring together different organizations that have a similar mission, make sure they are coordinated, have a similar focus, and some of my colleagues at the table are working with the Intelligence Committee to sort through some of those issues. Maybe we need to do something on the FBI, but we can't do everything in this bill. But that should not stop us from doing what we can.

And sometimes I am afraid that some of these excuses or things that this bill does not solve is really an excuse for inaction, and I think we have to be careful about that.

The last point I would like to make, Mr. Chairman, is that we must act and we must act quickly. As I say, the ball is in our court. I believe that minority leader Gephardt's call to have this passed by September 11th is right and good, and that ought to be our goal.

From the very beginning of this effort, this has been bipartisan in the Congress. My colleagues here at the table with me, I believe, have no differences of opinion. We have worked together every step of the way. And we have been bicameral as well. With Senators Lieberman, Specter, and Graham, we have worked language together. We have tried to make sure that it is as good as we can get it. And there is no reason in the world we should not continue to be bipartisan and bicameral. But there will be opponents and we have to be wary of those people who find excuses why this cannot happen.

Mr. Chairman, all of us woke up today with headlines in the Post about yet another attack against our country which we have successfully stopped, thank goodness. But this is what is at stake, this kind of attack using chemical, biological, nuclear weapons, radiological weapons, or some other kinds of suicide bombers, the kind we have seen. We must act quickly. Delay in passing this bill helps the terrorists, because it means we are unprepared that much

longer. So I want to urge that, while we are careful to do it right, we must also act promptly. The ball is in our court and history will be judging us on our actions.

Mr. SHAYS. Thank you, Representative Thornberry.

[The prepared statement of Hon. Mac Thornberry follows:]

Testimony of
Congressman Mac Thornberry

Hearing of the Subcommittee on National Security, Veterans Affairs, and International Relations of the House Committee on Government Reform U.S. House of Representatives

June 11, 2002

Mr. Chairman, Mr. Kucinich, and Members of the Subcommittee,

First, I want to thank you for asking me to be back with you and to commend you on your leadership.

I well remember testifying before you in April 2001 about what government organization could best protect our homeland. You have been out front in recognizing that we live in a different, often more dangerous world and that we need to modernize the arrangement of our government in order to meet these new challenges and new dangers. We are all thankful for your foresight.

A lot has happened since your hearing in April last year. In addition to your work, the Administration began to study how well we were equipped to deal with the threat of weapons of mass destruction last summer. We all hoped that we had time to gradually adjust to the changing world security environment. September 11 and the subsequent anthrax attacks ended those hopes and brought a new sense of urgency to act.

The President did act by appointing Governor Ridge and taking the war to the terrorists in their home base. The Congress acted by passing airline security legislation and by providing the funds needed for the war and for immediate homeland security measures. State and local governments,

as well as the private sector, acted to make us more prepared and more alert. But all of these actions were just first steps, and we all knew that more was needed.

Over the past few weeks and months, as Congress and the Administration have worked on further measures to strengthen homeland security, it has become increasingly obvious to virtually everyone that major reform of government organization was needed.

At your April 2001 hearing, I quoted from several reports by independent commissions, including the Commission on National Security/21st Century, better known as the Hart-Rudman Commission which found, "[i]n the face of this threat (to our homeland), our nation has no coherent or integrated governmental structures," as well as the report by the Commission to Assess the Organization of the Federal Government to Combat the Proliferation of Weapons of Mass Destruction (Deutsch Commission) which said that "a cardinal truth of government is that policy without proper organization is effectively no policy at all."

In addition to my original bill, H.R. 1158, a number of other proposals were introduced after September 11 to improve our security here at home. In April of 2002, we joined together and introduced virtually identical legislation in the House and Senate: H.R. 4660 by Ms. Harman, Ms. Tauscher, Mr. Gibbons and myself, and S. 2452 by Senators Lieberman, Specter, and Graham. As you know, Senator Lieberman's bill has been reported favorably out of his Committee.

Now the President has made a bold, well-considered proposal. He would create a new cabinet Department of Homeland Security. As with H.R. 1158 and H.R. 4660, the President's proposal would consolidate border security, emergency preparedness and response, and infrastructure protection. He has identified some other government offices to include as part of that consolidation that were not included in our bills. In addition, he has added intelligence analysis and countermeasures for weapons of mass destruction.

I have to admit, Mr. Chairman, that despite the fact that I have been working on this issue for a year and a half myself, the President's proposal is superior to the legislation I have introduced.

I would like to focus the rest of my remarks on four points, which I believe need to be made about the proposals:

1. This proposal is well-studied.

You may have heard some critics argue that the President's plan was hatched in the middle of the night, under cover of darkness, by four people who could not possibly know about all of the agencies covered by it. Of course, that all sounds dramatic, and it is true that the details and timing of exactly what the President would propose were closely guarded.

But we ought to remember that the proposal to create a new department of homeland security goes back to the Hart-Rudman Commission. That Commission was established by the Defense Authorization Act passed in 1997, at the urging of Speaker Gingrich and President Clinton. It included some of the most prominent, thoughtful, experienced Americans in national security:

Former U.S. Senator Gary Hart;
Former U.S. Senator Warren Rudman;
Former Speaker Newt Gingrich;
Our former colleague Lee Hamilton;
Ambassador Anne Armstrong, former presidential counselor and chair of the President's Foreign Intelligence Advisory Board;
Norm Augustine, former chairman of Lockheed Martin;
John Dancy, former NBC diplomatic correspondent;
General John Galvin, former Supreme Allied Commander in Europe;

Leslie Gelb, President of the Council on Foreign Relations;
Lionel Olmer, former Undersecretary of Commerce and staff member of PFIAB;
Donald Rice, former Secretary of the Air Force;
Jim Schlesinger, former Secretary of Defense and Secretary of Energy;
Admiral Harry Train, former CINC of Atlantic Command; and
Ambassador Andrew Young, former Ambassador to the United Nations.

This group spent three years looking at the security challenges that the United States will face over the next twenty to thirty years and found that our number one challenge was homeland security.

They then proposed bringing together some of the government agencies responsible for some of the critical functions of homeland security. Their final report was made public in February 2001, and I introduced H.R. 1158 the next month. In addition to this committee's work, Senator Lieberman's committee has held a number of hearings and reported out his bill in late May of 2002.

The point, Mr. Chairman, is that a lot of work and a lot of study has gone into this idea and these proposals. Of course, we must get the details right – or as right as possible – in whatever we pass. But much of the work has already been done.

2. The need for this kind of reorganization is almost beyond question.

I have tried to pay careful attention to all of the comments made about the President's proposal and about our legislation. I have not found anyone arguing that the current system is good and adequate to protect the American people. No one says that it makes sense to have major border security agencies in three or four different cabinet departments, or to have organizations designed to stop cyber terrorism scattered around different agencies.

We may hear different views on how to reorganize, but I do not believe that there is any real debate on whether to reorganize.

As General Charles Boyd, Executive Director of the Hart-Rudman Commission wrote in the Preface to the report, "Organizational reform is not a panacea. There is no perfect organizational design, no flawless managerial fix. . . . but poor organizational design can make good leaders less effective."

3. No legislation should try to solve all of the issues related to homeland security.

Perhaps because of the revelations about intelligence prior to September 11, some critics of the President's proposal attack it because it does not address all of the issues they want to address. Some seem to suggest that we should incorporate the FBI and CIA into the new Department of Homeland Security. Others want to bring in the National Guard.

The Administration identified more than 100 government offices that have some responsibility for homeland security. We cannot include them all in a new Department. Nor can we restructure them all in one piece of legislation. My colleagues who serve on the Judiciary Committees and the Intelligence Committees may well want to address reforms to the FBI and CIA. I have some thoughts about reforms in the Department of Defense to help it play a more effective supporting role for homeland security. But, those other reforms should take place in other legislation.

No reorganization bill is a magic answer to all of our problems. But creating a Department of Homeland Security with a clear focus and a direct chain of command can help make the country safer. And we should be wary of those who oppose the bill because it does not solve other problems.

4. Finally, and most importantly, Mr. Chairman, we must act and act quickly.

The President has made a bold, well-considered proposal. The ball is now clearly in Congress' court. I agree with Leader Gephardt and others who say that we should pass the needed legislation in time for the President to sign it into law by September 11, 2002.

From the very beginning, this effort has been bipartisan. There is too much at stake for any partisan bickering or attempts to point fingers or even to say "I told you so." This effort has also been bicameral. We have worked with Senator Lieberman, Senator Specter, Senator Graham and others on the language in our bills – all for a common purpose. I see no reason why we cannot continue to push forward in that same non-partisan, bicameral way.

There will be opponents. Some will argue we are consolidating too much; others too little. Some will make a list of problems that this proposal will not solve. Many will say they support the goal, but their particular agency is not quite right. Beware of excuses and exceptions, Mr. Chairman. No one – no Cabinet officer, no Committee chairman – should put his or her own personal interest or jurisdiction ahead of the security of the homeland. And that is exactly what is at stake.

It's hard to even talk about the stakes without appearing melodramatic. But, then again, all we have to do is to look at today's headlines. What we are talking about is doing everything we can to keep a nuclear weapon from going off in an American city, keeping some terrible disease from spreading before we can figure out what it is, keeping suicide bombers from our shopping malls.

Delay helps the terrorists because delay means that we will not be as prepared as we could be on the day when they strike again. We should have no patience for delay or for excuses. We should take advantage of the work which has been done and move ahead.

For those of us who have been pushing to reorganize our homeland security apparatus for some time now, this is a pivotal time because the President of the United States is on our side. But we should also not lose sight of the fact that history is on our side as well.

Just over 50 years ago, Harry Truman called on Congress to reorganize the country's national security structure by creating a new Department of Defense. President Truman's vision and the plan that Congress ultimately passed laid the foundation for the defeat of communism and the victory of freedom in the Cold War. We are at a similar, pivotal point today.

It is up to us to act. If Congress lets turf battles and jurisdictional disputes get in the way of reorganizing our government, it will have failed the American people.

-###-

Mr. SHAYS. Representative Harman.

STATEMENT OF HON. JANE HARMAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Ms. HARMAN. Thank you Mr. Chairman, and Chairman Weldon, for holding what I believe is the first hearing on a structure for homeland security since the administration unveiled its ambitious and bold proposal last Thursday. To you, Chairman Shays, I just congratulate you for a big year. Your name was on the campaign finance proposal that we finally passed recently, and I think you are one of the leaders in this House, along with many of us sitting before you on this issue as well. And you might get two goals this year. That is really big and it is a comment on your extraordinary talent and your leadership, and I just commend you for that.

Mr. Chairman, or Mr. Chairmen, we must remain focused on our goal, which is to prevent further terrorist attacks. As we talk about this legislation, the legislation pending before your committee and the new proposal by the administration, let us stay focused on the goal to prevent further terrorist attacks. As Representative Thornberry just mentioned, we had a great victory yesterday. The CIA and FBI worked closely together to prevent or to stop, disrupt, and take apart a plot perhaps to unleash a radiological bomb against our citizens. But we cannot be complacent that is the only plot that is out there. There may be more. And until we have a strategy and a coordinated means to prevent and disrupt these attacks on our homeland, we will continue to be vulnerable. So that is what we have to keep focused on.

To place this issue in context, as Mac Thornberry said, this new proposal that we are considering today along with the legislation pending in the subcommittee, borrows productively from many of the ideas that my colleagues and this committee have been considering. the basic idea that we need to do a threat assessment, develop and coordinate a homeland security strategy, is not new but it is urgent. I support the thrust of the President's proposal as introduced on Thursday, and I endorse the notion of leader Gephardt that we set September 11, 2002 as the target date for completing congressional action to fine-tune the concept and enact it into law. After all, Mr. Chairman, dedicated American workers have already removed all of the debris from Ground Zero ahead of schedule and they will complete repairs to the Pentagon ahead of schedule as well. In fact, I understand that today is the last day of work on the Pentagon and what remains only as a ceremony is to place one last block that survived from September 11, 2001 in place.

That is tremendous. Look what we accomplished. Doesn't it make sense that we set an ambitious goal here, too, to complete this work, perhaps to pass the conference report in our extraordinary session set in New York City on September 6, and then to sign this bill into law, to be present when our President signs this bill into law on September 11, 2002, at the Pentagon? It seems to me it would be the most fitting tribute to those killed at the World Trade Center, at the Pentagon, and those who courageously died in Pennsylvania if our government could act in a bipartisan fashion so quickly to protect the rest of the Nation.

A number of ideas underlying the President's proposal are not new, as I mentioned. Pre-September 11th, Speaker Hastert set up a Working Group on Terrorism and Homeland Security on which my colleague Jim Gibbons serves and on which I am the ranking member. We were charged with assessing the capability and performance of the intelligence agencies to prevent attacks. Many of our ideas were included in last year's intelligence authorization bill, more will be in this year's, and we will release a preliminary report on our findings soon.

Over the last half decade, as Mac Thornberry mentioned, there have been several major commissions. There was the Hart-Rudman Commission, and we will hear from Senator Rudman. There was the Gilmore Commission which is still in service. Congress has extended it a third time to cover additional work. And there was the Commission on Terrorism, also called the Bremmer Commission, on which I served. All of them did good work. All of them warned of imminent major attacks on the homeland and proposed legal and structural changes; alas, too few of which were actually implemented pre-September 11th. But although we have been working on this for awhile, the form for this new proposal by the President is different from many of the previous proposals that have been made.

H.R. 4660, which is pending before your committee and which is cosponsored by all of us sitting up here, of which the companion version exists in the Senate, offered by Senator Lieberman, is different from H.R. 4660. In our proposal—is different from the President's proposal. In H.R. 4660, we would put authority in a White House-coordinated position, which would have statutory and budgetary authority over homeland security strategy, and then we would set up a separate department. The administration would put most of that authority in a separate department. But as far as I am concerned, I agree with Mac Thornberry that either way is acceptable and we can work with the administration's proposal as our base.

I see my time is up, and I want to touch on three other points.

First of all, we must acknowledge that we don't have all the answers. Many of them reside in the private sector. Ninety percent of our critical infrastructure is owned by the private structure, and they have significant experience, more than our government does with reorganizational measures. But there are many pluses in the administration's plan, particularly that it is bold and innovative. There are also many minuses which I am sure will come out as we talk about this further. They can be dealt with. We can do this. We must do this. It is critical to protect against the next wave of attacks.

Mr. SHAYS. Thank you.

Representative Gibbons, I am calling on you next, but I want to thank our Senators for allowing the House Members their opportunity to talk about the legislation, as according to protocol, and appreciate your patience. Representative Gibbons.

STATEMENT OF HON. JIM GIBBONS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEVADA

Mr. GIBBONS. Thank you very much, Mr. Chairman and members of the committee, and again thank you for having a hearing on what I believe is the most important if not the most historic reorganization of American government since 1947. It is indeed a privilege to be here, and i ask unanimous consent that my full and complete written testimony be entered into the record. I will attempt to summarize my thoughts briefly in the time allowed.

Mr. Chairman, this is the 9-month anniversary of September 11th, the attack on the World Trade Center, the Pentagon and, unfortunately, the barren fields in Pennsylvania. This country has come together as a united country, more so today than at any time I can remember ,and rightfully so. Too often we forget and lose sight of the freedoms that we have in this country as a result of the efforts of many of our men and women who serve in our Armed Forces, and we must never forget that.

Mr. Chairman, let me also say that September 11th did not necessarily change the minds of what we were saying prior to September 11th, but September 11th changed who was listening. And now we have an opportunity to move forward, I think, and protect and provide for the American people an opportunity to give them greater security than we have had since—at any time that we have addressed the issue of terrorism.

I was privileged and honored to be with my colleagues, who are sitting here at this table, in a meeting with the President and Vice President and Governor Tom Ridge last Friday when we discussed this. And out of that meeting came I think uniform agreement that we have to move forward on this issue and we have to move forward quickly. And most importantly, Mr. Chairman, the American public needs this kind of legislation. We cannot afford to let another well-intended idea get dragged down by the weight of bureaucracy. I believe the citizens of America deserve better than that.

And as the vice chairman of the Terrorism and Homeland Security Subcommittee that my colleague Jane Harman and I both sit on, there has been a recurring theme that has been brought to us time and time again, and that is the failure or the lack of ability to share information. The so-called Phoenix memo that we have read about and heard so much about is a perfect example. Those in charge of connecting the dots do not always get the dots connected to form a complete picture. Mr. Chairman, let me express this as an idea. It is as if we had a large puzzle all broken up and put in a big box, and each agency reaches in and grabs a handful of those parts of that puzzle and goes off to their separate offices, whether it is the CIA, the FBI, the Border Patrol, the INS, Customs, you name it; they are in different rooms, different offices, trying to put together a part of a puzzle, but they don't have the big picture.

We need to break down those walls and allow for them to see what each other's information and intelligence is providing to give us a uniform picture, the information that we need to be able to stop future terrorist attacks. The stovepiped information or the

failure to share information between agencies has got to stop, and this legislation I believe will help arrange that.

This Congress should have no higher priority to the American public than to pass this legislation. But there are a few questions that should be addressed and should be answered in the meantime. I would like to suggest that we need to find out how the new Secretary of Homeland Security will obtain key information from other agencies like the FBI, like the CIA. And will he be able to task those agencies for that information? And will he receive the same briefings that the President of the United States receives?

We must answer these questions, Mr. Chairman, and I believe that as we work this through legislation through Congress we can get those questions asked. And I believe also that the Director of Homeland Security must ensure both horizontal and vertical integration of that intelligence information, and I include vertical all the way down to the first responders, those individuals in our State and local government that have to respond to these incidents at the first occurrence.

Mr. Chairman, those are some of the ideas and I believe that we have had historically other opportunities. We have had a drug czar that has failed because of bureaucracy to actually get a strong foothold on America's drug problem. I do not want this Agency and this issue to meet the same result.

Let me cite one little quick quote from the Boston Globe. Mr. Ash Carter once noted that the White House czars have been historically toothless, unable to control activities of Cabinet and bureaucracies. To be effective as homeland security czar, Ridge will need influence over budget. As my colleague Ms. Harman and, of course, Mac Thornberry have already said, H.R. 4660 gives the director real teeth in granting him authority to approve or reject budgets that pertain to homeland security. And I think this is critical. And as part of the $38 billion budget that we are going to address and spend on homeland security, it is important to give some oversight authority to Congress to make sure that the money is spent well.

With that, Mr. Chairman, my time is up. I do again want to thank you for the opportunity to be here to testify on this historic piece of legislation. Thank you.

Mr. SHAYS. Thank you, Representative Gibbons.

[The prepared statement of Hon. Jim Gibbons follows:]

Testimony Before the House Government Reform Subcommittee on National Security

H.R. 4660, the National Homeland Security and Combating Terrorism Act of 2002

U.S. Congressman Jim Gibbons

June 11, 2002

Thank you, Mr. Chairman … and I would like to thank the Committee for the opportunity to testify on behalf of H.R. 4660, *the National Homeland Security and Combating Terrorism Act of 2002.*

Ladies and Gentlemen, today is the 9-month anniversary of the most horrific terrorist attack in this nation's history.

Since September 11th, this country has unified - both at home, and abroad - to better prepare our nation for the new security challenges that will face us for years to come.

Here at home, we oftentimes take for granted the liberty and freedom we are provided by our service men and women, as well as the strength and wealth of our nation.

To a great extent, September 11th changed all that. Most Americans recognize that we must now prepare ourselves, and generations of Americans to follow, for the challenges and threats that we now know to well exist.

Last Friday, I was part of a bipartisan, bicameral meeting at the White House with the President, Vice President, and Governor Ridge … to discuss the future of our nation's homeland security.

The meeting ended with some general agreements – many of which are outlined in the legislation before us today.

As I have advocated since October 4th of last year, when Congresswoman Jane Harman and I introduced legislation to give cabinet-level status and budgetary authority to the Homeland Security office, this Congress must give Tom Ridge and his successors the ability to succeed in their role as Director of Homeland Security.

But not only does the Administration need this authority, Congress does as well. In the coming weeks, we must work to craft a bill that will allow Congress to maintain the statutory oversight necessary to maintain our role and responsibility.

And most importantly, the American public needs this legislation. We cannot afford to let this office be another well-intended idea that gets dragged down by the weight of bureaucracy.

American citizens deserve better.

As Vice-Chairman of the Terrorism and Homeland Security Subcommittee, a recurring theme in our hearings has been the lack of information sharing between agencies.

The so-called "Phoenix Memo" is a perfect example. Those in charge of connecting the dots do not always get all the dots to connect to form a complete picture.

The FBI may connect some dots, the CIA may connect some dots, and the Border Patrol, INS and Customs may connect some dots, but if all our efforts still fail to present a complete picture, we may face a tragedy equivalent to – *or perhaps worse* – than those of September 11.

This "stove-piped" information-sharing has got to stop. Never before in our nation's history has communication-sharing among our national security agencies been as imperative as it is today.

This Congress has no higher priority between now and the end of this session than to give our nation one single agency whose number one goal and priority is to protect our homeland.

One key issue that must be worked out is how the new Secretary of Homeland Security will obtain key information from other agencies like the FBI or CIA.

Will the Secretary be able to "task" other agencies for information? Will the Secretary receive the same briefings the President receives? Mr. Chairman, we must have answers to these questions as we work this legislation through Congress.

Furthermore, the Secretary of Homeland Security must ensure both horizontal and vertical integration. That way, we can ensure we have the right organizations receiving critical information – and that the information is shared all the way down to the first responder.

The first responders are the people who play key roles in protecting the communities in which they serve.

Our police, firefighters and medical personnel must be informed of threats that exist within their communities so that they are able to prepare and protect the communities which they serve.

Perhaps the most important provision included in the legislation before us today is the budgetary authority granted to the Director of Homeland Security.

The Director needs more than a good personality and a strong commitment to work with others in order to do the job at hand.

As Ash Carter of the Boston Globe recently noted: "White House czars have historically been toothless … unable to control the activities of Cabinet bureaucracies. To be effective as homeland security czar, Ridge will need … influence over the budgets."

H.R. 4660 gives the Director of Homeland Defense real "teeth" by granting him the authority to approve or reject any budget that pertains to Homeland Security Strategy in collaboration with the Office of Management and Budget.

This means, the Homeland Security Advisor to the President can look into the budget for all agencies that play a role in Homeland Security.

If the Advisor determines there is inadequate funding for a specific action or priority that must be taken, they can submit a statement of proposed funding and any specific initiatives, which permit implementation by the agency.

Currently, Mr. Chairman, our homeland security budget reflects a lack of coherency. Next year, the federal government will spend nearly **$38 BILLION** on homeland security.

Under the budget approved by the House, 22 percent of this money will be spent by the DoD, 20 percent will be spent by the Transportation Department, 19 percent will be spent by the Justice Department, and 12 percent will be spent by the Health and Human Services Department.

The remaining 27 percent will be divided among other agencies with a piece of the homeland security pie.

It is imperative that Congress create a single, comprehensive agency to take charge of finding duplications or gaps in how taxpayer money is spent.

If Congress wants to ask the Administration how it plans to spend this money, it has essentially two choices.

First, call up all of the Cabinet secretaries who control some portion of these programs to testify, or second reorganize government in a way that makes it more accountable in preserving the security of our homeland.

This bill does that - and that is why I am here to express support not only for the legislation before this committee today … but to express the need for the goals that this legislation outlines, as we proceed in the crafting of this new Department within our Executive Branch.

In closing, I want to commend President Bush and Governor Ridge.

Together, they have carefully crafted a proposal, with the help of some select Members of Congress, that will adequately and responsibly steer this country in a direction we must now take … and they have done it while directing an unprecedented war against terrorism

Not an easy task, Mr. Chairman.

H.R. 4660 will give our new Director of Homeland Defense - and those who will follow - the authority and flexibility needed to ensure the protection of our homeland.

I look forward to working with each of you as we work to implement the goals outlined in this legislation.

And I am confident that we can put our differences and egos aside in creating and make the changes that the President asked for by the end of this Congress.

Mr. Chairman, I thank you for this opportunity.

Mr. SHAYS. Representative Tauscher.

STATEMENT OF HON. ELLEN O. TAUSCHER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mrs. TAUSCHER. Thank you, Mr. Chairman. I am always happy to use Senator Lieberman's microphone. Thank you, Mr. Chairman. Thank you for inviting me to testify today and thank you to all my colleagues for your attention to this issue that I know you have been working on as well as those colleagues at the table to make sure that we can work on behalf of the American people to create the opportunity to make these urgent steps that our Nation must take to better face the threat of terrorism a reality in the not-too-distant future.

I would also like to recognize the strong leadership of my colleagues at the table, including Senator Lieberman whose tireless efforts led to the Government Affairs Committee in the Senate to pass out a bill recently, and to Congressman Thornberry for spearheading this effort in the House through a number of different versions.

Mr. Chairman, the American people are waiting and watching as well as our allies and adversaries are waiting and watching. I think the President did a take a very bold step on Thursday, but I think it is important now, as he said on Thursday, that this is now something that only the U.S. Congress can do to create a new Department of Homeland Security. None of the turf fights or Federal or congressional restructuring that the creation of a new Agency will entail are going to be easy. We all recognize that. But we have a golden opportunity, now that the President has articulated his agenda, to defend the homeland, and Congress is ready to meet him with enabling legislation my colleagues and I have offered.

We would be wise to explore all options, including establishing a special committee on homeland security before embracing or dismissing any possible reform. Congress cannot get bogged down in petty jurisdictional fights that would delay the process. While on a number of occasions Congress is forced to be a reactive body, homeland security reform is one area that Congress is ahead of the curve. Over the last several years, a number of congressionally mandated panels have called to attention the growing type of terrorist threats to our homeland. We know about the Gilmore Commission. We know about the Hart-Rudman Commission. We will hear from Senator Rudman in a few minutes.

It is those recommendations on which the legislation that I and my colleagues, Mac Thornberry, Jane Harman, and Jim Gibbons introduced several weeks ago, all of these different commissions, this legislation is based.

I emphasize one point Mr. Chairman: The bills in Congress and the President's call to action are not a knee-jerk reaction. They are based on longstanding recommendations by the Intelligence and National Security Communities. The current system, as we know, is unworkable. We need to act. And I applaud Minority Leader Gephardt's suggestion that we work as fast as possible and as closely together as we can, because this has always been a bipartisan bicameral opportunity from the very beginning that we work with the administration to get something done that we can present

to the American people that can be signed on or before September 11, 2002.

I have a little interesting local issue that I have to talk about briefly, because it is important that Congress pay attention to the science issues and that we pay close attention to the opportunity to galvanize the many different specialities that we have across the country that the government controls, including the national labs.

In the President's proposal, the entire Lawrence Livermore National Laboratory, which is in my district, would become part of the new Agency, even though only a small fraction of the work they do is relevant to homeland security. As everyone knows, Lawrence Livermore and Los Alamos Labs are the two national nuclear labs and they are responsible for stockpile stewardship and our nuclear defense deterrent. In our bill as it currently stands, there would be a liaison in the new Agency who would be responsible for making sure the labs work in their expertise; like the anthrax killing foam they invented a decade ago would be well known to all different agencies.

As this new Agency takes form, I look forward to working with the administration and this committee to figure out the best way to use the expertise of all of our country's nuclear weapons labs and all of the science and technology opportunities to make sure we can protect the American people.

I thank the Chair for holding this hearing today to get the ball rolling and I look forward to any kind of questions the committee has. And I especially look forward to working with all of us to make sure we can protect the American people from future attacks. Thank you, Mr. Chairman.

Mr. SHAYS. Thank you, Representative Tauscher.

[The prepared statement of Hon. Ellen O. Tauscher follows:]

Rep. Ellen O. Tauscher
Statement for the Record
House Government Reform Committee
Subcommittee on National Security, Veterans Affairs and International Relations
"Combating Terrorism: Improving the Federal Response"

Mr. Chairman:

I would like to thank you and Ranking Member Kucinich for inviting me to testify today on behalf of the urgent steps our nation must take to better face the threat of terrorism.

I would also like to recognize the strong leadership of my colleagues, especially Senator Lieberman, whose tireless efforts led to the Governmental Affairs Committee passing legislation to establish a Department of National Homeland Security, and Congressman Thornberry, for spearheading this effort in the House through a number of different versions.

From the very beginning last September, our efforts in Congress to streamline the current bureaucracy into a new agency that can better coordinate and provide security for the American people have been both bipartisan and bicameral.

This is no small point.

In his remarks to the nation last week, the President was clear about what we need to do, saying: "Only the United States Congress can create a new department of government."

None of the turf fights or federal and congressional restructuring that the creation of the new agency will entail are going to be easy.

But we have a golden opportunity now that the President has articulated his agenda to defend the homeland.

And Congress is ready to meet him with the enabling legislation my colleagues and I have offered.

We would be wise to explore all options, including establishing a special committee on homeland security, before embracing or dismissing any possible reform.

Congress cannot get bogged down in petty jurisdictional fights that would only delay the process.

While on a number of occasions Congress is forced to be a reactive body, homeland security reform is one area where Congress is ahead of the curve.

Over the past several years, a number of congressionally mandated panels have called attention to the growing terrorist threats to our homeland.

The Gilmore Commission asserted in December 2000 that "the United States has no coherent functional national strategy for combating terrorism."

A year later, the Hart-Rudman report concluded that "the President should propose, and Congress should agree to create, a National Homeland Security Agency with responsibility for planning, coordinating, and integrating various U.S. government activities involved in homeland security."

It is those recommendations on which the legislation that I and my colleagues Mac Thornberry, Jane Harman and Jim Gibbons introduced several weeks ago, is based.

And I emphasize this point: the bills in Congress and the President's call to action are not knee-jerk reactions.

They are based on long-standing recommendations by the intelligence and national security communities.

The current system is unworkable: It simply does not make sense to have more than 40 government agencies responsible for counter-terrorism and protecting 350 official points of entry.

By transferring FEMA, Customs, the law enforcement portions of the INS, the Coast Guard, and parts of the Commerce Department and F.B.I. to a new agency in charge of homeland security, we will focus our counter-terrorism efforts and make them exponentially more effective.

The President's proposal tracks our legislation and adds several entities such as the Transportation Security Agency and an intelligence and threat analysis component.

I am also pleased that there are plans to include a strong science component in the new agency that would pull together the critical counter-terrorism technology available at our national laboratories.

It's important that Congress pay close attention to this component.

In the President's proposal, the entire Lawrence Livermore National Laboratory would become part of the new agency, even though only a small fraction of the work they do is relevant to homeland security.

In our bill, as it currently stands, there would be a liaison in the new agency who would know all about the labs' work, like the anthrax killing foam they invented a decade ago, and all that they are capable of.

As this new agency takes form, I look forward to working with the administration and this committee to figure out the best way to use the expertise at all of our country's national nuclear labs.

I thank the chair for holding this hearing today to get the ball rolling on this and I look forward to any questions the committee might have.

Mr. SHAYS. The four of you House Members represent real heroes to this committee. You have been working on this issue pre-September 11th. You have been patient in waiting for this committee to conduct our hearing on your legislation, which we appreciate; and I just want you to know that we look forward to the dialog that will take place between the members on this committee and the panel, and to say as well to any Member who just came in, we are going to keep our opening statements—we are going to share opening statements before Warren Rudman, but after this panel has left.

And now to our colleagues from the Senate: Senator Lieberman, you are obviously a friend and someone we admire deeply from Connecticut, obviously, so delighted you are here.

And, Arlen Specter, you have been on this issue as well for so many years. It is exciting to think that Republicans and Democrats and House and Senate can work so closely on this issue, and it speaks well I think for the outcome.

Mr. SHAYS. Senator, Lieberman, welcome. You have the floor.

STATEMENT OF HON. JOSEPH LIEBERMAN, A U.S. SENATOR FROM THE STATE OF CONNECTICUT

Senator LIEBERMAN. Thank you, Mr. Chairman, and thanks for your leadership on this issue. I agree with you, this is a group that you see before you, bipartisan, bicameral, that has been working together now for several months on the question of homeland security. And it is both a measure of the significance of the challenge we face and of our capacity to do here on homeland security what we have done at our best when it comes to international security, which is to leave partisanship at the borders.

Now that we have been struck within our borders, it is appropriate for us to leave bipartisanship aside generally, and achieve what is in the interest of the security of the American people.

Mr. Chairman, I have a statement which I would ask be included in the record, and I just want to speak with you generally about where I think we are now. To say the obvious, American history changed on September 11th. The unique security that we enjoyed over most of the preceding centuries of our history because of geography, particularly the oceans, was broken with devastating impact by the terrorists who acted that day and showed us with painful reality that no matter how strong we are—and we are, of course, the strongest Nation in the history of the world—if people have no regard for their own lives, let alone the lives of others, they can still do us damage.

So we are challenged now to reach for our strength and to utilize it to defend against attacks of this kind in the future. And I for one do not accept as inevitable that there will be another September 11th-type attack. I think we have it within our capacity, if we organize ourselves, to prevent such attacks from occurring again. That certainly should be our goal.

Mr. Chairman, as has been stated by my colleagues here on the panel, there were many who were warning us about exactly the kind of attack that occurred on September 11th, long before September 11th. Senators Warren Rudman and Gary Hart in some ways, sadly, may be considered the Paul Reveres of our age be-

cause they were saying to us, very loudly, the terrorists are coming. Unfortunately, we didn't listen to them in time.

Last September, toward the end of the month, after the attacks of September 11th, the Senate Governmental Affairs Committee held a hearing, and Warren Rudman and Gary Hart were there and they testified along with others. Senator Specter and I put together a bill that basically incorporates their proposal. Over time, we joined with our colleagues here in the House, and later we joined Senator Specter with Senator Graham who had a different proposal, put it together, and in fact that was reported out of the Senate Governmental Affairs Committee just about 3 weeks ago.

But the significant development was the one that occurred last week when President Bush embraced the ideas in our bill, most of them, certainly those regarding the Department of Homeland Security, and added additional ideas of his own which I think overall strengthened the proposal. So the challenge is now ours to act on this, as my colleagues have said, in a timely way.

I want to make a few points about where we are and about the President's proposal particularly. It seems to me, as others have said, Congressman Gibbons and others, that as we learn more about what happened prior to September 11th that created the vulnerability that the terrorists took advantage of, that clearly the lack of coordination of intelligence, both domestic and foreign, is part of what created that vulnerability. We cannot let that happen again.

In the President's proposal there seems to be a kind of clearinghouse within the Department of Homeland Security for intelligence from different sources. I think all of us have to ask whether that is enough, whether we need to put more authority either in the Secretary of Homeland Security or in another office in the White House—such as the Senate bill has—to, if you will, demand the kind of coordination of intelligence resources that is the best security that we will have.

The experts on counterterrorism will always tell you that the best defense, if you will, here is an offense; and that is the best intelligence, so that we can know what the terrorists are planning so that we can stop them before they strike, as we successfully did with Mr. Muhajir when we arrested him at O'Hare Airport about a month ago.

I want to say that I hope that at some point, although probably not in our consideration in establishment of this department this year—because I think it is too big a step to take—that we consider whether either the entire FBI or parts of it involved now in domestic intelligence, quite appropriately, ought to become part of the Department of Homeland Security. I raise the question and suggest that is maybe more than we can bite off and absorb this year.

Second, I want to stress very briefly the importance of the new Department of Homeland Security coordinating and making as one force the hundreds of thousands of local police officers, firefighters, emergency public health officials. They are our eyes and ears out there. They can be critically important, not just in the emergency response function, but in the preventive intelligence function, and we have got to make adequate use of them.

Third, if I may hold up a warning flag very briefly, there is language in the President's document put out last week that suggests a kind of broad civil service reform in the director—in the Secretary of Homeland Security. This has aroused fears that I have already heard, perhaps some of you have already heard, from Federal employee organizations about the possibility that this department and this legislation that we are considering may be used to diminish the collective bargaining rights of Federal employees. That is a battle we cannot get into as we adopt this department. Members of Congress have different points of view on it. It is an issue to be joined at some point.

I just want to say to my colleagues, let us not get trapped into that particular web, because it will tie us up so much that we may lose sight of the main goal here.

Finally, to say what I think we all feel, this piece of legislation may be the most important work that any of us ever does in our service in Congress. It is that important. And I pledge to you, Mr. Chairman and my colleagues in the House, the fullest cooperation as we work together to get this right and to do it as quickly as possible.

Thank you.

Mr. SHAYS. Thank you Senator Lieberman, a great deal. Thank you.

Senator Specter, you are the clean-up hitter.

STATEMENT OF HON. ARLEN SPECTER, A U.S. SENATOR FROM THE STATE OF PENNSYLVANIA

Senator SPECTER. Thank you, Mr. Chairman. I commend you and this distinguished committee for moving ahead so promptly on this important subject.

Mr. SHAYS. You have such a voice. Could you just tap the mic and see if it works?

Senator SPECTER. I now see a green light so I will proceed.

Thank you, Mr. Chairman, for your leadership in proceeding so promptly on this very important subject, and I appreciate the opportunity to appear here today. The issue of homeland security is developing more complex ramifications each day and, as this committee considers the restructuring of government, we now see that it is going to be necessary to reexamine some of our substantive laws with the disclosure yesterday of the arrest of Abdullah al Muhajir as an enemy combatant; and noting the intention of civilians John Walker Lindh and Yaser Esam Hamdi, the Congress under the Constitution has the authority to establish military tribunals and to establish the structure as to how these issues are to be handled.

And while it is true that the Supreme Court of the United States decided during World War II that petitioner Haupt, a U.S. citizen, was classified as an enemy belligerent, and now we have Abdullah al Muhajir classified as an enemy combatant, I suggest to this committee that we are going to have to take a look at the substantive rules to see what our public policy ought to be on these prosecutions. That is a broader subject. And I note that the Attorney General did not notify at least the Senate Judiciary Committee, neither the chairman nor the ranking member, as to this detention. And

I do believe that it would be useful to get the institutional wisdom of committees on both sides of our bicameral structure to have some assistance, but I suggest we need to take that question up.

I do not challenge what Attorney General Ashcroft has done in detaining this man who was a real menace, but I do believe these are basic policy considerations that ought to be considered by the Congress.

With respect to the restructuring of government, Senator Lieberman and Senator Graham and I have offered legislation on this subject, but as the picture is unfolding, it is a great deal more complicated than picking up the Border Patrol, Coast Guard. And FEMA and a variety of agencies. We are now looking at some really very, very difficult problems with the CIA and FBI and what we have seen last week with the disclosures of Agent Colleen Rowley about the Zacarias Moussaoui case where the FBI used the wrong standard on going for a warrant under the Foreign Intelligence Surveillance Act and the U.S. attorney in Minnesota thought they needed a 75 to 80 percent probability, and Colleen Rowley talked about preponderance of evidence more likely than not 51 percent, that is simply not the law.

So there is going to have to be in a new Agency, an authority to dig down and see what is going on. And on the Phoenix memo, without dwelling unduly there, there is a very tough matter here about what we all know has been categorized as the culture of concealment.

And two very brief references to what I have seen. The Governmental Affairs Committee in investigating campaign finance reform in 1997 asked the FBI for some material. They said they didn't have it; and then we found that in the CIA records that the FBI had turned over to the CIA, and either the FBI didn't know they had it or they were not forthcoming. I commented on that at some length in the Congressional Record on September 16, 1997.

And one brief comment about the CIA. When I chaired the Intelligence Committee during the 104th Congress, I saw many, many instances, but one I will describe within a minute, and that is a 40-year veteran in the CIA had turned over tainted materials which came from the Soviet Union; that is, they were doctored and he knew that, and he made those available on January 13 to both President Bush and President-elect Clinton. And when asked why he did that—incredible story—he said he didn't tell them it was tainted because if he did, they wouldn't use it. And the next question was: How do you know it was reliable? He said, I know it is reliable because of my experience. And incredibly, he would turn it over to the highest levels of government.

I haven't given you the whole story, but it is an illustration as to an attitude which simply has to be dealt with and how we are going to deal with it is a matter of enormous difficulty. One of the ideas which Senator Lieberman, Senator Graham, and I have been working on is to have somewhere what might be called a "national terrorism assessment center" which would have information compiled by all the intelligence agencies—FBI, CIA, NSA, DIA, State, INS, Justice, Customs, the whole works—so that at one point, there is a repository for all of the information to be analyzed. Because had all of the information been available as to what Murad,

the Pakistani terrorist connected with al Qaeda, talked about going into the CIA headquarters and the White House, and had we followed Moussaoui and gotten into his computer, and had the Phoenix memorandum all been put together, my judgment is there was a veritable blueprint in advance of September 11th.

And Senator Graham has testified further, using the connecting the dots technology, that those items and others are only part of the picture. He knows a great deal more. So we have a very heavy responsibility, and I am delighted to see this committee working on it so promptly. Thank you, Mr. Chairman.

Mr. SHAYS. Thank you, Senator Specter.

We are just going to right directly to questions, not statements. But I would like to just acknowledge the Members that are present: Mr. Gilman, Mr. Souder, Mr. Lewis, Dr. Weldon, Mr. Putnam, Mr. Otter on the Republican side; and on the Democratic side we have Mr. Kucinich, the ranking member of this committee; we have Ms. Schakowsky, Ms. Norton, Mr. Tierney and Ms. Watson.

We usually do 10 minutes per question and we are going to do 5 minutes, given the number of Members. I am going to suggest that if a number of Members are going to respond and others want to jump in, we might have leeway in the 5-minute rule and that will be my judgment. I will try to be fair about it. So we will start with you, Dr. Weldon.

Dr. WELDON. I thank my colleague, and I certainly want to join with the others for commending him on the leadership he has provided on this important issue. Before I get to my question, I want to commend Senator Lieberman for what he said about it is not necessarily going to happen that we are going to be attacked again. As I travel around the country I hear a lot of people saying that sort of thing, and I believe there is power in our words. I think if we as a Nation really join together and do the right things and all the agencies come together, we can prevent another attack from happening in the United States.

The question I have is we are going to reorganize the executive branch; should we also be talking about reorganizing ourselves? You know, we have the Armed Services Committee; overseas the Army, Navy, Air Force, Marines; and we have in the Senate the Finance Committee; in the House the Ways and Means Committee for tax policy; but yet I have this chart here that shows—a busy chart, all the different committees in the House and Senate with jurisdiction.

Now, I know no one wants to create another committee in the House and the Senate with all the criticism of bureaucracy that we get, but if you are not going to create another permanent committee, people keep saying this is going to be very difficult to get through the House and the Senate. And should the Speaker and the minority leader and the majority leader of the Senate and the minority leader come together and maybe form at least a temporary select committee and perhaps maybe draw on people from all the committees of jurisdiction so that we can—and the staff from the respective committees, so that we can indeed get this done expeditiously and maybe have it finished in September like Mr. Gephardt has proposed?

So I will just open that up. Any of you want to respond to that?

Mr. GIBBONS. Mr. Weldon, let me begin by saying one of the favorite games in Washington, or favorite parlor games in Washington, is turf war. And it is not just limited to the administration but it is also within the U.S. Congress, both the Senate and House. I couldn't agree more with you that at a time that is as pressing as this for our Nation, we need to look at everything possible to ensure that not only do we have expediency but we have an efficiency in dealing with these types of issues.

We have got a very large project ahead of us. We have a very limited amount of time within which to do it. If we assigned responsibility to I believe 66 different committees, or however many there are in both the Senate and the House, we would find ourselves here until time eternity trying to deal with these issues.

I think there has to be some direction, and we are working with the leadership today to provide for, just as you have suggested, perhaps a single committee with jurisdiction as directed by the leadership, to take this issue and to represent this issue to the U.S. Congress.

Dr. WELDON. So you spoke with the House leadership.

Mr. GIBBONS. No, I said we are working to that regard.

Dr. WELDON. Are you proposing a permanent committee or temporary select committee to move this legislation through?

Mr. GIBBONS. This is the point we will be talking about. We want to discuss whether it will be a temporary or permanent committee; but in either of them, we have to have one committee assigned to do this heavy lifting on this bill because there are so many committees with jurisdiction over this issue.

Dr. WELDON. I would like to hear from the Senate side.

Senator LIEBERMAN. Thanks, Dr. Weldon. Obviously there is a distinction here between how we handle the legislation before us on a question of creating a new Department of Homeland Security and then, after it is created, who has jurisdiction over the Department. I can only speak for the Senate side. Under the Senate rules, rule 25, it is certainly clear to me that the Senate Governmental Affairs Committee has jurisdiction for any proposals regarding the organization or reorganization of the executive branch. Now having said that, obviously the decision is ultimately going to be up to the leaders, but the proposal that Senators Specter, Graham, and I introduced was referred by the Clerk to Senate Governmental Affairs Committee and reported out from there.

As to which committees or committee handles the Department once it is created, that is a separate question for all of us. I will give you a first reaction, which is, this will be the second largest department in the Federal Government. Homeland defense will become second only to international defense as we consider how we carry out our constitutional responsibility to provide for the common defense. So I don't see how we handle it without creating a new committee in each Chamber, which would be the Committee on Homeland Security.

Ms. HARMAN. I just would like to add two things. First of all, I see it as Senator Lieberman does that there are two phases. One is to consider the legislation, and the second then is to oversee and authorize what comes next.

I think this committee and the House is very capable of considering this legislation. And if we invent a new committee structure, I am afraid we delay. And that is my second point. I read in the newspaper today that the administration may not be able to send up legislation until after July 4. I think that is regrettable. I think that probably has to do with turf wars downtown, and they are regrettable. So I would hope that either on our own initiative, or with their expedited assistance, we could have legislation introduced here in the next few days and referred to the relevant committees on both sides, and we can roll and consider it and get it done by September 11th.

Mr. SHAYS. Thank you. Representative Kucinich.

Mr. KUCINICH. Thank you very much, Mr. Chairman. Thank you for holding this hearing and thanks to my colleagues for the work they are doing to try to protect our Nation.

I wanted to ask Senator Lieberman a question that is actually something that this committee has grappled with for some time. And that is, do you think, Senator, that it would be useful for our country to have a comprehensive threat and risk assessment of the Nation's vulnerabilities prior to this kind of massive restructuring which we are about to embark on?

Senator LIEBERMAN. I think we are now at a point, particularly after September 11th, where the vulnerabilities are clear and we have had a series, if you will, of threat assessments both internal and classified, but also the external public work done by the Hart-Rudman Commission, the Gilmore Commission, the Bremmer Commission, and in fact in an ongoing series of appearances by witnesses, director of the CIA, director of FBI, that have spoken to this. So I think we know the problem is there, and it is not bad to have another assessment done as the new Secretary comes in, but I think we have got to really organize our troops, if I can put it that way—and I mean it that way—our troops for homeland defense. And we have got to do that quickly.

Mr. KUCINICH. Here is my concern, Senator, and any member of the panel, we are looking at a massive allocation of resources and reallocation of resources here. The President has an Executive order where, when he created Governor Ridge's position, he directed the Governor to develop a national strategy. I am not aware that this committee has received that strategy, and what I am wondering is if we are going through this reorganization—we haven't seen a comprehensive threat and risk assessment, we haven't seen a national strategy developed—wouldn't it be better to have the risk assessment as part of the strategy and then proceed with reorganization? Does anyone want to answer that?

Senator LIEBERMAN. My answer, respectfully, is no; that the problem is so evident to us, we have lost more than 3,000 of our fellow citizens on September 11th and the anthrax attacks that followed, that we have got to get reorganized. And as we get organized we also have to have a strategy.

It is interesting to note that I don't believe Governor Ridge was going to come out with his threat assessment and overall strategy in July. I think prior to the surprising but welcomed announcement by the President last week, a lot of us assumed that we would hear

then about what thoughts the administration had regarding reorganization.

So, obviously, I am not the one to answer, but I would not be surprised if we hear that overall threat assessment and strategy early in July, which I understood was the schedule that Governor Ridge was on.

Mr. KUCINICH. I do want to go to—OK, go ahead.

Mr. SHAYS. Mr. Thornberry, you wanted to respond?

Mr. THORNBERRY. Well, Mr. Kucinich, I would say, as Senator Lieberman said, the White House is going to have a strategy that they come to us with. But whatever that strategy is, we have to have the folks who are guarding our aborted orders be able to work together. We need to make sure the Customs Service radios work with the Coast Guard radios, and that the 11 different data bases these organizations have become compatible.

So there are some basics at work here that regardless of what your strategy is, or how it evolves, and I would suggest it will evolve as we get new information, there are some things we need to do. So bringing together the organizations that guard the border, that deal with cyber terrorism, that deal with emergency response, bringing them together so they are coordinated, focused together is a basic we need regardless of the strategy.

Mr. KUCINICH. Your point is well taken, Mr. Thornberry. We just had a hearing, Mr. Chairman, about how the Department of Defense has, at latest count, 1,167 different accounting systems that they have not been able to get together. So I can understand how if you have a few Coast Guard and other radio systems that aren't together, that is a problem.

I want to say, Mr. Chairman, and thank you for your indulgence here, that a comprehensive threat assessment has not been done. And the reason why we may want to consider that it should be done before we proceed with this massive reorganization is that we should determine which threats are more immediate and which are less. Otherwise, how do we know what we should devote more resources toward?

The Executive Order which created Governor Ridge's position talked about developing national strategy, and all of us here are concerned that our country be protected. And I salute the Members of this Congress who are dedicated and putting all your time into creating this, but I would respectfully submit that, so we don't indulge in an Alice in Wonderland journey here, that first it might be good to have a national strategy and a threat assessment and a risk assessment before we embark on this great reorganization.

I thank the Chair.

Mrs. TAUSCHER. Congressman, if I could add briefly one thing. I think that we have to understand that there is a separation here that we have all agreed to. The first is we have to prevent and we have to prepare. And part of the problem is that the intelligence functions are part of the prevention issues.

I actually want to split a hair here. My colleagues, both Senator Lieberman and Mr. Weldon, have said we are all concerned whether these attacks are inevitable or not. The attacks are inevitable. The question is can we prevent the attacks from being the cata-

clysmic events we saw on September 11th. So we have to do the right thing.

What we are talking about here is the preparing part. We need the intelligence agencies, we need harmonization of computers, we need all of the work done to analyze and archive and alert and advise. That is the intelligence function. But unless we have all these functionaries, the men and women, the good Americans that are working on the border control and in Customs, in the right place, and do it in a very expeditious way, we are never going to be able to deal with the sense of preventing and preparing.

Mr. KUCINICH. I thank the gentlelady, and I think we are in agreement on the need to protect this country. The idea of a comprehensive risk and threat assessment will address, I believe, the issue of inevitability, because there are some of us who feel that perhaps if we have that kind of assessment we would be able to make the determination as to whether or not these alleged or predicted attacks are in fact inevitable.

I thank the gentlelady again.

Mr. SHAYS. Let me say before recognizing Mr. Putnam, then we will go to Representative Norton, that we will probably proceed, in the spirit of your comments and also Senator Lieberman's and the other Members who have spoken, really on a dual track. Before you see the reorganization of government, I think you will see the threat assessment outlined and the strategy articulated. Because your point is well taken, you are not going to see the reorganization of government without that. But I don't think we need to wait until that happens before we begin this part of the process.

Mr. KUCINICH. I think the American people will take comfort in the Chair's recognition that it should at least proceed on a dual-track basis.

Mr. SHAYS. I think those are the comments I glean from the others.

We will go to Mr. Putnam.

Mr. PUTNAM. Thank you, Mr. Chairman, and I want to echo the comments that have been made about this group of Congressmen and women who are on the cutting edge of bringing this issue to the fore.

In one of the first subcommittee hearings that I participated in as a Member of the 107th Congress, we were presented with the Hart-Rudman report, which at that time said, "America will become increasingly vulnerable to hostile attack on our homeland, and our military superiority will not entirely protect us." It said, "Americans will likely die on American soil, possibly in large numbers." It said, "Americans are less secure than they believe that they are."

With all due respect to my colleague on the panel, this is no longer an academic discussion. To characterize this as an Alice in Wonderland pursuit is irresponsible, and I would like, to the degree possible, to ask you some questions specifically about the legislation, recognizing that the President's plan has not come forward yet and so we are sort of dealing with what you all have put forward and what we think the administration will put forward in detail.

What role will the National Guard play in this new Department of Homeland Security or will it remain separate and a part of the Department of Defense?

Mr. THORNBERRY. The short answer, Mr. Putnam, is it will remain separate. A number of us are on the Armed Services Committee in the House and the Senate. There are some reforms that need to be made there, in my view, but not as a part of this legislation.

Senator LIEBERMAN. If I may add a word to that. The answer is, of course, correct that Congressman Thornberry gave, that it will remain separate under the legislation, but the question raises an important point.

Right now the Pentagon is considering, and I believe either the Secretary may have it or it may be on the way to the President, the creation of a Northern Command, which is to expand the duties of the commander-in-chief now at Colorado Springs, Colorado, to include homeland defense and the employment of the assets of the Pentagon for that purpose, including, presumably, I am sure, the National Guard.

So that is happening, and I ask my colleagues on this committee to think about that, and we will on the Senate side, as we consider the proposal as part of our shared bill, which creates an Office of Counterterrorism in the White House, an adviser to the President who has coordinating capacity not only over the Department of Homeland Security, but intelligence, FBI, and the assets of the Pentagon that are involved in homeland defense, because not everything will be done by the Department of Homeland Security.

Mr. PUTNAM. Thank you, Senator, I understand that. I think it is important, though, that this panel, and as we move through the details of this, the huge role the National Guard would have to play.

Ms. HARMAN. Mr. Putnam, I just wanted to add.

Mr. PUTNAM. Well, let me just get through this.

Mr. SHAYS. Let me just say that you will get more time if another panelist wants to respond. I realize the 5-minute rule kind of stinks, but we will go beyond that.

Ms. HARMAN. Thank you, Mr. Chairman. I just wanted to add that the National Guard presently plays a huge role in our homeland security program everywhere in the country, and they are to be commended. There would be no possible way to put every function of government into one little package or one big package, but I think what the President has done here is to apply a functional analysis to what should be there and to move those boxes in there.

I agree with Senator Lieberman that there must remain a coordinating function in the White House, and that was the legislation that Mr. Gibbons and I introduced over here sometime back that then became part of this bigger bill the committee is considering. How much authority that function should have I think will depend on what the Department of Homeland Security ends up looking like.

But I think that combination will assure that the National Guard resources, which remain in the Pentagon, are most effectively utilized under the Northern Command structure.

Mr. GIBBONS. Mr. Putnam, let me add one little brief comment here, in addition to what has already been said. It must be remem-

bered that the National Guard is a State agency until it is Federalized, which puts a very difficult premise in there when you start reshuffling the National Guard into other Federal agencies.

It is called up under, I forget the title number now, which goes then into the Department of Defense when it is Federalized. Otherwise you have 50 State agencies called the National Guard which are under the Governor of each respective State. So we have to keep in mind that difficult, complexing factor in this as well.

Mr. PUTNAM. Well, I appreciate that, and if you look at the functional chart that the administration has put out, it tends to focus on the key areas of the information gathering, the border security, the weapons of mass destruction, and what doesn't appear, in my opinion, is how we deal with the nonforeign threats.

If it is homeland security, which of those functions deals with homegrown terror? Which of those functions deals with Oklahoma City type incidents? Which deals with mailbox bomber type incidents and homegrown type issues that do not reach the critical mass of a weapon of mass destruction but are nevertheless a threat to homeland security?

Mr. GIBBONS. Mr. Putnam, let me briefly say I think we are dealing with two different categories. We are dealing with international terrorism, and that is the issue we are trying to coordinate today between the CIA's information, because it is, by law and by statute, prevented from spying on any American citizen, whether they are in a foreign country or here in the United States. It is that information that we are trying to coordinate between agencies.

I believe the FBI is best prepared to deal with crimes committed within the United States by individuals, whether you call them terrorist acts, such as we saw in the Murrah Federal Building in Oklahoma City or the pipe bomber which was arrested in the State of Nevada recently.

Mr. PUTNAM. You believe that is a separate issue and will remain in the purview of the FBI?

Mr. GIBBONS. I think it is a separate issue that will remain in the purview of the FBI.

Mr. PUTNAM. OK. Thank you.

Mr. SHAYS. Thank you. Before giving the floor to Representative Norton, I just want to acknowledge the presence of Representative Davis, who is the ranking member on the Subcommittee on Civil Service, Census, and Agency Organization, a teammate with Mr. Weldon, and also to welcome our colleague Mr. Platts as well.

Ms. Norton, you have the floor.

Ms. NORTON. Thank you, Mr. Chairman. And just let me thank you for what is so typical of your leadership in getting this bipartisan panel together so early, and tell you how much I appreciate it.

I serve on two committees which have been considering homeland security. I am not on this subcommittee, but I appreciate the opportunity to come and sit today. I am on another committee that went very far, however, this is by far the more comprehensive legislation. The other bill took into account that Ground Zero, when it comes to homeland security, in New York it may have been the Twin Towers, it is my district if we think about our country. There is some speculation, for example, that the dirty bomb, and it is only

speculation, may have been headed for the District. I saw the man landed in Chicago.

But the District does serve on the Justice Department Terrorism Task Force, and it is the first responder. The other bill takes that into account. The Federal presence is here, all of us are here, and if anything goes wrong in this District, it is this city and this region that we must call upon, and I would like to see this bill take account of that as well.

I have questions regarding the Lieberman-Thornberry bill. Perhaps Mr. Thornberry can take one and Mr. Lieberman the other, particularly since it raises an issue that he himself raised.

Mrs. Tauscher alluded to something that will come up time and time and time again, and that is people are going to say: How come you are taking the whole thing out of and putting it there, and what is going to happen to the real homeland part of this, the part that has to do with my district, the part that has to do with domestic concerns? Unless you have an answer for that is explicit, either statutorily or administratively, at some point along the way you may have a backlash from people saying they are not being attended to because the whole thing went over and the whole world now is about terrorism and no one cares about what is happening with respect to that particular issue here. The major one may be immigration services and the INS, although one could argue that immigration services are in fact related to the law enforcement services. But that is the major one there.

For Mr. Lieberman, whom I regard as a like mind on a number of issues, including a bill he and I are working on together in another capacity, I have to ask Senator Lieberman to say more about the tantalizing and important issue he raised about the FBI. He did it in the careful Lieberman way, because he doesn't want to complicate an already complicated issue. The reason I ask you to say more is that the major criticism of the President's plan and, therefore, ultimately of the Lieberman-Thornberry bill will be that the major problem was not these agencies that you are dealing with; the major problem was the CIA and the FBI. And you still leave us wondering about those agencies.

So that if we had some greater sense that we would move at some point on what your thinking was, I think there would be greater comfort and less criticism of the present bill for not in fact touching upon that issue. So in either order..

Mr. SHAYS. Before answering, there are probably a number of you that would want to answer that. We will give you more time if they do, because this is a key element of the question. So all of you feel free to jump in.

Senator LIEBERMAN. Thanks very much, Ms. Norton, for your question. My own feeling is that the fact of September 11th, that the attack occurred, is evidence that there was a breakdown, that the status quo failed to protect the American people. Some of that was intelligence and law enforcement, but some of it was not. Some of it had to do with border control agencies, some of it had to do with the FAA, I think, some of it had to do with, one could argue, with our foreign policy over the years.

So I do think that in bringing these agencies together, as my colleagues here have indicated earlier, we are going to tighten our de-

fenses generally in ways that the events of September 11th showed need to be tightened. But you are right, as evidence gathers both from congressional investigations and from media inquiries, the most troubling, infuriating, and I have to say heartbreaking because of the deaths that occurred on September 11th, evidence is that the flow of information that as my colleague Senator Specter says wasn't just dots that weren't connected, it was a blueprint that wasn't seen, and that had to do with intelligence and law enforcement, FBI and CIA.

So our answer to that and our proposal is to have this White House office coordinating with a statutory responsibility to coordinate FBI, CIA, law enforcement, and intelligence. In the President's proposal there is a clearinghouse, a threat assessment section, within the Department of Homeland Security. Again, the President hasn't presented the proposal in legislative language, so we don't know exactly what it will entail. I am a bit concerned now that group seems like a kind of passive customer of whatever the CIA or the FBI send them and not in control. In other words, it is more supply side than demand side, if I can misuse a metaphor.

Ms. NORTON. But, Senator, you suggested this morning that you would go even beyond where your bill takes us thus far.

Senator LIEBERMAN. Yes, I wanted to put it on the table, but it is probably more than we can embrace as we create this department, and probably we need to get some experience with it. But as the FBI becomes, and in my opinion appropriately, more involved in what might be called domestic intelligence, how do we get the information that will help us prevent terrorism from occurring, whether that more appropriately belongs within the Department of Homeland Security is a big question, and one that probably we are not able to answer in the short run.

In the short run, we ought the end this process feeling that we have got not just an ongoing working relationship now between the CIA and FBI, but we have got something in law that compels that coordination to the best extent we can.

Mr. THORNBERRY. Ms. Norton, let me just mention on that and the first part of your question, if we pass our legislation, or the President's legislation today, exactly like I would like it, we still cannot all pack up our bags and go home. There is lots of work to do with intelligence, with the National Guard, with a whole list of agencies. And so I just want to be careful that we all recognize this is not a magic answer to all our problems. It is good and it is important, but we still have work to do.

Now, exactly what part of what agencies get brought in you raise, and some of this is going to be a judgment call, I think some of them are easy. All of FEMA needs to be brought into the Department of Homeland Security. Whether you are training or responding to a hurricane or some sort of terrorist incident, it is the same sorts of skills, the same sorts of relationships with State and local governments. That is very important to bring that together.

You raise immigration. I think it is a more difficult call about exactly where is the best place for the service part of INS to go. We have already voted to split it in two, but exactly where that part goes it is not absolutely clear to me, and we just have to work through those. I regard those as important, but they are details,

exactly how the reporting change will go and exactly what part of what agencies.

The key is just use a common sense approach. Do the best you can. We may have to come back and adjust, just as Congress had to come back and adjust the National Security Act of 1947 several times. None of us are going to get it perfect even if we spend 10 years working on it. We do the best we can, put things together that make sense, and try to use just the common sense test.

Ms. HARMAN. Ms. Norton, as one of the lawyers on this panel speaking to someone who is an excellent lawyer herself, I would just like to raise a note of caution about moving the FBI into this department, and my primary reason is that it is and remains a law enforcement agency. It also has under the reorganization by the new Director, which I think is a sensible reorganization, a large intelligence function. But the law enforcement piece has to remain separate.

If people are to be afforded due process under the Constitution, there has to be a firewall to protect grand jury information and other things affecting their own cases. And we are going to have a long debate in this country for sure, we are having it now, about how to rebalance our increased security needs with our Constitution and civil liberties. But certainly I think one way to keep that balance is to keep a separate and better functioning FBI.

Ms. NORTON. They have a terrorism function that is quite apart from the investigatory arm.

Ms. HARMAN. Right.

Mrs. TAUSCHER. Ms. Norton, you referred to the Livermore Lab issue. In our bill, we had essentially created a science and technology clearinghouse, the opportunity to detail people from our national labs, both the nuclear design labs and our science labs, so that we could have a portfolio, very needed science and technology catalogs to be able to be readily available to anyone involved in homeland security.

The Lawrence Livermore Lab, in my district, has primary responsibility for stockpile stewardship, nuclear weapons design, and to make sure our nuclear deterrence is safe and reliable. They have, obviously, 200, 300, 400 people that work on weapons of mass destruction, detection devices, and they have a lot of experience with international terrorism on these issues. Those were the people that could be migrated.

The Livermore Lab's employees are not Federal employees. They work for the University of California because of the contracting relationship. We don't believe the White House really intended to move the Lab over into Homeland Security, and we are working with them to make sure that the Lab, which is part of the National Nuclear Security Administration that Mr. Thornberry chairs, and I am a ranking member of the panel on the Armed Services Committee, which we oversee, so we think this was a drafting mistake that is going to get fixed, but, obviously, we can't get bogged down in these issues because we need to galvanize the support of Congress to move forward.

Mr. SHAYS. Thank you. At this time the Chair would recognize Mr. Lewis, and then we will go, I think, to you, Mr. Tierney.

Mr. LEWIS. Thank you, Mr. Chairman.

For years, Congress has been told that we were going to face, not if but when, we were going to have a terrorist attack on this Nation. I have been here going on 9 years now and I have heard it every year. CIA told us, the commissions told us, and it happened. And it didn't happen just on September 11th, it happened several years before that at the World Trade Center.

My question is, why didn't we learn from that experience? Why were there not questions to the CIA, to the FBI and to other agencies of why that happened? Maybe September 11th could have been prevented if we would have learned something from that, and not only the World Trade Center, by the Cole, two U.S. Embassies in Africa, Somalia, two apartment buildings that housed our military personnel in Saudi Arabia. Americans were dying, and we probably should have learned something from that.

So I think there is a lot of blame that can go around as to why September 11th happened, because there is certainly a lot of evidence there that we should have learned from. But my question is how can we ensure information sharing, because we should have been sharing information before September 11th?

I know from my own personal experience, in whatever position I have ever held, where there were groups of people with individual responsibilities for different areas, they have a territorial view of things. So if we set up the Department of Homeland Security, we bring all those agencies under that umbrella, how can we ensure that they are going to share the information? And not only Homeland Security, but how can we get the FBI and the CIA to start sharing their information and stop trying to play these turf wars?

It should have happened way before September 11th. I would love to know how we can ensure it afterwards. That is the question I am posing.

Ms. HARMAN. Mr. Lewis, as we speak, right now, the bicameral Intelligence Committees are meeting and questioning a witness, Richard Clark, who was, until fairly recently, the senior counterterrorism person in the White House and still plays a role with respect to cyber terrorism, on the lead-up events to September 11th; what was looked into, what was worried about and so forth. I just want to mention to you that inquiry goes on, and the point of it is to look backward and look forward, not just to find someone to blame or some administration to blame, but to learn the lessons, to learn what we missed, so that we create for the future a much better capacity.

On your second point, about information sharing, there was a bill that was introduced virtually unanimously by the House Intelligence Committee, H.R. 4598, which would mandate that we develop within 6 months a system to share information across the Federal Government. That means including the FBI and the CIA and whatever agencies are now in this new department, and any others, across the Federal Government horizontally and then vertically between the Federal Government and local responders, local first responders and American citizens, critical information about terrorist threats.

The way this would be done is that information would be stripped of sources and methods, of its classification qualifications, so that it could go out on our law enforcement networks, NLETS,

the National Law Enforcement Telecommunications System, called NLETS, and we hope that bill will proceed through this Chamber quickly and then will be taken up by the Senate. Information sharing was a huge part of the problem, and that is something that Congress can quickly fix.

Mrs. TAUSCHER. Mr. Lewis, part of what we have to do is we have to have a procurement strategy that says that the East Coast of one agency cannot buy computers that do not talk to the West Coast agency computers. You cannot have a major place like the FBI not have e-mail. You have to have 21st century technology, telecommunications, and bandwidth. You have to have a complete amalgam of a new set of structures that are able to deal with portals that strip out pieces of information and that get down to the guy and the gal standing in a booth at one of our borders; the information that says this is the guy you are looking out for. I may not tell you everything you need to know, but if you see this person, this is the four digit number you call and we will be there in 5 minutes to get him.

And we can do that. We do that in corporate America day in and day out. So part of what we do needs to be sure that we are not blowing money all over the place on a procurement strategy that buys us stuff that isn't interoperable. We know that in the military that is one of the key ingredients for our success. It is one of the ways we harmonize our ability to work with our coalition partners. Everybody has a radio that looks the same and they all talk on the same bandwidth. We have to do that in the Federal Government, too.

So part of this is to make sure that we are building an infrastructure that is 21st century responsive, can deal with privacy, can deal with secrets, can deal with making sure, but we have to take down these artificial firewalls, that have basically also been computers and telecommunications, so that people can get the information to the people that have to have it and they can act quickly.

Mr. GIBBONS. Mr. Lewis, let me just add one final thing, if I may. The new Department of Homeland Security should be the keystone, if you will, among our intelligence gatherers. It is not a collection agency, it is an analytical agency. Therefore, I think one of the questions you have asked raises the issue that I brought up in my testimony, which is can the new Secretary of Homeland Security task these various agencies when he sees an issue based on his collective knowledge of all the information coming in to him? If he sees a direction or a trend or a warning sign or an indicator, can he task agencies to be more specific and go after that information?

It is something we must work out in this legislation, but I think you have raised a very important issue here.

Mr. LEWIS. Thank you.

Mr. SHAYS. Mr. Tierney, thank you for your patience.

Mr. TIERNEY. Thank you, Mr. Chairman, and thank you for your leadership in having this meeting today, and thank the members of the panel.

I have two quick points I want to make before I ask a question, and one is I know we talked earlier about risk and threat assessment and its order in going forward here, and I agree we have to

move forward at least on both tracks, but I hope we don't let that slide. I think it is critically important, and I was somewhat disappointed that Governor Ridge did not have when he came and met with our committee a while back even the rudimentary aspects of a risk and threat assessment. We are going to need to know what those threats are and how they stack up against one another so we can prioritize them and have some way of putting this together. We may need, as Mr. Thornberry says, to make some amendments to this once we see that, and we may need to know how to allocate the resources that will surely be asked for.

The second point, and, Mrs. Tauscher, you made a great point about the technology, I hope we are going to encourage the President to call upon the collective expertise of people in industry and entrepreneurs who are so good at doing that type of thing. This is an effort akin to World War II when the President called in industry and asked for them to volunteer some time and expertise. I hope this President takes the leadership to do just that and to help us make sure we find the right hardware and certainly the right software gets immediately put together to do that, because I know that your voices on that issue will weigh in and be considered with appreciation by the White House.

Ms. Harman, let me start with you on the question I had. We have been dealing a great deal with local emergency personnel and first responders. How do you envision this plan? I look at the President's plan, which talks about going through the States, and I know it raises some concern with my local first responders, I assume others, about that extra level of bureaucracy. Do you envision, as we move forward with this legislation, that at least with respect to programs that have worked so well, like the COPS and the Fire Act, and others, that we can cut that level out and have these Federal resources go directly to the local responders?

They are the ones that obviously have the fear and innovation and the solutions right there on the front line.

Ms. HARMAN. Well, you have to understand, Mr. Tierney, that Governor Ridge, as a former Governor, and President Bush, as a former Governor, might have some affection for the Governors of the 50 States, and of course Mrs. Tauscher and I love our Governor, Governor Davis, but I think the goal is to streamline whatever system is in the bill.

The present idea, pre-Department of Homeland Security, is to get the $3.5 billion out to first responders going through the States. But the States are prohibited from holding on to more than 25 percent of the money. And whether that is an adequate system or not, I am not sure, but I am eager, as you are, to make sure our first responders have the best technology, the best training, and the best information that they can have. And that is why it is critical that we also make sure that we mandate information sharing in any way that we can, because it is not happening adequately.

Just a final comment. Every act of terrorism in America is local, and it is going to happen on somebody's real estate. Maybe it is going to happen on Ms. Norton's real estate here in Washington, DC, but it could as easily happen somewhere else. So we must make sure that the resources we have to protect Americans wher-

ever they live are in place, and that is why, if I had to prioritize, I would say getting money to first responders is paramount.

One final comment. You talked about a threat assessment and a strategy. I think you know that even when I am home asleep I talk about a threat assessment and a strategy. I am not sure, however, that once we do this threat assessment, which is overdue, that we should make it public. I would not like to tell terrorists what we are protecting and what we are protecting less. I think that might be a very bad idea.

Mr. TIERNEY. Mr. Thornberry.

Mr. THORNBERRY. Mr. Tierney, I think that this relationship between the Federal Government and the State and local first responders is one of the most important features of this whole proposal. Right now you have several offices around the government which have some responsibility for helping out in the case of an emergency or in training to prepare for an emergency. What our bill and the President's bill tries to do is bring those together so that those relationships, like FEMA has 10 regional offices around the country, can be the primary method of communication, and so you get used to dealing with those folks. They help do the training, and they are also the people you call when you have an emergency.

So you develop those relationships with the Federal and State and local folks so that you have one phone number to call rather than a phone book to try to look up the number of who it is you are supposed to call when such-and-such happens. And you bring that together, and having the coordination and integration for that intergovernmental relationship I think will be of enormous benefit for any kind of emergency, natural or otherwise.

Mr. TIERNEY. Well, I appreciate that, and I just hope that we are talking about getting it straight down. If we can get rid of one level of bureaucracy, and it has not necessarily worked well, that the money stops at the State and fully one quarter gets chopped off. I don't think that is a great plan. The money has been very, very slow getting to the local communities, especially those that have put out $1.5 billion collectively since September 11th and have yet to get any reinforcement for that, nor have they gotten any sign yet that we are going to, as a group and the White House together, give them any credit for that by softening up the matching requirement as they go forward.

You know as well as I that most of our States and local communities are strapped right now, and I think we can help them in a number of ways by looking at those issues.

I didn't mean to cut you off, Mrs. Tauscher.

Mrs. TAUSCHER. No, Mr. Tierney, we need a Marshall Plan for our relationships around the world but we need a Manhattan Project to get this telecommunications bandwidth and communications computerization thing worked out, because it has been a nightmare heretofore, the kind of procurement strategies that different agencies use. We need someone that is frankly like an orchestra conductor, and we need to really engage the private sector, certainly in California and in your State of Massachusetts, and around the world, to say that it is imperative when we are analyzing and archiving information that it can actually be put into bite-size securitized pieces so that the people that have to do the func-

tionary jobs, whether they are first responders or border patrol, just collecting information from hospital emergency rooms to make sure that if somebody sees something with bumps on them that it really is chicken pox and not smallpox. All this stuff needs to be done, and it needs to be done now.

That is why we have to have a procurement strategy, not only so we do it right, but so that we don't waste the money the American people think we are going to.

Mr. GIBBONS. Mr. Tierney, let me add my thoughts here as well. I couldn't agree more that our city and local responders need assistance and they need it quickly. But no doubt about it, when you look at every State, some of the first responders are not local or community organizations, they happen to be State organizations as well. So whether the division of resources, 25 percent to the States, 75 percent to local and community responders, is adequate, I think Congress will look at that and make that determination and assign maybe a fast track to get the resources down to those local communities.

But, again, I go back to what Mr. Putnam said, the National Guard is a State agency, and it will be one of our first responders, as we saw during the September 11th and post-September 11th events. You cannot cut State out altogether. They have to be a part of this. Ultimately, the decision tree can be streamlined, I hope, as you have suggested as well.

Mr. TIERNEY. Thank you.

Mr. SHAYS. Thank you.

Mr. Otter, thank you for your patience. Thank you for staying.

Mr. OTTER. Thank you, Mr. Chairman, and thank you for your leadership on this very important and obviously complex issue.

Just a couple of things that I would like to start with, and I don't mean to begin a bantering process here between the panel and the committee members, but you know, when I take a look, I believe in some cases we do have a Marshall Plan. In fact, I think we maybe even came perilously close to creating martial law in this country. And if we are not careful with how we go with our great enthusiasm, we may just do that.

And as far as the Manhattan Project goes, it is interesting that when they put that together they were not quite sure if they were going to succeed, but nobody was studying what happens if they were successful. If we had been studying what happened if they were successful in achieving their goals under the Manhattan Project, we probably would have stopped a 60 years cold war, because we knew we would control those massive devices of destruction if we had said to ourselves at the same time what happens if we are really successful here.

One of the things I would like to engage in with the panel, and I have not heard it and as I have searched through this I have not seen it, and that is the participation of the individual. We have committees and we have directors and we have secretaries, and it goes on and on and on, and I am just concerned that whenever the government gets a profile and this committee gets a profile and this act gets a profile, that 282 million Americans are going to say, well, somebody's handling it, I don't have to worry about it. Too often that is exactly what happens.

So as I have searched through the appointments and the directors, I have seen nothing in this bill that says here is how we are going to activate 282 million citizen patriots. Because what we need here is not a Neighborhood Watch, we need a Nation Watch, and they need to be able to respond, I believe, when they see something that obviously looks out of the ordinary. Perhaps your September 11th on a Nation level will answer part of that.

The other thing that really concerns me was the response that we got to Mr. Putnam's question relative to domestic terrorism. We do have domestic terrorists, and especially out west we are very aware of them. There are people that purposely destroy property, in some cases have sent pipe bombs and letter bombs to executives at corporations that they disagreed with their corporate mission, and that sort of thing, and we have done precious little to stop that sort of terrorism.

We know their names. In my other committee, the Natural Resources Committee, we had a member of ELF come before the committee and took the fifth amendment 105 times. The very constitutional protection that he exerted in that committee he denied to everybody and to their private property that he assailed. So we have ecoterrorism going on in the United States right now, and they can be every bit as damaging.

In fact, through the chairman's leadership a while back, we got a pretty good look into some of the terrorism that was planned against the United States during the Second World War when a plot was uncovered to send arsonists from both Germany and Japan to the United States and set our forests afire, not unlike what is going on in Colorado and some of our other sister States today.

So I think that we need to take a look back to Flight 93 on the morning of September 11th, a flight that was headed from New York right straight to San Francisco. When we informed, when those people became informed on that flight that they didn't have very many alternatives, when they had the information, they acted. So those were the first citizen patriots I believe this country saw, and I believe that we need to assume that same responsibility that they did.

I would be in hopes that someplace in this act we would find an encouragement, an enthusiasm for the individual's responsibility to, No. 1, be responsible for their own freedom; No. 2, their family's freedom, and then it grows into the communities and, yes, the cities, the counties and the States as it goes on. But let us not deny the most massive force that we have. When Osama bin Laden and So Damn Insane, or Saddam Hussein, figures out that he has to defeat 282 million Americans that love their freedom, they are going to say this is a ship we have at sea that is never going to find a port, I believe. So I would hope that we would encourage that.

There are a couple of things that I want to speak to here, and my time is already up. Primarily, as I have gone through the act, and maybe you could do this later, section 108, which is the good faith, as long as the individual and the agency is acting in good faith they cannot be held personally responsible for what they may do to a citizen's civil liberties.

Section 302, the immunity provisions, whatever immunities they had before they carry with them. I think if they are going to be responsible for enforcing a law like this, they ought to understand it, and they ought to understand where their limitations are.

And, Mr. Chairman, I made a speech instead of asking the question, so I apologize for that.

Mr. SHAYS. You don't need to apologize. You have been thinking about this a long time and you have been waiting in this hearing. I would be happy to have this addressed. That was in your legislation, not the President's. The President has submitted his bill.

Would you like to, each of you, just comment on that, and then we will go to Ms. Watson.

Mr. THORNBERRY. If I could, in summary, what our bill tries to do is take existing agencies and existing authorities and brings them together in a more coordinated and coherent fashion. We are not trying to create new exemptions or new powers for Federal employees, we are trying to bring them together. So our draft is an attempt to reflect authority that is already in law.

And, of course, you are right that the strength of this country is in the citizens, not in other things. That is what we have that is most important. I guess I just want to emphasize that we are not trying to do everything. We are not trying to marshal all the resources here. What we are simply trying to do is realign government agencies in a way to make the country safer. That is the focus, and I think that this proposal does that.

Ms. HARMAN. And I would just add to that I think the empowered individual is at the center of this legislation and at the center of the way we can protect our country in the future from terrorist acts.

I mean, a terrorist act is designed to inflict terror. If we have a prepared public that understands what it is supposed to do and take individual precautions to protect the individual, the family, the community, and so forth, then terrorism will fail. And the structure that the administration has come up with, particularly the blue piece on the right, the analytical capability, I think is designed to get good information to first responders and to individual citizens so that they can take responsibility to prevent the attacks in their own communities.

And I think that is a great thing we can do as a government to help individual freedom, and I certainly support the thrust of your comments.

Mr. SHAYS. Ms. Watson, thank you for your patience.

Ms. WATSON. Thank you, Mr. Chair, and thank you so much for this hearing. I really think that we are going about this all the wrong way. I feel that what we need to do, and as has been just said, is work on a coordinated function, have a separate research group that would do nothing but concentrate on what homeland security is all about, then come up with a proposal that will pull out provisions from other departments.

Just taking departments and throwing them all under one head is not going to solve our problem. You are going to have personnel problems with status and so on. We have to set aside a budget. This is not going to pay for itself by the budgets already in these departments. But I think we need a separate unit that does noth-

ing but research and come up with a proposal. It might take us 1 year, 2 years, or 3 years, but in the meantime, it is the coordinated effort.

How can you have a department without the CIA and the FBI part of it? The reason for the establishment of the CIA is to gather intelligence, and they need to be under this pinnacle. So I think moving real quickly to make one huge massive department, called Homeland Security, is the wrong way to go.

I think the coordinated effort is the right way to go at this time, and then give some time to a select committee to put up a proposal in front of us. Can I have comments on that, please?

Mr. THORNBERRY. Ms. Watson, let me make a couple of comments, and then I am sure others will want to join in.

In order to get coordination, you have to bring some of these agencies together under one chain of command. In other words, Governor Ridge has been trying to do this from the White House for several months. He does not have the ability to make the Coast Guard, and I am using a simple example, the Coast Guard radios compatible with the Border Patrol radios. You have to bring them together in one department so there is a guy at the top who has control of their money and says do this. Until you get that direct chain of command, with the money that goes with it, you will not have the kind of coordination which I believe we need.

And let me just address one other point briefly. We have a CIA for lots of reasons: To collect intelligence for foreign activity, for threats that may be happening in India and Pakistan, for example; things that are happening in Africa, drugs in South America. They are collecting intelligence all over the world for a variety of purposes. What the President's proposal does is say, OK, we will get together the information collected by the CIA and the FBI and other intelligence agencies and we will look at it with a new set of eyes, looking at it from a homeland security perspective. In other words, it is the analysis, thinking about homeland security from that perspective, that is new and different, and I think is a major step forward.

Ms. HARMAN. I endorse those comments, but I would just point out to you, Ms. Watson, that we have done the research. That was called the Hart-Rudman Commission and the Bremer Commission and the Gilmore Commission. They looked at these things. The Federal Government spent real money. Senator Rudman just told me that the Hart-Rudman report cost $12 million, and I just told him I am not sure he was worth it. But humor aside, they have seriously studied these issues, and the recommendations that we are dealing with today grow out of a recent history of really serious and focused research to arrive at this result.

This new proposal doesn't cover every function of government, as we have said, and it is a variation on legislation that all four of us have cosponsored and support, that would have these functions arrayed slightly differently, but we all feel strongly these functions do have to be attended to in some organized format. Otherwise you will not get the result, which is increased homeland security.

Mr. GIBBONS. Very briefly, while I join my colleagues in their comments as well, you have raised the issue as to why this is such a difficult task, and that is because we have so many turf wars

that we are going to have to deal with, both here in Congress as well as in the administration, and that is clearly evident to all of us and each of us as we have gone through this whole process. What we are after is to streamline. We are after making more efficient those agencies which have a role in homeland security, which are disparate now. They are spread out among other agencies.

What concerns us when we see these separate agencies and separate responsibilities is that focus among those agencies may not be on the most important task for the defense of America within that bigger agency. In the Transportation Department, you have the Coast Guard. Is it the Secretary of Transportation's primary focus to worry about the safety of America or is it to worry about how the infrastructure of America functions to keep our economy going, which is just as big an issue in this country?

We want to simply streamline by removing some of these various agencies that have a role and put them into a clearer focused agency, whose role is for a single purpose, homeland security. And you are absolutely correct, it is going to cause some heartache among some of these larger agencies when they start seeing relative parts, representative parts of their not only department but budgets go with them over to this new agency. It is something we will have to work on. It is not going to be easy, it is not going to be quick, but we have to do it.

Mrs. TAUSCHER. Perhaps if we talked about who is moving, it would be helpful. There are over 100,000 people now, when you include the Transportation Security Administration, in 40 different departments of the Federal Government that have terrorism or counterterrorism in the first line of their job description, and they are underneath this kudzu blanket in many different departments that have primary functions to do other things. They are nice to have, in many cases, in big departments that have primary jobs to do important things for commerce, for our environment, for the people of America, but they are over here. And what we need to do to make sure that once we get this CIA-FBI analytical and archiving and advising and alerting function moving, you have to have people in a place with someone that is going to tell them what to do, with the budget authority to get it done, with the right set of tools to accomplish what needs to be done to prevent and prepare for attacks.

We are not just picking people and moving them because they are in this building or that office. These are people that already have functions that are about terrorism and counterterrorism, but they are working for other people and they are not always the most important people in that building and they are not always getting budget and the authority they need. So this is an effort to move them into a place so that they get the kind of attention they need.

Now, my colleagues are right, because of the atmosphere we have now these are the people that are probably going to get more money in different departments than some other people are, and it is going to be hard to separate them from the leadership that they have now. Everybody wants the people that are the flavor of the week or the budgetary issue of the week. So we know this is going to be difficult. But unless we take down these firewalls and unless we put them in one place and hold people accountable and respon-

sible for what they do, and give them the tools and equipment they need and the budget authority they need, we will never get to the place where we can prepare and prevent. That is why I think this bill is very important.

Ms. WATSON. Just a comment. I couldn't agree with the four of you more. I think the coordinated function is what is essential at the current time. The establishment of a new department, I think we need to go beyond the Rudman report so that it is essential and relevant to what is needed in today's climate, and I think that is what is going to take the time.

And then how do we allocate the budget? We cannot just pick up the cost of running a particular agency and put it over here. We are going to have to do more in-depth thinking about how we do that. We are just going to have to all agree it is going to cost us to develop this new department. Over the weekend the news was it is not going to cost us anything. We are going to pick up the budget. That is unrealistic. We ought to go ahead, dedicate the money, we ought to deal with the coordinated function right now.

But we have personnel issues that are just going to be the biggest challenges we have ever had. We have to move people around. The people who have the authority to make all the decisions at the top are going to be answering to somebody else. So it needs to be thought through very, very carefully and at a depth level that I have not heard yet, but I think the coordinated function has to happen yesterday.

Thank you.

Mr. SHAYS. Thank you very much. Let me just tell the panel, they have been very patient, that we have four more people. We have Mr. Platts, we have Mr. Davis, Mrs. Morella, and then myself, and I am just going to ask you some general questions. Hopefully, you will be able to stay for all the four who remain. And then I will tell you that we have a very patient person, the $12 million man, Senator Rudman. Worth every penny.

Mr. Platts.

Mr. PLATTS. Thank you, Mr. Chairman. I am going to be very brief, and just say, one, thanks to you and to our panelists for today's testimony, and I think one of the really important messages that has come here at the table is the bicameral, bipartisan agreement that we need to act fast. We can have some differences on the specifics as we move forward to iron out, but there is an imperative nature to this need. And I very much appreciate the efforts not just today but over the past months and years, really, that you all have been working on this, and certainly your leadership, Mr. Chairman, on this issue.

Thank you.

Mr. SHAYS. Thank you.

Mr. Davis.

Mr. DAVIS OF ILLINOIS. Thank you, very much, Mr. Chairman, and I too want to commend you for your leadership on the issue, and I also want to thank the panel for their generosity in terms of the time that they have been able to spend.

I was very interested in the question raised by Mr. Lewis when we talked about the lack of coordination or the amount of coordination and information sharing, and how do we really cause that to

happen. I was appreciative of the answers that were given relative to greater use of technology, how we really bring that together, and also the development of a procurement strategy that is laced into the issue.

I guess the question that I would further pursue would be how much legislative direction are we going to be willing to give a new agency. Those are human elements. Those are management tools and systems and things that are used. But I also think that there has to be a rather clear legislative intent or legislative direction that is given.

The other thought that I had, and it seemed like my friend and I from Idaho were thinking somewhat alike in terms of trying to figure out with all that we are talking about, how much training or how would we come up with a way to seriously involve the citizenry in, first of all, the development of a mindset relative to prevention, relative to detection, and then emergency response. I mean, how do we respond as a citizenry should there be another disaster?

And so I would just like to hear some comments relative to that. And, again, Mr. Chairman, I appreciate your leadership on this issue.

Ms. HARMAN. Mr. Davis, let me just speak to information sharing first. I am not sure you were here when I mentioned bill H.R. 4598, which is supported, I think unanimously by the House Intelligence Committee, and a number of our colleagues, obviously on a bipartisan basis that would mandate information sharing about terrorist threats across the Federal Government, and then vertically between the Federal Government and local responders. And the reason we think this legislation is critical now is that it does cover the CIA and FBI and all the functions that could go into this new Department of Homeland Security. The CIA and FBI won't go there.

So this is a bill broader than just information sharing between this agency and local responders. And the notion is that within 6 months, we would develop a system through existing channels to share critical information, its classification. That way it can go to the broad population of first responders, many of whom don't have security clearances. That is on your first point.

The second point about informed citizenry, Ellen Tauscher and I are from California, the land of earthquakes, and I think it is probably true that 98 percent of Californians know what to do in the event of an earthquake. And I think that is the kind of place we have to get to with this. I am old enough to remember the civil defense drills of the 1950's. Our goal here is to provide information to empower individuals to know what to do. And if they know what to do, they won't panic. And if they don't panic, we will severely limit—this is good—the amount of casualties that occur in the event that we are not able to protect against a future terrorist attack.

Mrs. TAUSCHER. The whole issue of a procurement strategy is an important one because there is going to be a tremendous amount of money expended in order to connect this agency to the rest of the world, especially to first responders so that they can act in a responsible way. I hesitate to have—I think mandates are a bad thing, but I think prescriptive outcomes are the kinds of things we

want to look at in legislation, things that are very clear about the kinds of coordination, the kinds of abilities for telecommunication bandwidth to be secured, to basically say over and over again as often as we can and to have the legislation have the outcome that we want, which is that the people that need to get the information to act to archive, to advise, to alert, get it in a timely manner so that they are empowered to do it, that they are trained and that we have, at the same time, the ability to deal with privacy issues, secrecy issues and obviously civil liberty issues. So I think it is very important that we are prescriptively outcomes based and not mandating, go by this or go by that.

Mr. GIBBONS. One quick comment to join with my colleagues here, I agree with what they have said. In 1947, we had one of the previous massive reorganizations of U.S. Government. We have, in Congress, every year since then, struggled with the idea of how to appropriately fund them, how to give them direction that we constantly deal with on a year-in/year-out basis. I don't believe, as we go down this road, any of us are under the misconception that we are going to solve the problems beginning with this. We are going to have to work with this time and time again, as you well know, from your many years here. We constantly try to iron out the wrinkles, and each time we do we create a wrinkle in some other part of the fabric, but we are going to continually work on this because we believe this is in the best interest of the American citizens that we go forward with this issue.

Mr. DAVIS OF ILLINOIS. Thank you very much, Mr. Chairman, and the only thing I would like to say about, the only thing that I don't find desirable about California is its earthquakes. So we will be looking to you for leadership.

Mr. SHAYS. Thank you Mr. Davis.

Mrs. Morella.

Mrs. MORELLA. Thank you, Mr. Chairman, and I thank you for holding this joint subcommittee. It is very important and I thank my colleagues for being here and being patient in presenting not only the legislation, but responding to the questions. My question is that I know that the administration is asking for significant flexibility in the hiring process, also looking for flexibility in compensation, systems and practices. Given the battle that has been waged over Federalizing those airport screeners, where do you all stand on sidestepping Federal worker union pay scales and grievance procedures?

Mr. THORNBERRY. Mrs. Morella, I think our intention is not to take on other battles in this legislation. Now what, as I mentioned awhile ago, our goal is to take existing agencies and realign them in ways that make more sense so that they can be coordinated and so that they can have the proper focus and so they can have the prior—proper set of priorities. Now there are some issues in the administration's proposal that we have not seen the language yet. I don't know exactly what they mean, so there is no way for us to comment on what they have in mind. And we will have to go through those. But again, I don't think this is the place generally to change substantive law about immigration or other things. This is the place to try to improve the organization of the government so we can make the country safer.

Ms. HARMAN. I agree with those comments. I would just add that at least this Member does not want to interfere with longstanding principles like collective bargaining. I think there will be a way, if we are all flexible and focused on the goal of preventing the next wave of attacks, to work this out and preserve the protections that we have in Federal law. This is not the place to fight that fight. I don't happen to think it should be fought, but any rate, this is the place to integrate various functions of government that, at the moment, aren't integrated, and because they are not integrated, cannot connect the dots or build the blueprints to protect us against the next wave of attacks.

Mr. GIBBONS. Mrs. Morella, I would agree. I think this fight is completely outside of the realm of the personnel issues that Congress has already spoken about in its past legislation. I think if Congress wishes to test or to change those, then it would be a separate subject by way—not necessarily this committee, but someone in Congress will bring up and we will have to deal with those issues then. We are simply here trying to, as Ms. Harman said, streamline and make more efficient our intelligence capabilities and agency efficiencies within our government.

Mrs. TAUSCHER. Ms. Morella, with my colleagues, I am certainly not for abrogating or rolling back any of the civil employee rights for either collective bargaining or anything under the rubric of flexibility. I think that we need to be very flexible and we need to be very steadfast. But as a member of the Transportation Committee, I can tell you that we have lots of legislation that is being held up right now from floor votes because of Davis Bacon, and we need to have to State revolving funds for water recycling and a bunch of other things that have got up bottled up because of an issue that would pass a floor vote, but certain parts of leadership won't allow to come to the floor.

And I think my colleagues and I are very firmly—and hope with everyone else that we don't want ancillary issues that are going to delay our ability to do what is right for the American people that are basically inside stories here in Washington that are very partisan, frankly. We don't want them to come up, we want them to be put to the side so that we can do the right thing we are hoping that we will get everyone's support on that.

Mrs. MORELLA. I appreciate your responses. I want to bring that up because I think it is critically important for the people who are there and on whom we are going to be depending to make sure we do not abrogate any of the privileges and rights they have. And since, Ms. Tauscher, you mentioned transportation, there is a case in point, you got the TSA. I mean, you are supposed to, by November, Federalize the screeners and you know, airport passengers. How is that going to work out being melded into this new homeland security? It is a problem I don't know whether you have any answers, but I pose this as something we need to look at.

Mrs. TAUSCHER. I think there is a lesson from the creation of the TSA, which was done, I think, without a lot of broadband consultation that was held up on an issue very similar to what we are talking about here that caused a lot of things to happen that potentially are terrible unintended consequences. We have got tremendous problems in California to be able to hire screeners, because

many of our screeners are not American citizens, but are certainly here legally. So we have a lot of issues about TSA that I think are lessons to be learned.

I don't want a repeat of that, but I don't think we should spend any time at all shrinking back from that experience. I think we have to learn from it, but I think the lesson in that is that the best work that we do here is bipartisan and bicameral. And that is why I think it is very, very important that we keep the openness that we have been able to achieve so far and not get ourselves into little rooms where people are not talking with each other and where these unintended consequences grow very quickly.

Mr. THORNBERRY. Mrs. Morella, one quick point. If you see the chart in the President's material, Transportation Security Administration comes en bloc, all of the people, the rules and regulations that we have already adopted come as a block. Coast Guard comes en bloc. Now there is a new Cabinet Secretary at the top, but we don't dismantle either of them and reassemble them in some ways. They come as they are en bloc inside a new Cabinet department. So I think a lot of these understandable concerns about substantive changes inside the agencies are not what any of us, including the President, had in mind.

Mrs. MORELLA. Thank you, Mr. Chairman.

Mr. SHAYS. Thank the gentlelady. As I have listened to the incredibly thoughtful questions of this committee and of these committees, I noted the enthusiasm that the Members have, and also their caution, and I think both are appropriate. I think that we have heard about no traps, no hidden agendas for this legislation. And I was struck by the fact as I was looking particularly at my four colleagues, who are before us right now, how grateful I would be as President—if I were President, to be able to know that you all are leading the charge with him, Republican and Democrat, very thoughtful Members.

I particularly like your comment, Mr. Gibbons, of reaching in and trying to put a puzzle together and everybody going into separate rooms. I mean we have a list of the majority of those departments and agencies just listed on those two tables, and if we were to deal with that issue we would have to bring them all in.

And I look at the proposal that has been outlined by the President's folks, not in statutory language, and think that is probably good that didn't happen. It is probably good we had this hearing and we can talk more generally and not about the specific detail that will follow to help guide you all as you help the President draft this legislation, to stay away from some of those traps. And I just have to say to you, I find the President's proposal that built on the $12 million man's proposal and your proposal, I find it is elegant, frankly, in its simplicity and its ability to bring it all together, to bring all of it under one, in some cases, under direct control and in some cases as an active customer demanding that the intelligence come not just from the CIA, but from DEA.

Even the local police departments will be able to feed into that blue column. So I am just very grateful you all are here and would only ask is there any question that you think should have been asked that you want to ask yourself that you want to put on the record? If not, I will also say you started a new first. We had no

statements on the part of the committee and my colleague, Dr. Weldon, said let us not read our statements before Mr. Rudman. Let us forego the statements before Mr. Rudman. I want you to know I had a great statement. And I am not going to read it, but I am going to read one paragraph and a half, and it was in another age in the face of another mortal challenge to our serenity and sovereignty President, Abraham Lincoln, advised Congress and this is what he said the dogmas of the quiet past are inadequate to the stormy present.

The occasion is piled high with difficulty, and we must rise with the occasion as our cases new so we must think anew and act anew. We must disenthrall ourselves and then we shall save our country. That is what Abraham Lincoln said. So I would say at this moment in history saving our country requires bold action to reshape and refocus the instruments of Government's most fundamental responsibility defense of life and liberty.

Last week the President proposed that bold action, in my opinion, because of the work that you all have done. Thank you all very much. While we are waiting to set up, I would ask unanimous consent—household issue—I ask unanimous consent that all members of the subcommittee be permitted to place an opening statement in the record, and that record remain open for 3 days for that purpose. Without objection, so ordered.

I ask further unanimous consent that all witnesses be permitted to include their written statements in the record. Without objection, so ordered. Jason can we move those mics a little further away—the other ones. Why don't you put them on the floor, Jason.

Mr. Rudman, I had this particular amount of admiration and glee. Never have we kept a Senator waiting so long, but I would like the record to state that we gave you the opportunity to be in the back room or come later, and to your credit, you said you wanted to listen to the comments of our colleagues, and that makes your testimony frankly more valuable having you hear the questions of the committee already and have heard their statements.

You, I think, rightfully deserve to be by yourself. You have been working with others admittedly, but you have been at the forefront of trying to get this country to wake up to the terrorist threat. And you had proposed bold programs and we are coming to see the wisdom of those proposals. So welcome, and we now are prepared to hear your statement

STATEMENT OF WARREN RUDMAN, CO-CHAIRMAN, U.S. COMMISSION ON NATIONAL SECURITY, 21ST CENTURY

Mr. RUDMAN. Mr. Chairman, Chairman Weldon, members of the committee, thank you for inviting me. I am delighted that the day has come that you are having a hearing on the consolidation that we recommended several years ago. Just a brief historical note for those who may not be familiar with our work, this Congress, mainly the House of Representatives in 1997 at the urging of President Clinton and former Speaker Gingrich, decided that national security for the 21 century ought to be looked at in every aspect, the Pentagon, the State Department, education, science, and, of course, terrorism. At the end of that 3½-year period, to the surprise of everyone on that panel, our risk assessment, our threat assessment

concluded that the single greatest threat to this country was what happened on September 11th.

And I have asked the staff to place on your places a copy of this chart, which is page 17 of our final report, which bears a striking similarity to what has been produced by the President. The reason we did this is because our risk assessment told us that we were not organized to meet the threats. And what we did in many ways that are a striking similarity to what President Truman and George Catlett Marshall did in 1947 and 1948—there are few people around to remember what happened back then—but what happened was that there was an Army and there was a Navy and there was an OSS. There was no joint chiefs of staff. The Air Force is part of the Army and the State Department was organized totally different than it is today.

Out of that study came the joint chiefs of staff Department of Defense. What is being recommended here is similar to that. What the President has said is let us take all of these functions, which have a similar goal protecting the homeland, protecting the borders, protecting, responding, preserving, put them in an agency that has one director. Let them keep their identities, let them do what they have always done, but maybe do it better, do it with more coordination, more direction.

For the benefit of those who are not familiar with our work, in that 3½ years, we spent enormous amounts of time with some of the world's leading authorities on all of these issues. We had extensive briefings from all of our people in the government as well as foreign governments. We met with allies and adversaries. We had testimony from CIA, DIA, FBI, the academics who work in these fields for years. So I would say to Ms. Watson that I think the threat assessment you will find in volume 1 and 2, which was part of our charge from the Congress, tells you the prioritization of what we think the threats are. For instance, we say clearly the threat this country faces today is totally asymmetric. It has nothing to do with the huge Army, Navy Marine Corps Air Force that we have. It has a lot to do with transnational threats from both State sponsored terrorism and nonState sponsored terrorism and we are not quite sure what September 11th was yet but right now we think it is al-Qaeda but who knows whether in the future intelligence could uncover there were State connections. We don't know that. Now let me simply say I have heard a lot of questions about intelligence here. And as I know that you know, Mr. Chairman, I served on Senate intelligence and chaired the PFIAB or vice-chaired it for the last 9 years. This isn't going to solve your intelligence problems. That is separate. I hope that these committees now hearing this that Congresswoman Harman spoke of that these hearings will start to address that.

But do not expect this to address the intelligence problem. It goes a way, the President's proposal, to establish an analytic section, but—and that will help, but if there are major intelligence problems, this was not designed by the President to solve those problems. It was designed for a totally different reason, to take those parts of border security, protection and response and prevention and put them in one place. We commend it. We agree with it, but I would only add that I have yet to see a major piece of legisla-

tion that came to Congress from a President that wasn't improved by the time it got to the President's desk for signing. I am sure that Congress will come up with ideas to improve this and you will work these out with the administration. But we fully support this. I have talked to most members of the commission. Incidentally the commission was allocated $12 million, it spent $10 million. The members of the commission did their work pro bono. All of the money was spent on a first class staff of 3½ years.

Mr. SHAYS. Do we need an investigation of what happened to the $2 million?

Mr. RUDMAN. I don't think so. I think the GAO has a total record, if you want to look at how the money was spent. It was spent wisely and I think fairly well. I don't have much else to say, except to say I am pleased to answer your questions. What the President did was to add to our recommendation of 18 months ago three key elements: Transportation security agency which didn't exist at the time that this was written; the INS, which we thought of putting in here but didn't, and maybe that is the right thing to do; and an analytical section for intelligence and the Secret Service, and I believe the labs, which I don't fully understand yet, but I am sure there is a reason.

Let me answer in advance one question that was asked of the panel. In our recommendation when we said the Customs Service, we specified it was the law enforcement part of Customs Service. We did not think that the revenue raising part of the Customs Service need be transferred. So I think the Congress working with the administration can probably work out some carveouts of certain parts of agencies that might want to stay where they are. But when you look at the history, can you look at the Coast Guard being in transportation, and you look at border security being in justice, and you look at Secret Service being at the Treasury and law enforcement Customs being in the Treasury, you say well these were done for reasons, 30, 40, 50, 75 years ago.

Today they need to be changed. The function has to be followed by the organization, or visa versa, if you wish. That is what the President has proposed. We support it. And we hope the Congress will work its will and produce a first class piece of legislation that will give this country protection.

A final word, I think, to Chairman Weldon and to my dear friend, Joe Lieberman. I wish I shared your optimism about the future. I think that with new organization, with improved intelligence, we can probably prevent a great many terrorist acts from taking place in this country, but I do not believe that it would be logical to think that we can prevent them all. The Israelis have tried mightily with their incredible intelligence and they have been unable to. The British, during the Northern Ireland situation, tried with their intelligence and couldn't. There is something uniquely horrible about terrorism compared to conventional warfare in that it is so hard to determine what is in the minds of people.

I am fond of saying that in baseball, if you bat 500 you are in the Hall of Fame. In intelligence, if you bat 750 you are loser and we are going to lose some of these battles. I wish I felt otherwise, but I will tell you, Chairman Weldon, I have seen far too much information over the last 9 years to say that we can prevent it all,

but we can go a long way in preventing a great deal of it. Our goal ought to be 100 percent. That is where our goal ought to be. But I think to anticipate we can do that and we fail greatly if we don't is to raise expectations probably more than we probably should. I will take your questions.

Mr. SHAYS. Thank you for that very heartfelt and thorough statement. I appreciate it.

Dr. Weldon you are starting and then we will go to you, Ms. Schakowsky.

Mr. WELDON. Thank you, Senator. I certainly agree with you that our goal should be to prevent all acts of terrorism against our homeland, and nothing short of that should be our goal. My comments related to Senator Lieberman's comments really were a reflection of what I think is an attitude on the part of some people that it is inevitable, and I think if we do everything we possibly can, that is our obligation, our responsibility, and we need to pursue that and we need to make our goal not a single additional attack will occur.

Mr. RUDMAN. I agree.

Mr. WELDON. Can we sit here and say even if we enact the President's request and put all the resources, financial resources and logistical resources behind the agency, that we will succeed? Nobody knows. Only the good Lord knows that. I would like your comment on the question I asked the first panel about reorganizing the Congress to respond to the challenge, and I see that as really two issues, the permanent committee concept where we would have, in the House and the Senate, a committee on homeland security to oversee this new cabinet agency, which I think is something perhaps we do not need to act on immediately, but it is something we very seriously need to consider.

But my other overriding concern is there are some 66 committees in the House and Senate that have a jurisdictional piece of this issue, and if we are going to get this done before we adjourn for the fall campaign, I just don't know how we can move something this big through all those respective committees. And I personally would favor some sort of effort to streamline the committee referral process so that it will make it more possible for us to get it enacted into law.

Mr. RUDMAN. We gave a great deal of thought to that, and let me tell you what we said. Recommendation No. 48 of 50, Congress should rationalize its current committee structure so it best serves U.S. National security objectives. Specifically, it should merge the current authorized committees and the relevant appropriation committees.

Now that is quite a statement coming from an ex-appropriator, but that is what we believe. We went on in the body of this text to do exactly what you are speaking of. I am not sure you can get through the creation without multi committee structure. I mean, there is just too much history there, too many people that have great interests in these agencies. But I do believe once it is done, you cannot have a secretary who is going to come up here and talk to 30 40, 50 subcommittees.

I mean, if that is the case, you better have a wonderful deputy secretary, because he will really be running the agency. I think you

ought to have a select committee like Intelligence. You have an Armed Services Committee. This is a Homeland Defense Committee, and we do recommend in here that the Members ought to be picked from those committees that have experience with the issues such as intelligence, Armed Forces, you call it something else here, foreign relations, appropriations and a representative committee that every committee would feel was represented on the select committee. I mean, that is what we recommend.

Mr. WELDON. I am running out of time. I did have a followup question about the FBI. Do you make any recommendations in your report regarding the FBI? I think it was Senator Lieberman might have been the one who recommended bringing FBI into this agency.

Mr. RUDMAN. I think that would be a terrible mistake. We did not spend a great deal of time on that in this report. I will tell you why. I have had a lot of experience with the FBI before I came here when I was Attorney General in my State and in my role in the other body where I had jurisdiction over the FBI, they are mainly a law enforcement agency. No matter what anyone wants to say publicly, they will be a law enforcement agency. 90 percent of their work will be law enforcement. Let us kind of take the terrorism section of it and take a hard look at it and decide if that is where it belongs. It may or may not.

Mr. WELDON. What about domestic intelligence? We traditionally—you know, the CIA did intelligence work off our shores and for privacy concerns, we really haven't had a domestic intelligence agency and the FBI in light of these terrorist attacks is assuming some of that responsibility. It would seem to me that this new Director of Homeland Security is not only going to need the input from the CIA but he or she is going to need first class input from somebody who is monitoring all of these potential terrorist groups within the United States.

Mr. RUDMAN. If I might take a couple of minutes to answer. It is a very profound question. The history is very interesting. In 1947 and 8, when the OSS was converted into CIA, J. Edgar Hoover did not want any other agency of the U.S. Government to have investigative and law enforcement authority, and he was joined by the civil libertarians, which is a rather interesting combination. J. Edgar Hoover and civil libertarians all agreed they didn't want an internal ministry, if you will. The counterespionage efforts that FBI was discharged with great distinction during World War II became counterespionage from 1948 until very recently.

A few years ago, they started getting into the counterterrorism business, and as you well know, there is a joint center of the FBI and CIA and others that is a counterterrorism center. If you really want to look, you know—think out of the box, and I have talked about this with a number of people in both of those agencies—you may want to—not this year I don't think, you ought to look at the British example, MI6 and MI5, the Israeli example in which they have Mossad and Shenbeck, one foreign one domestic.

The question is do we want a first class domestic security agency that deals in counterintelligence and counterterrorism. Some will say yes, some will say no. But that is a huge issue and it is much bigger than we can solve today, but there are ways to do it. Scot-

land Yard, for instance, doesn't have the responsibilities in counterespionage and counterterrorism. They have law enforcement responsibilities. The FBI has both. And you are going to have to decide how you deal with that. This bill will not address that in any major way.

Mr. SHAYS. Ms. Schakowsky.

Ms. SCHAKOWSKY. Thank you, Senator unlike you, I missed a good deal of the questioning. A number of us were meeting with Prime Minister Sharon about security, among other things, so if I am redundant in questions that were asked earlier, I hope you will forgive me. And I appreciate all of the wonderful work—I went to one of your briefings earlier and I appreciate the work you have done for us.

Yesterday's Washington Post had an article called "Unintended Task Face New Security Agency." And let me just read the beginning, to hear President Bush tell it, the new Department of Homeland Security will improve Government's, "focus and effectiveness" but the confusion attending many aspects of his proposal suggest that government may be headed for a prolonged period of bureaucratic chaos before things are sorted out.

Late last week Agriculture Secretary Ann Veneman wondered whether she could define the parameters of legislation so that Congress would not transfer all of the animal plant inspection—you get the drift. And it seems similar to what you said about the FBI just now that 90 percent is law enforcement and 10 percent other that might apply here.

In addition to wondering whether or not we aren't just in store for all of these bureaucratic issues, I am wondering if this is, in fact, the time to do that, given the urgency of addressing our intelligence requirements and if our focus then has shifted then from perhaps where the most critical problems really are right now to things that are going to distract us from our capacity to connect the dots.

So I want to address both the bureaucratic—the issues of bureaucracy in shifting it, but also the shift of focus.

Mr. RUDMAN. You mean creating this new agency is shifting the focus from other things, is that your question?

Ms. SCHAKOWSKY. What seems to have emerged over the last couple of weeks is that this has been an intelligence failure, and when we talk about connecting the dots that really all the elements were really there that potentially could have prevented September 11th had the dots been connected. And so I am wondering if our first priority ought to be addressing those clear failures and then addressing what may be longer term problems.

Mr. RUDMAN. I think you can do both. That is the magic of the Congress, you divide it into committee structure which can deal with multiple problems at the same time and always has. This is a unique problem. This problem deals with border security and it deals with those people who are securing our borders and responding to acts of terrorism in attempting to prevent other than the intelligence piece. This is why we recommended 2½ years ago that we go to this kind of an organization. Obviously, it has a few more pieces to it, but it is essentially the same directorates of prevention, protection and security.

You know, the intelligence committees may well decide after they finish their hearings later this fall that they need more hearings, that they want to reorganize the intelligence community. They might want to do it and change it. Let me just add one more thing. I don't necessarily accept the conventional wisdom that what happened was totally an intelligence failure, but that is probably because I had access to information over the years that is rather unique. There are some errors. I am not sure I would call it a massive intelligence failure as some have been wanting to call it.

The problem we have and anyone you talk to in the intelligence communities will tell you is not that we don't have enough information, the problem is we have too much information. The question is how do we analyze this data and how do we do it. We have millions of items of intelligence coming electronically and from field reports and from many agencies. How do we deal with all that? How do we make sure that back in 2000, the director of the CIA or his deputy knew about that meeting in Kuala Lumpur? Probably unlikely that we would ever get up to that level. Why didn't it get to the FBI at the right level? Those questions have to be answered. But I must say there are a lot more success between the FBI and CIA than you ever hear about. They do great work together; most recently we read about what happened yesterday. So I am not sure massive intelligence failure is necessarily the right answer, although many feel that way.

Ms. SCHAKOWSKY. Thank you.

Mr. WELDON [presiding]. The Chair now recognizes the gentleman from Florida, Mr. Putnam.

Mr. PUTNAM. I thank the distinguished Senator. Senator, when your report said that America will become increasingly vulnerable to hostile attack on our homeland and our own military superiority will not protect us when the commission you participated in said that Americans will likely die on American soil, likely in large numbers, and Americans are not as safe as they perceive themselves to be, you were called an alarmist, cynical, a lone voice in the wilderness, former elected officials taking advantage of the freedom of being away from office to propose radical changes that had they been in office would know that was not possible and my how the worm has turned.

We have an obligation to do our own consequence management within the institution of Congress to deal with this issue and within the executive branch to craft this new response mechanism. In addition to recommending the creation of an Office of Homeland Security as the Hart-Rudman Commission did, you also focused on the financial aspects on the war on terror, something that President Bush has done. Do you believe that the administration's proposal adequately transfers and focuses the financial aspects of homeland security with the inclusion of Secret Service, or do you believe that it should go further?

Mr. RUDMAN. No. I think they will have the use of the Secret Service, but I believe the work will still be done by FBI and other people at Treasury. I think they have done an excellent job. I have talked to Secretary O'Neill. I know what they are doing and much of it is classified. I think it is a very important step and the administration ought to be commended for recognizing if you cutoff the

money, it would be difficult for some of this to take place. I think they are doing very well in that area and they should continue to do well.

Mr. PUTNAM. Has the Treasury Secretary been made a permanent part of the National Security Council as has been recommended?

Mr. RUDMAN. I don't know. I hope that the homeland security director will be a member of the National Security Council. I hope the legislation contains that, because that person should be, he or she whoever that director will be, the new cabinet secretary ought to have the same seat of the NSC as the Secretary of Defense, because they are doing identical things in different places.

Mr. PUTNAM. To followup on Ms. Schakowsky's point, there is some concern about the level of priority that will be given to the non-homeland security functions that will necessarily transfer with these agencies. The Coast Guard will still be expected to attend buoys, to conduct search and rescue missions, to assist mariners in stress—in distress, AFIS function from USDA will still have certain responsibilities that aren't necessarily critical to the national security, but are important current functions. You believe that they can do both?

Mr. RUDMAN. I do, as long as you don't change the statutes that give them their authority and responsibility. I am sure to take the Coast Guard for example, they will keep their organization just exactly as it is and expand it in the area of port security. Their major role will be port security and security of ships entering this country, who could be carrying weapons of mass destruction. One of the things we haven't talked a lot about this morning and no need to, but one of the principal parts of that report that you read from, Mr. Putnam, in fact, I think it is the paragraph at the very end or the very beginning of what you read is our concern is not only for what happened on September 11th, we have deep concerns of our weapons of mass destruction. And one of the figures in there, of course, deals with cargo containers, 50,000 a day coming into this country, less than 1 percent being inspected. A natural place for a weapon of mass destruction to be smuggled into the country.

Coast Guard has a major responsibility in that area and they are a great organization and they discharge it as well. What they need is to have total coordination by one person who runs that security apparatus and we are going to that have if this legislation passes and that is why we fully support it.

Mr. PUTNAM. If this legislation passes and we have a streamlined agency and we have perfect coordination and perfect communication and we improve our rate of inspection from 1 percent—let us say we quintuplet which would be a massive improvement in the government, we will still only be inspecting 5 to 6 percent of what is coming into this country. What are we leaving out in terms of research and development to devise techniques that allow us to improve our inspection?

Mr. RUDMAN. I think it will give you some comfort to know that is going on right now. There is a lot going on right now, and the idea of electronically scanning a lot of this equipment as it comes off ships. In addition to that, there have been suggestions made by people who work on our staff that there can be more overseas in-

spection done of cargo before it is sealed. There are a lot of things going on to try to make us safe. As I said, not perfect, but the goal ought to be perfection.

Mr. PUTNAM. I appreciate the chairman's indulgence, and your last point is important. We need to catch them before they get into our ports. Because if it is a weapon of mass destruction, it is too late.

Mr. RUDMAN. There is substantial research going on and action going on, and I don't want to talk about that, but I think a lot of people have taken a lot of these recommendations to heart. You know, there 250,000 copies of these printed. We had 249,500 copies left on September 10. On September 12, we had no copies left. If anybody is interested in—at the three reports, they can look at the Web site maintained for us by the Pentagon, which is www.nssg.gov, National Security Study Group. There are a lot of Americans calling in to find out and read this report.

Mr. WELDON. The Chair now recognizes the gentlelady from the District of Columbia.

Ms. NORTON. Thank you, Mr. Chairman. Senator, I am not going to ask you questions about the nuts and bolts. It took September 11th for the nuts and bolts that you had out there and the book you just referred to to finally get the attention of the country and of the Congress. I am going to try to take advantage of your vast experience in intelligence which combines with your understanding of what to do about it. There has been—we continue to have this guesswork about what is inevitable and what is not inevitable. One of the notions that would inform me on the notions of inevitability, and I know you belong to the inevitability school—but one of the—one of the pieces of information that would help me understand what could happen if you would, would be to clear up a question I have had for many years, all my years in Congress, even before I came to Congress and perhaps because my district is this district. I watched terrorism occur against the United States and our allies all across the globe, in Africa, in the Middle East and in Europe.

And I said to myself all during those years, I remember saying to myself in the 1980's before I came to Congress, in the 1990's since I have been in Congress, wow, why isn't it happening here? My own guess having no access to any information was to—and I ultimately complimented the intelligence of the United States. I said to myself, I know that we are not taking any precautions here. The only thing that must be saving us is we must have wonderful intelligence that are keeping these people from getting on planes and keep these people from getting into our country. God bless them.

I don't know what they are doing but that was my only hypothesis. Now I must ask you what took it so long to get here? Was it that they were insufficiently organized? Was it simply fortuitous? Was it accidental? Were we really good enough to keep it from coming here until it got here? I have absolutely no understanding, particularly given what we know now you can walk across the border and do what you have to do and we were totally unprepared. I cannot understand why we were protected, if I may use that word very loosely, until September 11th and would appreciate any motions in your own experience that you might offer.

Mr. RUDMAN. Well, I can give you an opinion and we did look at that issue and talked about it some in I think volume 2 of this report. The brief answer is that for many years, the U.S. intelligence services, including the Agency and the FBI, were able to thwart a number of fairly low level threats against this country, and one you will recall was a millennium effort to sneak across the border an Islamic fundamentalist, I believe, and his mission was to blow up the L.A. Airport and that was thwarted. And there are many others. I can't talk about them publicly, but they happened. They have been thwarted in unique ways to the extent that the people never even got close to this country.

What has happened is that there has been a movement in the world, mainly amongst, you know, very far, you know out Islamic fundamentalists who do not at all represent what the beliefs of that religion are who have distorted them totally, who have taken great umbrage at several things. No. 1 they are totally opposed to U.S. foreign policy and equally, they are opposed to our culture which comes into their countries in various ways with our servicemen and women, with our television, literature and so forth, and they are very offended by that.

And third, they have started to acquire the capacity to commit the kind of acts that you saw. That whole rise of that type of fundamentalist action based on what we looked at and what I know started to arise in the late 1980's and built during the 1990's. Afghanistan was a haven for Osama bin Laden. He was able to, at will, run a terrorist training organization there. Other terrorist training organizations known to us were in other places in the world. Over a 6, 8, 10-year period, they trained for a mission of terror, and obviously what we saw on September 11th was the pinnacle of what they wanted.

But I point out to you that many people in this government talking about what happened first to American servicemen in Germany when they were bombed in their discotheque and killed. They were targeted. Thereafter we let Ambassadors in Islamabad and in Lebanon. And then we have the two American embassies in Africa blow up then we have the COLE and there were a lot of voices who were saying it is moving this way, and people weren't listening. And my final response would be that and you may agree or disagree, you know we are a wonderful Nation and have a lot of great qualities and we all pull together.

This hearing today is remarkable, bipartisan hearing, both Senate and House involved, you will get it done and what you get done will be good, I have not doubt. But the fact is we kind of don't want to believe the worst. Maybe that is part of the American psyche. We like to believe the best. We don't want to worry a great deal. We don't want to think about what is going to happen to us or our children and it takes a horrible event to galvanize this country into action. And there are many points in our history, December 7, 1941, being one when the country totally flipped from being isolationist to saying this will not go unchallenged. So I think it is an a combination of all those things.

Mr. WELDON. The Chair now recognizes Mr. Otter for 5 minutes.

Mr. OTTER. Thank you Senator for being here. Although I didn't get to hear your opening statement in its entirety, I did get a

chance to watch most of it in the back room. You heard the exchange earlier on as I saw you sitting in the audience with panel one between my colleagues Kucinich and Putnam relative to has there been a threat assessment. Has there been a threat assessment, in your estimation?

Mr. RUDMAN. There has been. As a matter of fact, that is what this Congress has to do. I think volumes 1 and 2 are the threat assessment, and based on the threat assessment, this is the road map for national security reorganizing the entire government in this area. Everybody is talking about the homeland security. There are only six of the 50 recommendations in this report are aimed at that point. So I think we have done that.

Mr. OTTER. I would agree with you. And my preliminary review of all of the engagement that you had relative to the issues that you worked on, plus I might add the sterling committee that worked on this with you cochaired and worked on, it is obvious to me that there was one agenda and that agenda was national security.

Mr. RUDMAN. Absolutely.

Mr. OTTER. The other question I guess I have, do you think that this legislation satisfies the ongoing threat to this Nation, not from terrorism, but there is a reason we have counterfeiting as part of one of the Agency's responsibility. There is a reason that we have AFIS, as my colleague from Florida mentioned. There is a reason we have licensing and navigational procedures from the Coast Guard and it goes on and on. Do you think that under the present design that is being offered, that we can continue with those equally important missions of these agencies, and at the same time, increase that mission to include total national security?

Senator RUDMAN. Well, I do; and I will tell you why. Coast Guard is a great example, and then I will come back to one of our recommendations.

The Coast Guard is obviously going to have its role expanded mightily, because seaborne security is an important component. If you don't do that, you are ignoring something very important. The port security, the people coming in from foreign countries, inspecting these ships, making sure they are not carrying what they ought not to carry, they can do that. They are very much a law enforcement organization as well as a boat safety organization and a maritime safety organization. But I believe that their antiterrorism role is going to expand.

The fact is, the Coast Guard will still be commanded by a commandant. They will be doing the same things they have been doing. They will probably have more money than they have had, because they certainly need it, but they will have a Cabinet secretary that is particularly concerned with the homeland security part of their issue and will work on that with them. So I think the answer is yes.

Now, Customs, we split it in our report, if you read it recently. We said that the Treasury ought to keep the revenue collection part of Customs, which isn't very much any more, compared to what it was back in the old days when they were called revenue agents, but today it is very different. They are mainly law enforcement in so many of their functions. So we did say separate. No rea-

son you can't, in certain instances, but there has to be clear divisional responsibilities to do it. You couldn't do that with Coast Guard. Today, that cutter is doing buoy work, tomorrow it's out intercepting a tanker to see if it really contains fuel.

Mr. OTTER. I am sure you have watched, with some—enthusiasm, perhaps, is a poor choice of words, but I am sure it applies here, when the Patriot Act was passed——

Senator RUDMAN. I did.

Mr. OTTER [continuing]. And all that was embodied in that. I was one of the Members that voted against the Patriot Act because I saw a lot of inherent perils in the Patriot Act. It doesn't make any difference who is taking my freedom away from me, whether it is some foreign terrorist or my own government.

We extended law enforcement's broad expansive powers to—I think the number was 78 Federal agencies. A lot of people operated under the impression that went to the CIA, the FBI, and the NSA. Not true. Because it stated Federal law enforcement agent in there, and that includes the BLM and the bank examiners, and it goes on ad infinitum, ad nauseam. Do you think this could be an opportunity, if we create it through this legislation, an opportunity for us to go back to that group of 78 Federal agencies and withdraw some of those broad expansions of powers?

Senator RUDMAN. Yes, it wouldn't be a bad idea to look at it. I am not saying you ought to do it, but I will tell you this. I always get concerned when you expand law enforcement powers into agencies that haven't had them before. Many of them don't know how to handle it and haven't had the training to handle it. Now, maybe they are getting it—I must admit I am not current on that subject—but certainly it is a good opportunity to look.

Mr. OTTER. Thank you, Senator. Thank you, Mr. Chairman.

Mr. WELDON. The Chair now recognizes the gentleman from Massachusetts, Mr. Tierney.

Mr. TIERNEY. Thank you very much.

Thank you, Senator, for coming again before this committee. You have come before to carry the light and let us know that this was on the way, and I wish that a Congress and two White Houses at least had listened. So thank you for doing all the work with your Commission that you have done and for continuing to come and testify.

Let me ask you, will you just expand a little bit on the importance of having the position of the homeland security head be a member of the Cabinet and be approved by the Senate and the reasoning why the Commission went that way?

Senator RUDMAN. I think as we move into the 21st century, in many ways terrorism against the American people, against our homeland will be as much an issue as will our Department of Defense and its issues involved with maintaining security and America's interests overseas.

The threat to American citizens is very real. In fact, the threat to American citizens is more real than the threats that we have from some of the international situations we are involved in. The American people are very concerned about Bosnia, they are very concerned about al Qaeda, but they are not threatened personally

by that. They are threatened very personally by events like September 11th.

I believe that when you have someone that is going to have the kind of responsibility that will indicate, that person should, No. 1, have Cabinet rank—and in this town titles do count. They ought to have Cabinet rank and, No. 2, I believe should be on the National Security Council.

Mr. TIERNEY. In the process of drawing up your plan, you did bifurcate. You said the Customs Department, for one. On the Coast Guard, do you have any concerns if the Coast Guard is taken in in its entirety in this new division, what will happen with all their responsibilities with regard to the fisheries, rescues, things of that nature? Are we have to create another entity for that one?

Senator RUDMAN. Well, knowing where you come from, I would suggest that, to make sure that doesn't happen, that we are absolutely positive that all those responsibilities statutorily are carried with them in whatever statute creates this, that there be language to incorporate their responsibilities.

Because boating safety and safety for fishermen and helping boats in distress and all those wonderful things they do—and I am personally familiar with what they do off our New England coast—are extraordinarily important. I cannot believe that the Coast Guard will ignore those. What you have to make sure of is that they have enough funding to make sure they can do everything.

Mr. TIERNEY. Well, there was never a thought in mind that they would ignore it, because, as you know, they have been very good at that. My concern is that when they get put into a division that is concentrating solely on homeland security that the pressures are on them, whether they be budgetary or otherwise, to focus so much on that they are not given the resources or the leeway to do the rest of their job, which is so critical to different parts of this country.

Senator RUDMAN. Well, I think that is an important concern. It think it has to be addressed both by the appropriators and by the authorizing committees, and it should be. I think they can do it and do it well.

You would be interested that we talked to a lot of Coast Guard people, high-ranking Coast Guard people, and officially they could not say too much, but they were not happy in the Department they were in.

Mr. TIERNEY. Thank you.

Mr. WELDON. I thank you, Senator Rudman, for your very valuable testimony to the committee; and I can assure you that we will be working diligently on these matters in the weeks and months ahead.

The committee now will stand in recess until one o'clock, when the third panel will be called to testify.

Did you want to add anything before we recess?

Senator RUDMAN. I only want to thank you for the opportunity and tell you that we had a number of people at work on our staff over that 3½-year period that would be delighted to be a resource to this committee at any time on any of the subjects that you have covered this morning.

Mr. WELDON. Thank you, sir.

The committee stands in recess until 1 o'clock.

[Recess.]

Mr. SHAYS. I would like to call this hearing to order. I would like to welcome our witnesses. I am going to invite you—I know the Admiral won't take us up on this, but I am literally going to invite you gentlemen to take your coats off if you would like. And the reason for that is, frankly, you are kind of crunched together. So if you would like to do that, that is fine. If I need to take off mine to get you to do yours, I will do that. Or during the course of the hearing, if you want to take your coat off, feel free.

I would like to welcome you. I would say to you that it is a big panel, and you probably have seen big panels before. It takes a while. You are going to dedicate your afternoon to us. This is a gigantic issue and you are at the very beginning of telling this tale that needs to be told about how the government reorganizes itself to be effective. In some cases it is going to demand that you put aside your turf concerns for the greater good. The White House has told us that in speaking to go your superiors, that is there. It is also going to require Congress as well to look at how we organize. So we know we have our responsibilities.

So I welcome you, and I would also say to you that because this is a hearing on legislation, we are not swearing you in. We usually swear in all our witnesses because we are an investigative committee, but we also have legislative responsibility on reorganization. It is wonderful to have you here, and I will just call your names and we will proceed in the order that I call you. I will just go down the names.

We have Admiral Thomas Collins, Commandant, U.S. Coast Guard, Department of Transportation—for the record, my brother was in the Coast Guard, one of my brothers; Mr. Bruce Baughman, Director of Office National Preparedness, Federal Emergency Management Agency; Mr. Douglas Browning, Deputy Commissioner, U.S. Customs, Department of the Treasury; Mr. Robert Acord, Administrator, Animal and Plant Health Inspection Service, Department of Agriculture; Mr. John Tritak—am I saying that name correctly?

Mr. TRITAK. That's correct.

Mr. SHAYS. Mr. John Tritak, Director, Critical Infrastructure Assurance Office, Bureau of Industry Security, Department of Commerce; Mr. Larry A. Medford, Assistant Director, Cyber Division, Federal Bureau of Investigation; and Mr. Peter M. Becraft, Deputy Commissioner, Immigration and Naturalization Service.

Do we have everybody?

Thank you for being here. We have Mr. Lewis here and we have Mr. Putnam. Would either of you like to make a comment before we begin this hearing?

OK, thank you. Why don't we start with you, Admiral?

STATEMENTS OF ADMIRAL THOMAS COLLINS, COMMANDANT, U.S. COAST GUARD, DEPARTMENT OF TRANSPORTATION; BRUCE BAUGHMAN, DIRECTOR, OFFICE OF NATIONAL PREPAREDNESS, FEDERAL EMERGENCY MANAGEMENT AGENCY; DOUGLAS BROWNING, DEPUTY COMMISSIONER, U.S. CUSTOMS, DEPARTMENT OF THE TREASURY; ROBERT ACORD, ADMINISTRATOR, ANIMAL AND PLANT HEALTH INSPECTION SERVICE, DEPARTMENT OF AGRICULTURE; JOHN TRITAK, DIRECTOR, CRITICAL INFRASTRUCTURE ASSURANCE OFFICE, BUREAU OF INDUSTRY SECURITY, DEPARTMENT OF COMMERCE; LARRY A. MEDFORD, ASSISTANT DIRECTOR, CYBER DIVISION, FEDERAL BUREAU OF INVESTIGATION; AND MICHAEL BECRAFT, ACTING DEPUTY COMMISSIONER, IMMIGRATION AND NATURALIZATION SERVICE

Admiral COLLINS. Thank you, Mr. Chairman. It is a great pleasure and an honor to appear before this distinguished committee. I have a full week and a half under my belt on the job, so I am very glad to tackle such a meaty issue here right out of the chute.

Clearly the events of September 11th have changed the focus of our Nation, and today we suffer from constant threats of terrorism either as a coercion-type thing or retaliation-type thing. It is a reality, unfortunately, that is going to be with us for the foreseeable future.

Our collective experience over the last 9 months demands an improved awareness of the vulnerabilities and the threats with which we must deal; an increased capability to detect, deter, and to respond to terrorist activities; and greater unity of effort by all the participants in the homeland security effort.

Success here will help assure you have focused policy, focused strategy, focused doctrine, aligned resources and capabilities to keep the American public safe and secure. And I think these objectives are very clearly underscored in the first two panels that appeared before you today. Under the leadership of President Bush, we have all leaned forward with increased vigilance, stiffened our resolve, and allocated resources to the greatest risk areas, and much has been accomplished. But with his announcement last Thursday to create a single Homeland Security Department, the President has taken the next logical step to ensure an effective posture of readiness for our Nation.

From the Coast Guard's perspective it is a necessary change whose time has come. The proposed organization will bring unity of effort and unity of command to homeland security efforts, with clear lines of authority to get the job done. It will serve to enhance awareness of threats and vulnerabilities so effective preventive actions can be instituted in a timely way. It will minimize the impact of a terrorist act should a response be needed, and will help ensure alignment of personnel and resources to the highest priority areas.

I should offer that the Coast Guard is a logical component of the proposed department. Nearly 50 percent of our current operating budget is directly related to the fundamental and core missions of the proposed department. The bulk of the remaining missions contribute indirectly to the overall national security interests of the Nation. We also have a unique set of competencies, capabilities and authorities that will add considerable value to the new department.

We have been a leader for the Department of Defense's maritime security and needs of our Nation since 1790. It was the reason we were formed 212 years ago. We possess extensive regulatory and law enforcement authorities governing ships, boats, personnel, and associated activities at our ports, waterways, and offshore maritime regions.

We are a military service, with 7-by–24 command communication and response capabilities. We maintain at the ready a network of coastal small boat stations, captain of the ports, air stations, and cutters to prevent and respond to safety and security incidents, and we have geographic presence throughout the country, its coasts, rivers, lakes, both in large ports and small ports.

We are a formal member of the National Foreign Intelligence Community. We partner with other government agencies in the private sector to multiply the effectiveness of our services. These partnerships are standard operating procedures in all that we do. We are the recognized leader in the world regarding maritime safety, security, mobility, and environmental protection issues.

I am in full agreement with the critical elements of the President's proposal. To maximize the Coast Guard's effectiveness in the new department, I believe it is essential that the following stipulation should apply: The Coast Guard remains intact; the Coast Guard retains its essential attributes as a military, multimission maritime service; and that the full range, the full range, of missions is actively supported.

It is also important to note that the threats to the security of our homeland extend beyond overt terrorism: Encountering illegal drug smuggling and other contraband in the transit zones, preventing illegal migration via maritime routes, preserving living marine resources from foreign encroachment, preventing environmental damage and responding to spills of hazardous material, maintaining an effective maritime transportation system are all critical elements of national security and directly bear on homeland security. They are all Coast Guard responsibilities.

This mission set was recognized and validated as recently as 1999 by the Presidential Interagency Task Force on Coast Guard Roles and Missions. Our full range of missions, all critical to the Nation, would continue to serve America in a robust way under President Bush's proposal.

We have functioned extremely well with the Department of Transportation for now over 35 years, most recently under the support and visionary leadership of Secretary Mineta. However, today's security realities necessitate bold action to ensure the safety of the public, including governmental reorganization where and when it makes sense. The Department of Transportation and the Coast Guard strongly support the President in his proposal to create the new Department of Homeland Security. The Department of Transportation will continue to oversee the mobility and the safety of the transportation system, and I envision the Coast Guard will always be a very close partner with the Department of Transportation in the marine transportation system issues.

In conclusion, the Coast Guard remains dedicated to the safety and security of our Nation to the protection of our marine environment, to the contributions as a military service in the defense of

our country. We will continue to answer the call. We will continue to live our motto, Semper Paratus, always ready, as we have done for the past 212 years.

Again, thank you for the opportunity to testify here today, Mr. Chairman, and I will be happy to answer any questions you or the subcommittee may have at the appropriate time.

Mr. SHAYS. Thank you, Admiral. I told you that my brother was in the Coast Guard. I should have also said he was 8 years older than me, and I really looked up to him and his service in the Coast Guard. Delighted you are here.

Admiral COLLINS. Thank you, sir.

Mr. SHAYS. Mr. Baughman.

Mr. BAUGHMAN. Thank you, Mr. Chairman. It is my pleasure to represent Director Albaugh, who regrets he is unable to be here today to testify.

Let me begin by outlining FEMA's role in support of homeland security. For more than 20 years, FEMA has been the Nation's lead agency in proposing for and responding to emergency disasters, regardless of cause. The agency has a core competency in managing the consequences of disasters ,to include acts of terrorism. Under the Federal response plan, FEMA coordinates the emergency response activities of 28 departments and agencies.

When President Bush asked Director Albaugh to establish the Office of National Preparedness in May of this year, its primary mission was to provide a central point of coordination for a wide range of Federal programs dealing with terrorism preparedness. Although the Office of National Preparedness was formally established only 8 months ago, our responsibilities were greatly enhanced as a result of September 11th. Because of FEMA's unique capabilities and leadership role in consequence management, the President selected our Agency to lead the First Responder Program when he announced it several months ago.

The mission and overriding objective of the Office of National Preparedness at FEMA is to help this country be better prepared to respond to emergencies and disasters of all kinds, including acts of terrorism. This work is under way right now. Our effort has three major focuses. One is providing a central coordination point for all Federal preparedness programs. Second is the First Responder Initiative. And third is supporting the Office of Homeland Security.

The Office of National Preparedness was established to meet the need for a single entity to take the lead in coordinating Federal preparedness programs designed to build the capability of State and local government to respond to emergencies and disasters. In our view, it is essential that the responsibility for pulling together and coordinating Federal preparedness programs be situated in a single agency. And I think formal reports, such as the Hart-Rudman Report and the Gilmore Commission has affirmed that.

President Bush's proposal for the Department of Homeland Security would greatly facilitate this effort. FEMA's current efforts would be folded into this department and our work would continue, including working with and coordinating the response of the 28 agencies through the Federal response plan, interfacing this plan with State and local governments; planning, training, and exercis-

ing Federal State and local emergency responders; providing grant assistance to build emergency response capabilities at the State and local level; organizing the national response system, such as the National Urban Search and Rescue System, which responded to the World Trade Center and Oklahoma City; the National Disaster Medical System; and building a national mutual aid capability.

Responding to emergencies of all kinds, as we have in the past, would continue, to include situations like Oklahoma City, World Trade Center, and the Pentagon. As I mentioned, we have been America's response to disasters, and it has been our mission for the last 20 years. We see this work continuing under a new Department of Homeland Security.

One of the most important lessons learned from September 11th is the value of a strong, effective State and local response capability. The President requested $3.5 billion in the 2003 budget to support first responders. These funds would help them plan, train, and acquire equipment needed, and conduct exercises in preparation for terrorist attacks or other emergencies. Right now we are developing a streamlined and accountable procedure that would speed the flow of moneys to the first response community. Specifically, these funds would be used to develop comprehensive emergency response plans, purchase equipment that is needed to respond effectively, to include communications interoperability; would provide training for the first responders to prepare them for terrorist incidents and operating in contaminated environments; and develop a comprehensive regular exercise program that would be used to improve response capabilities.

The President is requesting funds in the 2002 spring supplemental to support this initiative also, including $175 million for State and local governments to upgrade and, in some cases, develop comprehensive emergency operations emergency plans. These comprehensive plans would form the foundation for the work to be done in 2003 to prepare the first responders for terrorist attacks.

ONP's work in other areas would continue. These include the development of a comprehensive training compendium easily accessible by State and local governments, the development of a robust national mutual aid system, the development of a national exercise program, and the development of interoperability standards for communications and first responder equipment.

What I have described involves those portions of the homeland security effort in which FEMA is most directly involved: preparedness and consequence management, and working with the other Federal, State and local emergency response organizations.

The President said from the outset that the overall structure for organizing and overseeing homeland security would evolve over time. His proposal for the Department of Homeland Security would unify the Nation's efforts to protect the American people, and the functions that FEMA performs would be key to the mission of the new Department of Homeland Security. The new department would administer Federal grants under the First Responder Initiative as well as grant programs managed by the Department of Justice, Department of Health and Human Services, and FEMA.

The new Department of Homeland Security would address head-on the problem of fragmentation and duplication in Federal terror-

ism training programs. The structure of the newly proposed department recognizes that FEMA's mission and core competencies are essential components of homeland security. Congress can rest assured that the Nation's response to acts of terrorism and the efforts of the first responders will be transparent to State and local governments and that the entire first responder community would be wrapped into that.

Mr. Chairman, this concludes my formal remarks. I would be happy to entertain questions.

Mr. SHAYS. Thank you, Mr. Baughman, we will have questions, and that is helpful.

[The prepared statement of Mr. Baughman follows:]

Statement of Bruce Baughman
Director, Office of National Preparedness
Federal Emergency Management Agency

Committee on Government Reform
Subcommittee on National Security, Veterans Affairs, and International Relations
U.S. House of Representatives

June 11, 2002

Introduction

Good afternoon, Mr. Chairman and Members of the Subcommittee. I am Bruce Baughman, director of the Federal Emergency Management Agency's Office of National Preparedness. It is a pleasure for me to represent Director Allbaugh at this important hearing. He regrets that he is unable to be here with you today.

For more than 20 years, the Federal Emergency Management Agency has been the Nation's lead federal agency for preparing for, responding to and recovering from emergencies and disasters, no matter what the cause. FEMA has a core competency in managing the consequences of all disasters, including acts of terrorism. It is because of FEMA's unique capabilities and its role as the lead agency for consequence management, that President Bush selected FEMA as the lead agency for his First Responder Initiative when he announced the initiative several months ago. And it is because of FEMA's unique capabilities that the President has selected FEMA to become part of the new Department of Homeland Security that will have the principal mission in our Government for protecting the American people and the security of our country.

Over a year ago, before the events of September 11th, the President asked Director Allbaugh to establish the Office of National Preparedness (ONP) at FEMA to address the need for a central coordination point for the wide range of federal programs dealing with

terrorism preparedness. I am honored that Director Allbaugh asked me to lead FEMA's Office of National Preparedness. Although ONP was established just eleven months ago, our responsibilities were greatly expanded in light of the events of September 11 and our nation's new challenges and circumstances. The mission and overriding objective of the Office of National Preparedness at FEMA is to *help this country be prepared to respond to emergencies and disasters of all kinds, including acts of terrorism.*

This work is underway now, and our effort has three main focuses – the First Responder Initiative, providing a central coordination point for federal preparedness programs and supporting the Office of Homeland Security.

First Responder Initiative

One of the most important lessons learned from the response to September 11 is the value of a strong, effective local response capability. The President has requested $3.5 billion in the 2003 budget to support first responders. These funds would help them plan, train, acquire needed equipment, and conduct exercises in preparation for terrorist attacks and other emergencies. Right now, we are developing a streamlined and accountable procedure that would speed the flow of funds to the first responder community. Specifically, the funds would be used:

- To support the *development of comprehensive response plans* for terrorist incidents.
- To purchase *equipment* needed to respond effectively, including better, more interoperable communications systems.
- To provide *training* for responding to terrorist incidents and operating in contaminated environments.
- For coordinated, regular *exercise programs* to improve response capabilities, practice mutual aid and to evaluate response operations.

The President is requesting funds in the 2002 Spring Supplemental to support the First Responder Initiative, including $175 million to be provided to State and local governments to upgrade and in some cases to develop comprehensive emergency operations plans. These comprehensive plans would form the foundation for the work to be done in 2003 to prepare first responders for terrorist attacks.

Coordination of Federal Terrorism Preparedness Effort

In addition to the right equipment, planning capabilities, training and exercises, there is a critical need for a single entity to take the lead in coordinating federal preparedness programs designed to build the capability of state and local governments to respond to terrorist events and other emergencies.

In our view, it is absolutely essential that the responsibility for pulling together and coordinating the myriad of federal-level terrorism preparedness programs be situated in a single agency. And we support President Bush's proposal for a new Department of Homeland Security that would house the important job of protecting the American people. FEMA's current efforts would be folded into this department and we would continue our work, which includes:

- Working with and coordinating the response activities of 28 federal agencies.
- Planning, training and exercising with local and state emergency responders.
- Grant programs for emergency management at the state and local level.
- Organizing national response programs such as Urban Search and Rescue and the National Disaster Medical System.
- Responding to emergencies of all kinds as we have in the past, including Oklahoma City, the World Trade Center, and the Pentagon.

Our success in responding to emergencies and disasters is based on our ability to organize and lead local, state and federal agencies; volunteer organizations; private sector groups and first responders. We have been coordinating America's response to disasters for more than 20 years– it is our mission – and this work would continue under the new Department of Homeland Security.

Moving Forward

ONP's work in a number of other areas also will continue. These include:

- A complete accounting of federal emergency and terrorism preparedness training programs and activities. This has been completed and submitted to the Office of Homeland Security and Congress.
- Encouraging mutual aid arrangements within and among states so the nationwide local, state, federal and volunteer response network can operate smoothly together in all possible circumstances.
- A National Exercise Program, involving a multi-year strategic exercise plan and activities to correct inadequacies identified through the exercises.
- And, equipment compatibility and interoperability.

Close

What I have described here involves those portions of the homeland security effort in which FEMA is most directly involved – consequence management, and working with local and state first responders and emergency management.

The President said from the outset that the overall structure for organizing and overseeing homeland security may evolve over time. His proposal for a Department of Homeland Security would unify this nation's efforts to protect the American people.

The functions that FEMA performs will be a key part of the mission of the new Department of Homeland Security. The new Department will strengthen our ability to carry out important activities, such as building the capacity of State and local emergency response personnel to respond to emergencies and disasters of all kinds. The new Department will administer Federal grants under the First Responder Initiative, as well as grant programs managed by the Department of Justice, the Department of Health and Human Services and FEMA. A core part of the Department's emergency preparedness and response function will be built directly on the foundation established by FEMA. It would continue FEMA's efforts to reduce the loss of life and property and to protect our nation's institutions from all types of hazards through a comprehensive, risk-based, all-hazards emergency management program of preparedness, mitigation, response, and recovery. And it will continue to change the emergency management culture from one that reacts to terrorism and other disasters, to one that proactively helps communities and citizens avoid becoming victims.

The new Department of Homeland Security would address head-on the problem of fragmentation and duplication in federal terrorism training programs. And FEMA's current efforts in developing and managing a national training and evaluation system would be absorbed into the new Department. The Department would make interoperable communications a top priority just as FEMA is doing.

The structure of this newly proposed Department recognizes that FEMA's mission and core competencies are essential components of homeland security. For this reason, Congress can continue to be assured that the nation will be prepared to respond to acts of terrorism and will coordinate its efforts with the entire first responder community. In fact,

FEMA's mission to lead the federal government's emergency response to terrorist attacks and natural disasters will be greatly strengthened by the new Department of Homeland Security. By bringing other federal emergency response assets (such as the Nuclear Emergency Search Teams, Radiological Emergency Response Team, Radiological Assistance Program, Domestic Emergency Support Team, National Pharmaceutical Stockpile, the National Disaster Medical System, and the Metropolitan Medical Response System) together with FEMA's response capabilities, the new Department will allow for better coordination than the current situation in which response assets are separated in several Departments. The new Department will have complete responsibility and accountability for providing the federal government's emergency response and for coordinating its support with other federal entities such as the Department of Defense and the FBI.

There is a lot of work ahead to secure America's homeland. The President's proposal will create a nation better prepared for future acts of terrorism. FEMA is ready to do its part now, tomorrow, and in the future under the homeland security structure finally decided upon by the President and the Congress.

Mr. Chairman this concludes my formal remarks and I would be happy to take any questions the Subcommittee may have.

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Mr. SHAYS. Commissioner Browning.

Mr. BROWNING. Mr. Chairman, members of the subcommittee, thank you for this opportunity to testify today. I know that the subcommittee has a great deal of interest in discussing the pending proposals to realign certain government agencies, as set forth in the President's proposal for a new Department of Homeland Security, and the inclusion of the entire U.S. Customs Service in that department. Commissioner Bonner has told the employees of the U.S. Customs Service that he fully supports the President's proposal and strongly believes that the new Department of Homeland Security will play a key role in safeguarding the American people.

For over 200 years, the U.S. Customs Service has defended our country's borders and facilitated international trade and travel. Since September 11th, at the direction of the President, the top priority of the Customs Service has been responding to the continuing terrorist threat at our land borders, seaports, and airports. Our highest priority is doing everything we reasonably can to keep terrorists and terrorist weapons from entering the United States.

I would like very briefly to describe for you some of our most significant efforts and initiatives on that front.

Since September 11th, Customs has been at a Level One alert across the country at all ports of entry. Level One requires sustained, intensive antiterrorist questioning, and includes increased inspections of travelers and goods. Because there is a continued threat that international terrorists will attack again, we are still at Level One alert to this day, and we will remain so for the foreseeable future.

To help ensure that Customs forms a coordinated, integrated counterterrorism strategy for border security, we established a new Office of Anti-Terrorism within the Agency, and the commissioner appointed an experienced security expert and former senior military officer to head that office. The director of the Office of Anti-Terrorism is also helping to coordinate Customs' role within our national security architecture with the Office of Homeland Security, our fellow border inspection agencies, and other government entities. This cooperation is essential to ensure that we are effectively responding to the threat of terrorism and to our mission priorities.

Customs continues to play an important role in the fight against terrorist financing and those who aid and abet terrorist organizations through financial support for their activities. Last October, we formed Operation Green Quest, a joint investigative team, led by Customs and sponsored by the IRS, Secret Service, and other Treasury bureaus, as well as the FBI and the Department of Justice. I am pleased to report that so far, Operation Green Quest has led to the seizure of approximately $4.9 million in suspected terrorist assets and 16 arrests.

Customs agents are also working diligently under Project Shield America to monitor exports of strategic weapons and materials from the United States. We are seeking to prevent international terrorist groups from obtaining sensitive U.S. technology, weapons, and equipment that could be used in a future terrorist attack on our Nation. To help Customs officers in the field, Commissioner Bonner also established the Office of Border Security. The mission

of that office is to develop more sophisticated antiterrorist targeting techniques for passengers and cargo in the seaport, airport, and land border environments.

In approaching our primary mission to prevent terrorists and terrorist weapons from transiting our borders, Customs has promoted several initiatives to push our line of defense outward. The ultimate aim of pushing our security outward is to allow U.S. Customs more time to react to potential threats, to stop threats before they reach us, and to expedite the flow of low-risk legitimate commerce across our borders. These efforts include the Customs-Trade Partnership Against Terrorism, more commonly known as C-TPAT, which is a partnership with U.S. importers to improve security along the entire supply chain, from the loading docks of foreign vendors to our land borders and seaports.

We were very pleased to have Governor Ridge and Secretary O'Neill participate in our announcement of C-TPAT at the Ambassador Bridge in Detroit in April of this year. As Governor Ridge noted, C-TPAT is important because it strengthens the security of our borders while speeding up the flow of legitimate goods.

Another initiative is the 30-point Smart Border Declaration signed by Homeland Security Director Governor Tom Ridge and Canadian Deputy Prime Minister John Manley. Part of that plan includes placing U.S. Customs and Canadian Customs personnel in each other's ports to help in the targeting and prescreening of cargo that arrives in one country and is destined for the other.

The Container Security Initiative, or CSI, places Customs enforcement personnel in major foreign shipping ports. The Customs officers will establish international security criteria for identifying high-risk cargo containers that potentially pose a risk of containing terrorists or terrorist weapons. We will prescreen the high-risk containers at their ports of shipment, utilizing detection technology, and we will develop and deploy secure containers with electronic seals and sensors to indicate potential tampering.

The effective use of technology depends on good targeting, for which we require advance information. The Automated Manifest System, or AMS, is an automated application that uses information culled from a vast data base of shipping and trading activities. Using selectivity systems that operate within AMS, we are able to sort through cargo manifests provided to Customs by shippers and carriers and pick out those that appear unusual, suspect, or may be high risk.

Legislation currently under consideration mandating the advance electronic transmission of cargo manifest——

Mr. SHAYS. Commissioner, excuse me. If you would just kind of wrap up. You are into about 7 minutes.

Mr. BROWNING. Yes, sir, I will. Thank you.

—information will significantly increase the amount and timeliness of information input into the Customs data base.

We appreciate the support the House and Senate has shown in making the advance filing of electronic cargo manifest information mandatory, and we look forward to providing any assistance with these bills when they go to conference.

All of these efforts and initiatives by Customs that I have described today will bolster our defenses against terrorism and posi-

tion us to play a significant role in this new organization. The events of September 11th demonstrate that we must be prepared for anything. The Customs Service, with its expertise and experience in protecting our Nation's borders is committed to working closely with law enforcement counterparts, as well as with members of the international community and our stakeholders in the private sector to deter terrorists that would strike America.

Mr. Chairman, the commissioner and I are proud of the vital role that the men and women of the Customs Service have played and will continue to play under the President's plan in defending the Nation's homeland.

Thank you for this opportunity to testify, and I am prepared to take any questions you may have.

Mr. SHAYS. Thank you very much.

[The prepared statement of Mr. Browning follows:]

STATEMENT BY
HEARING ON COMBATING TERRORISM: IMPROVING THE FEDERAL RESPONSE
HOUSE COMMITTEE ON GOVERNMENT REFORM
SUBCOMMITTEE ON NATIONAL SECURITY, VETERANS AFFAIRS AND INTERNATIONAL RELATIONS

JUNE 11, 2002

Chairman Shays, members of the Subcommittee, thank you for this opportunity to testify.

Mr. Chairman, I know that the Subcommittee has a great deal of interest in discussing the pending proposals to realign certain government agencies. I know that there is great interest in the Administration's proposal for a new Department of Homeland Security and the inclusion of the U.S. Customs Service in that Department. I fully support the President's proposal and strongly believe that the new Department of Homeland Security will play a key role in safeguarding the American people.

For over 200 years, the U.S. Customs Service has defended our country's borders and facilitated international trade and travel. Since September 11th, at the direction of the President, the top priority of Customs has been responding to the continuing threat at our land borders, seaports and airports. Our highest priority is doing everything we reasonably and responsibly can to keep terrorists and terrorist weapons from entering the United States. I would like to describe for you some of our most significant efforts and initiatives on that front.

Since September 11th, Customs has been at a Level One alert across the country -- at all border entry points. Level 1 requires sustained, intensive anti-terrorist questioning, and includes increased inspections of travelers and goods at every port of entry. Because there is a continued threat that international

terrorists will attack again, we remain at Level 1 alert to this day and will be at Level 1 for the foreseeable future.

As part of our response, we also implemented round-the-clock coverage by at least two Customs officers at every Customs location, even at low volume crossings along our northern border. To this day, Customs inspectors are, in many places, working 12 to 16 hours a day, six and seven days a week. At some ports, the National Guard has been augmenting our officers, providing some much-needed relief.

To help ensure that Customs forms a coordinated, integrated counter-terrorism strategy for border security, Customs established a new Office of Anti-Terrorism within the agency, and the Commissioner appointed an experienced security expert and senior military leader to head that office, who reports directly to him.

The Director of the Office of Anti-Terrorism is also helping to coordinate Customs' role within our national security architecture, with the Office of Homeland Security, our fellow border inspection agencies such as the Immigration and Naturalization Service and the U.S. Coast Guard, and other government entities. This cooperation is essential to ensure that we are effectively responding to the threat of terrorism and to our other mission priorities. In addition, effective coordination by all the government partners involved in counter-terrorism will help relieve the strain that each of our agencies, individually, may face.

Customs continues to play an important role in the fight against terrorist financing, and against those who aid and abet terrorist organizations through financial support of their murderous activities. Last October we formed Operation Green Quest, a joint investigative team led by Customs and supported by the IRS, Secret Service and other Treasury Department bureaus, as well as the FBI

and the Department of Justice. I am pleased to report that so far, Operation Green Quest has led to the seizure of approximately $4.9 million in suspected terrorist assets and 16 arrests. Included in this was the disruption of a major middle-eastern money transfer network known as Al-Barrakaat, which had been tied to terrorist groups.

Customs agents are also working diligently under Operation Shield America to monitor exports of strategic weapons and materials from the U.S. They are seeking to prevent international terrorist groups from obtaining sensitive U.S. technology, weapons and equipment that could be used in a terrorist attack on our nation. Since the inception of Operation Shield America, Customs agents assisted by the Department of Commerce have visited approximately 1,000 companies in the United States -- companies that manufacture or sell items that may be sought by terrorists or state sponsors of terrorism. During these visits, our agents have consulted with these firms about what products of theirs may be of interest to terrorist groups, and how they can keep them out of the wrong hands.

To help Customs officers in the field, the Commissioner also established the Office of Border Security. The mission of that office is to develop more sophisticated anti-terrorism targeting techniques for passengers and cargo in each border environment.

In approaching our primary mission to prevent terrorists and terrorist weapons from transiting our borders, Customs believes that it must also do everything possible to push our security outward. We must expand our perimeter of security away from our national boundaries and towards foreign points of departure. We can no longer afford to think of "the border" merely as a physical line separating one nation from another. We must also now think of it in terms of the actions we can undertake with private industry and with our foreign partners to pre-screen people and goods before they reach the United States. The

ultimate aim of pushing our security outward is to allow U.S. Customs more time to react to potential threats -- to stop threats before they reach us -- and to expedite the flow of low-risk commerce across our borders.

Any effort to push our security outward must include the direct involvement of the trade community. In November, the Commissioner proposed a new Customs-Trade Partnership Against Terrorism. I am pleased to tell you that we are entering into partnership with some of the biggest U.S. importers. This Customs-Trade partnership will vastly improve security along the entire supply chain, from the loading docks of foreign vendors to our land borders and seaports.

The Customs-Trade Partnership Against Terrorism, or "C-TPAT," builds on past, successful security models between Customs and the trade industry that were designed to prevent legitimate commercial shipments from being used to smuggle illegal drugs. The good news is that we already have much of the security template in place to protect trade from being exploited by terrorists. Our challenge now is to apply that to as broad a range of the trade community as possible.

The benefits of C-TPAT are threefold. First, the security of the U.S. against the terrorist threat will be increased with respect to shipments made by trade partners. Second, the volume of commerce that will need to be targeted and examined by the Customs Service will be reduced, thereby allowing us to concentrate our resources on high-risk shipments. Third, the U.S. economy will benefit because trade partners will be able to move goods into the U.S. more expeditiously and with less cost.

We are also working with our good friend Canada to harmonize security and commercial processing between our two countries – as illustrated by the 30-point "Smart Border Declaration," signed by Assistant to the President Tom Ridge and Canadian Deputy Prime Minister John Manley. Part of that plan

includes placing U.S. Customs and Canadian Customs personnel in each other's ports to help in the targeting and pre-screening of cargo that arrives in one country and is headed to the other. To implement this initiative, the Commissioner has directed that U.S. Customs inspectors be stationed in the ports of Vancouver, Halifax, and Montreal to assist in the targeting and pre-screening of cargo that arrives there and is destined for the U.S. In fact, that has already begun. Likewise, Canada Customs has stationed inspectors at U.S. ports in Seattle and Newark.

In addition to meeting part of the goals of the Ridge/Manley declaration, the placement of Customs inspectors in Canada is a first step in another core area of our efforts to push our security outwards, and that is implementation of the Container Security Initiative, or CSI. Commissioner Bonner proposed the CSI to address the vulnerability of cargo containers to the smuggling of terrorists and terrorist weapons.

The vast majority of world trade – about 90% – moves in containers, much of it carried on oceangoing container ships. Nearly half of all incoming trade to the United States by value – about 46% – arrives by ship, and most of that is in containers.

As significant as cargo container traffic is in the U.S., we are less dependent on it than many other nations – say, Japan, South Korea, Singapore, and the Netherlands.

Unfortunately, oceangoing cargo containers are susceptible to the terrorist threat. You may recall the discovery by Italian authorities last October of a suspected Al Qaeda operative, an Egyptian national, living inside a sea container. He was headed for the Canadian port of Halifax, with airport maps, security badges, and an airport mechanic's credentials.

The consequences would be far worse were terrorists to succeed in concealing a weapon of mass destruction, even a crude nuclear device, among the tens of thousands of containers that enter U.S. ports every day. The physical devastation and mass murder that would be caused by such an attack are horrible to contemplate. And the impact on our global economy would be severe. Much of world trade would simply grind to a halt as we struggled to develop and implement a security system that would provide assurance against another such attack.

We should not wait for such a scenario to occur. As the primary agency for cargo security, U.S. Customs should know everything there is to know about a container headed for this country before it leaves Rotterdam or Singapore for America's ports.

Just ten of the world's largest seaports are responsible for nearly half of all seagoing containers bound for the United States (49%). These "mega-ports" include Hong Kong, Singapore, and Rotterdam.

Beginning with the mega-ports that export to the U.S., we should establish a new international security standard for containers in order to protect this vital system of global trade. The core elements of the CSI are the following:

- First, we must establish international security criteria for identifying high-risk cargo containers that potentially pose a risk of containing terrorists or terrorist weapons.

- Second, we must pre-screen the high-risk containers at their port of shipment – in other words, before they are shipped to the U.S.

  Let us consider this for a moment, and recognize that this simple concept represents a major revolution in standard practice. Currently, most

customs services around the world – including the U.S. Customs Service – target and inspect high-risk containers at their port of entry, before they are introduced into a country. This is a system that has worked for hundreds of years, and is adequate to meet the ordinary threats presented to customs services -- such as the smuggling of narcotics or the evasion of Customs duties.

But this system is not sufficient to meet the threat presented by international terrorist organizations. This is for one simple, yet sobering, reason -- the threat presented by weapons of mass destruction. Certainly, if a drug trafficking organization wants to use a cargo container to smuggle cocaine or heroin, we are content to seize those drugs at a U.S. port. But if a cargo container has been used to smuggle a weapon of mass destruction set to go off upon arrival in the U.S., it may be too late to save American lives and the infrastructure of a great seaport.

- Third, we must maximize the use of detection technology to pre-screen high-risk containers.

  Much of this technology already exists and is currently being used by the U.S. Customs Service and other customs services around the world to inspect cargo containers for weapons of mass destruction. We have 4000 sensitive radiation detection pagers and dozens of large-scale non-intrusive inspection devices in use at ports across the country. But we need more of this equipment, in more locations around the country.

- Fourth, we must develop and broadly deploy "smart" boxes – smart and secure containers with electronic seals and sensors that will indicate to Customs and to the private importers or carriers if particular containers have been tampered with, particularly after they have been pre-screened.

As you can glean from this list, technology and information are essential to a successful container security strategy and to our counter-terrorist mission in general. And to put it simply, the more technology and information we have, and the earlier in the supply chain we have them, the better.

The effective use of technology depends largely on good targeting, for which we require advance information. Prior to September 11th, the Customs Service examined about 2% of incoming cargo to the U.S. That percentage is significantly higher now. However, to some the overall number of examinations may still seem surprisingly low in proportion to the vast amount of trade we process. Yet it is important to note that the cargo Customs selects for intensive inspection is not chosen randomly. In fact, it is the result of a careful screening process, a process that uses information culled from a vast database on shipping and trading activities known as the Automated Manifest System, or AMS. Using targeting systems that operate within AMS, we are able to sort through the cargo manifests provided to Customs by shippers and carriers, and pick out those that appear unusual, suspect, or high-risk. It is a system that has served us well, but one that can and must serve us much better in light of September 11th.

Legislation currently under consideration mandates the advanced electronic transmission of cargo manifest information. This will significantly increase the amount and timeliness of information input into the Customs database, thus enhancing our ability to identify anomalies. The present bills -- including S. 1214, H.R. 3009, H.R. 3129, and H.R. 3983 -- take us a major step closer toward protecting the borders of the United states and, ultimately global trade, by having as much information on incoming cargo at its point of origin, before it arrives in the United States.

We appreciate the support the House and Senate have shown for making the advance filing of electronic transmission cargo manifest information

mandatory, and we look forward to providing any assistance with these bills when they go to conference.

Another extremely important project for Customs' efforts to defend against terrorism is ACE, our new system of trade automation. ACE offers major advances in both the collection and sorting of trade data. With ACE, we will not only be able to expedite trade across our borders, we will greatly enhance our targeting abilities. The system's advanced features will help our officers to pinpoint risk faster and more accurately, by allowing them to manipulate data in ways they simply cannot now.

The International Trade Data System should also be mentioned whenever ACE is raised. The ITDS will allow other federal agencies with admissibility decisions and an interest in trade statistics access to ACE information, as well as allow them to provide Customs their requirements in permitting cargo into the U.S. commerce or allowing licensed cargo to be exported. These efficiencies will continue to accrue to the government and the transportation industry as the system is built.

All of the efforts and initiatives by Customs that I have described today will bolster our defenses against terrorists; however, the events of September 11th demonstrated that we must be prepared for anything. The Customs Service, with its expertise and experience in protecting our nation's borders, is committed to working closely with our law enforcement counterparts, as well as with members of the international community and the industry, to deter terrorists who would strike America.

Thank you again, Mr. Chairman and the members of the Subcommittee, for this opportunity to testify. I would be happy to answer any questions you may have.

Mr. SHAYS. I think it is understood, but we would like to say that we are proud of all the work all your people do in all the various departments you are representing. We are grateful for their service to our country.

Mr. Acord.

Mr. ACORD. Thank you, Mr. Chairman, and members of the subcommittee.

Mr. SHAYS. I am going to ask you to bring that mic a little closer, and is the green light on?

Mr. ACORD. Yes, it is.

Mr. SHAYS. Maybe the other mic will reach you more easily.

Mr. ACORD. Is that better?

Mr. SHAYS. Yes. Why don't you work with that one? Take your time, the clock hasn't started yet, and it's a generous clock.

Mr. ACORD. Mr. Chairman and members of the subcommittee, I thank you for the opportunity to testify today on behalf of the U.S. Department of Agriculture's Animal and Plant Health Inspection Service on the establishment of the Department of Homeland Security.

APHIS is a multipurpose organization with one main mission: protecting America's agriculture. Our main activities are designed to keep foreign pests and diseases out of the United States, to monitor and manage agriculture, pests, and diseases already existing in the United States, and to resolve and manage trade issues related to animal and plant health. The functions we perform are an important part of the Federal Government's effort to provide the Nation with safe and affordable food and to defend against agricultural terrorism.

As we all know, the tragic events of September 11th forever changed our country, and for APHIS they forever changed the context in which we do our work. Whereas in the past our attentions have primarily focused on the accidental introduction of foreign pests and diseases, today we face a no longer abstract threat of intentional introduction of organisms that could disrupt American agriculture production, erode confidence in the Nation's food supply, and destabilize the American economy.

The President's proposal for a new Department of Homeland Security will bolster our coordination, planning, response and management capabilities. Since the security and protection of our Nation is of the highest priority, it is of utmost importance that all biological and agricultural terrorism activities be consolidated into a single department focused on homeland security. Therefore, we fully support the President's plan for the creation of this new department.

It is critical that government agencies continue to work together to protect America from terrorists. In particular, we must protect our food and agriculture supply against any threat that could harm our consumers or the farm sector. While we have a strong system of protections at our borders and ports of entry that help prevent the entry of agriculture pests and diseases, it is critical in this new age of threats that we enhance the protection of America's food supply.

Until this new department can be established, we in the Department of Agriculture will continue to work closely with the Office of

Homeland Security as we have since it was established in October 2001. USDA's Homeland Security Council, headed by Deputy Secretary Jim Mosely, will continue to coordinate USDA's efforts to meet pressing security needs. The Council has been and will continue working with the Office of Homeland Security and will provide assistance and staff to address critical agriculture issues.

APHIS has also been working intensely to coordinate with other agencies as part of our safeguarding activities, and we will continue to do so. We have always thought that one of the most fundamental bases for safeguarding our border inspection system is APHIS's close cooperation with the Customs Service and other Federal inspection agencies. Although a high level of cooperation existed even prior to September 11th, since that time APHIS and these agencies have significantly strengthened their communications and direct cooperation with each other.

For example, APHIS officials now participate with Customs in its emergency situation facility and also in a major effort to enhance the availability of all cargo manifest information to identify cargo containers as they are used in commerce throughout the world.

However, consolidating homeland security functions into one department will ensure better communication and coordination leading to improved effectiveness. We look forward to working together with the other homeland security agencies as members of the same department.

Again, I thank you for this opportunity to testify, and at the appropriate time I will be prepared to answer any questions you may have.

Mr. SHAYS. Thank you, Mr. Acord.

[The prepared statement of Mr. Acord follows:]

Testimony of
Mr. Bobby R. Acord
Administrator
Animal and Plant Health Inspection Service

United States Department of Agriculture

Before the Subcommittee on National Security, Veterans
Affairs, and International Relations
Committee on Government Reform
United States House of Representatives

June 11, 2002

Mr. Chairman and Members of the Subcommittee, I thank you for this opportunity to testify on behalf of the U.S. Department of Agriculture's (USDA) Animal and Plant Health Inspection Service (APHIS) on the establishment of a Department of Homeland Security.

APHIS is a multipurpose organization with one main mission—protecting America's agriculture. Our main activities are designed to keep foreign pests and diseases out of the United States; to monitor and manage agricultural pests and diseases already existing in the United States; and to resolve and manage trade issues related to animal and plant health. The functions we perform are an important part of the Federal Government's efforts to provide the Nation with safe and affordable food and to defend against agricultural terrorism.

As we all know, the tragic events of September 11 forever changed our country, and for APHIS, they forever changed the context in which we do our work. Whereas in the past our attentions have primarily focused on the accidental introduction of foreign pests and diseases, today we face a no-longer abstract threat of intentional introduction of organisms that could disrupt American agricultural production, erode confidence in our Nation's food supply, and de-stabilize the American economy.

The President's proposal for a new Department of Homeland Security will bolster our coordination, planning, response, and management capabilities. Since the security and protection of our Nation is of the highest priority, it is of the utmost importance that all biological and agricultural terrorism activities be consolidated into a single Department focused on homeland security. Therefore, we fully support the President's plan for the creation of this new Department.

It is critical that Government agencies continue to work together to protect America from terrorists. In particular, we must protect our food and agriculture supply against any threat that could harm consumers or our farm sector. While we have a strong system of protections at our borders and ports of entry that helps prevent the entry of agricultural pests and diseases, it is critical in this new age of threats that we enhance the protection of America's food supply.

Until this new Department can be established, USDA will continue to work closely with the Office of Homeland Security, as we have since it was established in October 2001. USDA's Homeland Security Council, headed by Deputy Secretary Jim Moseley, will continue to coordinate USDA's efforts to meet pressing security needs. The Council has been and will continue working with the Office of Homeland Security and will provide assistance and staff to address critical agricultural issues.

APHIS has also been working intensely to coordinate with other Agencies as part of our safeguarding activities and will continue to do so. We have always thought that one of the most fundamental bases of the safeguarding/border inspection system is APHIS' close cooperation with the U.S. Customs Service and other Federal inspection agencies in relation to imported cargo and international passengers. Although a high level of cooperation existed even prior to September 11, 2001, since that time, APHIS and these agencies have significantly strengthened their communications and direct cooperation with each other. For example, APHIS officials now participate directly with Customs in its emergency situation facility and also in a major effort to enhance the availability of all cargo manifest information to identify cargo containers as they are used in commerce throughout the world. However, consolidating homeland security functions into one Department will ensure better communication and coordination leading to improved effectiveness. We look forward to working together with the other homeland security agencies as members of the same Department.

Thank you again for this opportunity to testify. I would be happy to take any questions that you may have.

Mr. SHAYS. Mr. Tritak.

Mr. TRITAK. Thank you, Mr. Chairman, and thank you for having me here today to discuss the importance of establishing a Cabinet-level homeland security organization.

In his address to the Nation last week, President Bush stated he intended to create a Department of Homeland Security to ensure that he continues to carry out his most important responsibility, that of protecting and defending the people of the United States. His decision to take this monumental step, the most sweeping reorganization of our national security establishment in over 50 years, was made on the basis of careful study and experience since September 11th.

The administration considered a number of organizational approaches proposed by various commissions, think tanks, and including Members of Congress, such as H.R. 4660, introduced by Representatives Thornberry, Harman and others, as well as S. 2452 introduced by Senators Lieberman, Specter and others.

The new Department of Homeland Security would be organized into four divisions: border and transportation security; emergency preparedness and response; chemical, biological, and radiological nuclear countermeasures; and information analysis and infrastructure protection. The new department would be comprised mainly of existing organizational elements located in other departments and agencies.

For example, my own office, the Critical Infrastructure Assurance Office, which is now located in the Department of Commerce's Bureau of Industry and Security, will become part of the new Information Analysis and Infrastructure Protection Division. This division within the new department will place an especially high priority on protecting our critical and cyber infrastructure from terrorist attack by unifying and focusing the key activities currently performed by the CIAO, the National Infrastructure Protection Center currently located at the FBI, and other Federal organizations.

The CIAO was originally created by Presidential directive in 1998 as an interagency operation within the Department of Commerce to coordinate critical infrastructure policy. Specifically, our focus at that time was the development of national awareness and outreach programs with the private sector—we cannot achieve homeland security without active participation from the private sector. Homeland security is not just good for the Nation, it is actually good business—assisting Federal departments and agencies in identifying their dependencies on critical infrastructure, which is a project we refer to as Project Matrix, which is another function we perform under PED 63, and, finally, developing an integrated national strategy for securing those information systems and networks essential to the operation of our Nation's critical infrastructures.

Under the Bush administration, CIAO has taken on additional responsibilities. We serve as a member of the President's Board for Critical Infrastructure Protection. This board was created to coordinate Federal efforts and programs relating to the protection of information systems and networks essential to the operation of our critical infractures. The administration now is proposing, in his fiscal year 2003 budget request, an establishment of an Information

Integration Program within the CIAO to improve coordination of information sharing essential to combatting terrorism nationwide. The most important function of this office will be to design and help implement an interagency information architecture that will support efforts to find, track, and respond to terrorist threats within the United States in a way that improves both the time and response and the quality of decisions.

Together with lead Federal agencies and guided strategically by the Office of Homeland Security, this integration office will create an essential information inventory, determine horizontal and vertical information-sharing requirements, define a target architecture for improved information sharing, and determine the personnel, software, hardware and technical resources needed to implement the architecture. Foundation programs will produce road maps or mitigation strategies that will be used by the agencies to move from where they are now to a desired state.

The Office of Homeland Security and the Integration Office will also define near-term pilot projects and proof-of-concept initiatives that can immediately address short-term homeland security requirements.

Having the CIAO as a formal part of the new department will strengthen the coordination we have been working to foster, and that is the core of the CIAO's mission. For this reason, the Secretary of Commerce, the Under Secretary of Commerce for Industry and Security, and myself fully support the President's plan to relocate the CIAO from the Department of Commerce to the new Department of Homeland Security.

Indeed, even before the new department was announced, the Under Secretary of Commerce for Industry and Security had planned to relocate CIAO with the staffs of the Office of Homeland Security and the President's Critical Infrastructure Protection Board. The country needs a single, unified homeland security structure that will improve protection against today's threats and be flexible enough to help meet the unknown threats of the future.

Thank you very much for having me, and I look forward to your questions.

Mr. SHAYS. Thank you, Mr. Tritak.

[The prepared statement of Mr. Tritak follows:]

Statement of

John S. Tritak
Director
Critical Infrastructure Assurance Office
Bureau of Industry and Security
United States Department of Commerce

BEFORE THE
HOUSE COMMITTEE ON GOVERNMENT REFORM
SUBCOMMITTEE ON NATIONAL SECURITY, VETERANS AFFAIRS, AND INTERNATIONAL RELATIONS

June 11, 2002

I. INTRODUCTION

Mr. Chairman, members of the subcommittee, I am honored to appear before you today to discuss the importance of establishing a cabinet-level homeland security organization.

In his address to the nation last week, President Bush stated that he intended to create a Department of Homeland Security to ensure that he continues to carry out his most important responsibility as President of the United States – that of protecting and defending the American people. His decision to take this monumental step – the most sweeping reorganization of our national security establishment in over 50 years – was made on the basis of careful study and experience gained since September 11. The Administration considered a number of organizational approaches for the new department proposed by various commissions, think tanks, and Members of Congress, including H.R. 4660, introduced by Representatives Thornberry, Harman and others and S. 2452, introduced by Senators Lieberman and Specter and others.

The new Department of Homeland Security would be organized into four divisions: Border and Transportation Security; Emergency Preparedness and Response; Chemical, Biological, Radiological and Nuclear Countermeasures; and Information Analysis and Infrastructure Protection. The new department will be comprised mainly of existing organizational elements located in other Federal departments and agencies. For example, my office, the Critical Infrastructure Assurance Office (CIAO), now located in the Department of Commerce's Bureau of Industry and Security, will become part of the new Information Analysis and Infrastructure Protection division.

The Secretary of Commerce and the Under Secretary of Commerce for Industry and Security fully support the President's plan to create a Department of Homeland Security, including the relocation of the CIAO from the Commerce Department to the new Department. Even before the proposal for the new Department was announced, the Under Secretary of Commerce for Industry and Security had planned to co-locate the CIAO with staff of the Office of Homeland Security and the President's Critical Infrastructure

Protection Board. Having the CIAO as a formal part of the new Department will strengthen the coordination we have been working to foster and that is at the core of the CIAO's mission. The country needs a single, unified homeland security structure that will improve protection against today's threats and be flexible enough to help meet the unknown threats of the future. The Commerce Department's Bureau of Industry and Security will continue to work with industry on a range of issues that affect the security of the country.

I would like to take the opportunity now to provide some background on the CIAO and to discuss briefly some of the specific activities and initiatives we are currently undertaking on behalf of homeland security.

II. BACKGROUND ON THE CRITICAL INFRASTRUCTURE ASSURANCE OFFICE

A. Presidential Decision Directive 63 and Executive Order 13231

The CIAO is not a recent arrival to the homeland security effort: we have been diligently working to realize the objective of critical infrastructure assurance for four years. Specifically, the CIAO was created in May 1998 by Presidential Decision Directive 63 (PDD-63) to serve as an interagency office located at the Department of Commerce to coordinate the Federal Government's initiatives on critical infrastructure assurance.

Recognizing that "the targets of attacks on our critical infrastructure would likely include both facilities in the economy and those in the government," and that, as a consequence, "the elimination of our potential vulnerability requires a closely coordinated effort of both the public and the private sector," PDD-63 called for a "public-private partnership to reduce vulnerability" that is "genuine, mutual and cooperative." To effectuate this goal, PDD-63 designated a Lead Agency "[f]or each of the major sectors of our economy that are vulnerable to infrastructure attack," to act as a liaison with the infrastructure owners and operators in that sector. To complement the work of these Lead Agencies, PDD-63 created the CIAO to focus on initiatives that cut across industry sectors and are not the existing responsibility of the Lead Agencies. Its purpose is to ensure a cohesive approach to achieving continuity in delivering critical infrastructure services.

Under Executive Order 13231 (the Order), issued on October 18, 2001 and entitled "*Critical Infrastructure Protection in the Information Age*," the CIAO serves as a member of and an advisor to the newly created President's Critical Infrastructure Protection Board (the Board). The Board was created to coordinate Federal efforts and programs relating to the protection of information systems and networks essential to the operation of the nation's critical infrastructures. In carrying out its responsibilities, the Board fully coordinates its efforts and programs with the Assistant to the President for Homeland Security.

B. Role within the Department of Commerce

PDD-63's emphasis on public-private partnerships underscores that critical infrastructure assurance is as much about economic security as it is national security. The CIAO articulates the business case for this national commerce issue. Because issues

of economic security, and the vitality of America's business sector, fall squarely within the jurisdiction of the Department of Commerce, placement of the CIAO in that cabinet agency enhances the CIAO's ability to facilitate ongoing dialogue with business communities. Moreover, the Department has been a champion of the CIAO's work.

Indeed, the Commerce Department recently changed the name of the Bureau of Export Administration, in which CIAO is located, to the "Bureau of Industry and Security" (BIS). This change reflects the Department's growing awareness of the relationship between national security and business affairs and more accurately portrays the broad scope of the agency's responsibilities. BIS addresses issues where industry and national security intersect, including the administration and enforcement of export controls, defense trade advocacy, and critical infrastructure protection. The Under Secretary of Commerce for Industry and Security, Mr. Kenneth I. Juster, is a member of the Board and Chairman of the Board's Standing Committee on Private Sector and State and Local Government Outreach. BIS also coordinates all of the Commerce Department's homeland security activities; through the CIAO, leads the Federal Government's outreach to the private sector regarding critical infrastructure protection and cyber security; and assists U.S. industry in complying with the Chemical Weapons Convention and other international arms agreements.

III. MAJOR CIAO ACTIVITIES AND INITIATIVES

CIAO's responsibilities for developing and coordinating national critical infrastructure policy focus on three key areas: (1) promoting national outreach and awareness campaigns both in the private sector and at the state and local government level; (2) assisting Federal agencies to analyze their own risk exposure and critical infrastructure dependencies; and (3) coordinating the preparation of an integrated national strategy for critical infrastructure assurance.

A. Outreach and Awareness

The vast majority of all critical infrastructures within the United States are owned and operated by the private sector or by state and local government. Protecting these critical infrastructures from disruption is not a new concept. The need to manage the risks arising from natural disasters, physical attacks, and service disruptions has existed for as long as the infrastructures have existed. The infrastructure owners and operators always have had primary responsibility for assuring that their critical services, including the securing of critical physical assets against unauthorized intruders. Yet these measures, however effective they might otherwise be, generally were not designed to cope with significant military or terrorist threats.

The Defense Department, Justice Department, and other Federal agencies have contributed significantly to the physical protection of the nation's critical infrastructures through the defense of our national airspace and borders against attacks from abroad. However, even the Federal government does not have the resources to protect all individual critical infrastructure facilities. Securing the nation's critical infrastructures against cyber attacks presents yet another difficult problem. The Federal government cannot post soldiers or police officers at the perimeters of telecommunications facilities or electric power plants to keep out digital attackers.

For this reason, the Federal government acting alone cannot hope to secure our nation's critical infrastructures. The national policy of infrastructure assurance can only be achieved by a voluntary public-private partnership of unprecedented scope involving business and government at the Federal, State, and local levels. Forging a broad based partnership between industry and government lies at the heart of the CIAO's mission.

1. Private Sector Activities

CIAO has developed and implemented a nation-wide industry outreach program targeting senior corporate leadership responsible for setting company policy and allocating company resources. The challenge of such an effort is to present a compelling business case for corporate action. The primary focus of the CIAO's efforts continues to be on the critical infrastructure industries (i.e., information and communications, banking and finance, transportation, energy, and water supply). The basic thrust of these efforts is to communicate the message that critical infrastructure assurance is a matter of corporate governance and risk management. Senior management is responsible for securing corporate assets – including information and information systems. Corporate boards are accountable, as part of their fiduciary duty, to provide effective oversight of the development and implementation of appropriate infrastructure security policies and best practices.

In addition to infrastructure owners and operators, the CIAO's awareness and outreach efforts also target other influential stakeholders in the economy. The risk management community – including the audit and insurance professions – is particularly effective in raising matters of corporate governance and accountability with boards and senior management. In addition, the investment community is increasingly interested in how information security practices affect shareholder value – a concern of vital interest to corporate boards and management.

In partnership with these communities, the CIAO has worked to translate threats to critical infrastructure into business case models that corporate boards and senior management can understand. Corporate leaders are beginning to understand that tools capable of disrupting their operations are readily available not merely to terrorists and hostile nation states but to a wide-range of potential "bad actors." As a consequence, they beginning to grasp that the risks to their companies can and will affect operational survivability, shareholder value, customer relations, and public confidence.

The CIAO has also worked actively to facilitate greater communication among the private infrastructure sectors themselves. As individual Federal lead agencies under PDD-63 formed partnerships with their respective critical infrastructure sectors, private industry representatives quickly identified a need for cross-industry dialogue and sharing of experience to improve the effectiveness and efficiency of individual sector assurance efforts. In response to that expressed need, the CIAO assisted its private sector partners in establishing the Partnership for Critical Infrastructure Security (PCIS). The PCIS provides a unique forum for government and private sector owners and operators of critical infrastructures to address issues of mutual interest and concern. It builds upon, without duplicating, the public-private efforts already being undertaken by the Federal Lead Agencies.

2. State and Local Government Activities

The CIAO has developed an outreach and awareness program for state and local governments to complement and support its outreach program to industry. State and local governments provide critical services that make them a critical infrastructure in themselves. They also play an important role as catalyst for public-private partnerships at the community level, particularly for emergency response planning and crisis management. The issue of securing the underlying information networks that support their critical services was a relatively new issue before September 11. State and local governments tend to be well organized as a sector, with multiple common interest groups.

Similar to its program for industry, the CIAO has laid out a plan to implement outreach partnerships with respected and credible channels within state and local government. CIAO has also met with the National Governors Association and the National Association of State Chief Information Officers to encourage input into the National Strategy for Cyberspace Security.

The front lines for the new types of threats facing our country, both physical and cyber, clearly are in our communities and in our individual institutions. Smaller communities and stakeholders have far fewer resources to collect information and analyze appropriate actions to take. Consequently, in February of this year, the CIAO began a series of four state conferences on *Critical Infrastructures: Working Together in a New World*, designed to collect lessons learned and applied from the events of September 11 from New York, Arlington, and communities across the United States. The intent of this conference series is to deliver a compendium of community best practices at the end of the first quarter of 2003. The first conference was held in Texas and the second in New Jersey. The last two will be held in the latter part of 2002 and the first quarter of 2003.

B. Support for Federal Government Infrastructure Activities

1. Homeland Security Information Integration Program

The Administration is proposing in the President's Fiscal Year 2003 budget request to establish an Information Integration Program Office (IIPO) within the CIAO to improve the coordination of information sharing essential to combating terrorism nationwide. The most important function of this office will be to design and help implement an interagency information architecture that will support efforts to find, track, and respond to terrorist threats within the United States and around the world, in a way that improves both the time of response and the quality of decisions. Together with the lead federal agencies, and guided strategically by the Office of Homeland Security, the IIPO will: (a) create an essential information inventory; (b) determine horizontal and vertical sharing requirements; (c) define a target architecture for information sharing; and (d) determine the personnel, software, hardware, and technical resources needed to implement the architecture. The foundation projects will produce roadmaps (migration strategies) that will be used by the agencies to move to the desired state.

The Office of Homeland Security and the IIPO will also define near-term pilot projects and proof of concept initiatives that can immediately address short-term

homeland security requirements. These short-term efforts can offer immediate results while putting in place the foundations for continuous improvement. They will also introduce new and emerging information technologies as appropriate and relevant to the agreed objectives of each pilot project.

2. Federal Asset Dependency Analysis

The CIAO also is responsible for assisting civilian Federal departments and agencies in analyzing their dependencies on critical infrastructures to assure that the Federal government continues to be able to deliver services essential to the nation's security, economy, or the health and safety of its citizens, notwithstanding deliberate attempts by a variety of threats to disrupt such services through cyber or physical attacks.

To carry out this mission, the CIAO developed "Project Matrix," a program designed to identify and characterize accurately the assets and associated infrastructure dependencies and interdependencies that the U.S. Government requires to fulfill its most critical responsibilities to the nation. These are deemed "critical" because their incapacitation could jeopardize the nation's security, seriously disrupt the functioning of the national economy, or adversely affect the health or safety of large segments of the American public. Project Matrix involves a three-step process in which each civilian Federal department and agency identifies (i) its critical assets (ii) other Federal government assets, systems, and networks on which those critical assets depen to operate; and (iii) all associated dependencies on privately owned and operated critical infrastructures.

Once such critical assets and associated dependencies are identified, Federal departments and agencies must assess their vulnerability to physical or cyber attack. If they are determined to be vulnerable, departments and agencies must develop and implement plans to manage the risks posed by potential attacks to the performance of essential functions and services. These plans should seek to deter attacks from happening in the first place, protect critical assets from damage or destruction if attacks occur, mitigate the operational impact of attacks if protective measures fail, restore operations if attacks disrupt services, and reconstitute any assets damaged or destroyed during attacks.

Where performance of essential government functions and services depends on privately owned and operated infrastructures, Federal departments and agencies must work with the owners and operators of these specific infrastructure companies – on mutually agreed upon terms – to ensure that adequate security measures are established and maintained.

Early experience with the CIAO's Project Matrix process has demonstrated such significant utility that the Office of Management and Budget has recently issued a directive requiring all Federal civilian agencies under its authority to fund and perform the analysis.

C. Integrated National Strategy for Critical Infrastructure Assurance

Threats to critical infrastructure fall into two overlapping categories: (1) physical attacks against the "real property" components of the infrastructures; and (2) cyber attacks against the information or communications components that control these

infrastructures. PDD-63 charged the CIAO, as secretariat for the National Coordinator, to integrate infrastructure assurance plans developed by each of the individual infrastructure sectors into a comprehensive "National Infrastructure Assurance Plan." In January 2000, the CIAO coordinated the release of the *National Plan for Information Systems Protection, Version 1.0* which articulated a complex interagency process for approaching critical infrastructure and cyber-related issues in the Federal government. As a consequence of the events of September 11, however, the President restructured the responsibilities for developing strategies to respond to these two categories of threats.

The attacks on the World Trade Center and the Pentagon underscored the need to devote greater attention to securing and defending against the threat of physical attack upon our nation's homeland. To address this need, the President, on October 8, 2001, established the Office of Homeland Security and charged it "to develop and coordinate the implementation of a comprehensive national strategy to secure the United States from terrorist threats or attacks."

In view of the scope of the mission assigned to the Office of Homeland Security, the President separately created the President's Critical Infrastructure Protection Board and gave it responsibility for "ensur[ing] protection of information systems for critical infrastructure, including emergency preparedness communications, and the physical assets that support such systems." In keeping with this mission, the Board is developing a national strategy for cyberspace security.

In the post-September 11 environment, the CIAO continues to play its role to coordinate and facilitate input from private industry – and now, state and local government – to the national strategies on critical infrastructure protection. The Office of Homeland Security has enlisted the CIAO to provide coordination and support for its efforts to compile information and private sector input to its strategy to protect the physical facilities of critical infrastructure systems. Our office, working with the Lead Agencies and our private sector partners including PCIS, has been instrumental in coordinating input from the private sector to the cyberspace security strategy.

IV. CONCLUSION

For the last four years, the CIAO has been actively involved in coordinating our nation's efforts to ensure the reliability of its critical infrastructure systems and facilities, both public and private. I believe our office has demonstrated a track record of success and has earned its reputation as an honest broker in its endeavors that is both recognized and appreciated in the Administration. We look forward to the opportunity to serve under the new Department for Homeland Security. I thank you for the opportunity to appear before you today.

At this time I will welcome any questions that you may have.

Mr. SHAYS. Mr. Medford.

Mr. MEDFORD. Thank you, Mr. Chairman and members of the subcommittee. Thank you for inviting me to testify.

Mr. SHAYS. Is your mic on? Am I pronouncing your name correctly; it's Medford?

Mr. MEDFORD. Yes, that's correct.

Mr. SHAYS. Thank you, Mr. Medford.

Mr. MEDFORD. Thank you.

Thank you for the opportunity to testify today on this very important topic. I have recently been assigned as the Assistant Director of the FBI's new Cyber Division, as part of the Director's reorganization of the FBI, in an effort to improve efficiency in information sharing and streamlining operations. I have recently, as part of this assignment, been assigned responsibility for overseeing the National Infrastructure Protection Center, referred to as the NIPC, which is now starting its 5th year of operation.

This center provides a national threat assessment warning investigation and response capability for the interagency process and members of the center. NIPC's historical emphasis has been on protecting the Nation against cyber attacks, although it also has a mission to protect the critical infrastructure of the United States. By way of background, as you know, the creation of the NIPC grew out of the efforts of the President's Commission on Critical Infrastructure Protection, which after a year of studying a wide range of issues, provided recommendations to the President in October 1997.

In May 1998, the White House released a blueprint for coordinating the Federal Government's role in addressing both cyber and physical attacks on the critical infrastructure of the country. The interagency NIPC was formed to prevent and mitigate such attacks and to collaborate and to work with the private sector to enhance the ability to do so. The Center has accomplished this by forging an alliance between roughly a dozen Federal agencies, working full time in the center at FBI headquarters currently, and with key management positions held by the FBI, the CIA, the NSA, and the Department of Defense, as well as through a variety of public outreach programs such as Infraguard and the Key Asset Initiative created by the NIPC.

The Center today consists of about 145 FBI positions, 42 other Agency personnel, and 53 private sector contractors, for a total of about 240 personnel.

The FBI's role in the NIPC includes field support, represented by our investigative representative and technical personnel located across the country, supporting the FBI's responsibility for counterterrorism and counterintelligence cyber-related investigations. It also includes the community outreach efforts, as I noted previously. Both the Infraguard Initiative and Key Asset Initiative, which were generated by the NIPC, focus on critical infrastructure protection and the sharing of threat data across a broad spectrum of private industry.

The NIPC's current strategy concentrates on prediction, prevention, detection and mitigation of cyber threats and works very closely with the private sector on protecting key assets throughout the Nation. These sectors include government operations, gas and

oil storage delivery, water supply system, banking and finance, transportation, electrical energy, telecommunications and emergency services. The key to success in these areas will be strengthened in cooperation with the domestic and foreign intelligence collectors and the application of sophisticated new analytical tools to better learn from day-to-day trends and to improve our ability to predict those actual threats, especially in the cyber arena.

With respect to our future direction, the FBI is committed to ensuring that the NIPC mission is effectively accomplished. We look forward to working to ensure that an efficient transferral mission to the proposed Department of Homeland Security occurs and to improve the FBI's ability to conduct our criminal, investigative and national security responsibilities and contribute to the significant NIPC mission.

Thank you, Mr. Chairman.

Mr. SHAYS. Thank you, Mr. Medford.

Mr. Becraft. Does that reach over to you?

Mr. BECRAFT. I think so. Can you hear me?

Mr. Chairman, thank you for the opportunity to appear before this subcommittee today to discuss the important topic of how our government is organized to combat terrorism.

The President has proposed a bold and revolutionary approach to protecting our country from internal and external forces that threaten our physical safety. I know I speak for all 35,000 men and women of the Immigration and Naturalization Service saying we at the INS intend to do our part to make the Department of Homeland Security and its critical mission a success. Commissioner Ziglar and I strongly support the creation of this new Cabinet level department and consider this an important and very positive development for the security of our Nation and for the mission employees of the INS.

In this new unified structure the Department of Homeland Security will have one of the most important missions of our government, protecting the American people and ensuring the safety of our institutions and our precious freedoms. The functions of the INS are particularly well situated for the transition to this new department.

We have long recognized that the INS needs to be restructured, and we have taken many fundamental steps in that direction. However, there has been the lingering question as to what the final new structure would look like. The new Department of Homeland Security would include the functions of the INS and would, consistent with the President's longstanding position, separate immigration services from immigration law enforcement. The Department would build an immigration services organization that would administer our immigration law in an efficient, fair and humane manner. The Department would make certain that America continues to welcome visitors and those who seek opportunity within our shores while excluding terrorists and their supporters.

To understand the full meaning and the potential benefit of these proposed changes, a few statistics help to put the current INS mission and its challenges into context. More than 500 million inspections are conducted at our ports of entry every year. The INS has roughly 5,000 inspectors to process these hundreds of million visi-

tors who arrive at our borders every year. INS has approximately 2,000 investigators throughout the country to deal with persons who have entered illegally, are criminal aliens who have overstayed their visas or otherwise have violated the terms of their status as visitors to the United States.

The agency has experienced explosive growth over the past several years, growing at an annual rate of more than 10 to 20 percent, including a doubling in the size of its work force since 1994. In the past 8 years alone more people have applied for naturalization than in the previous 40 years combined.

INS's hard working employees have done a tremendous job under difficult circumstances in response to the tragic events of September 11th. Since September 11th, INS special agents, intelligence analysts, detention officers and others have worked closely with FBI-led counterterrorism task forces. They have generated and pursued thousands of leads, resulting in the arrests of more than 700 aliens for a variety of administrative and criminal charges.

Border Patrol agents and immigration inspectors have been working just as diligently to strengthen security at our ports and along our borders, and we appreciate the support of the National Guard in this effort.

While my written statement includes a fuller inventory of our efforts and accomplishments, I would like to take a moment to highlight some of the other important initiatives we have undertaken since September 11th to enhance security. Since September 11th, and like the Customs Service, we have been at Threat Level I at our ports of entry. Shortly after the terrorist attacks INS began Operation Tarmac, an initiative designed to ensure that employees who have access to secured areas of airports and other critical security infrastructures are legally in this country authorized to work and pose no threat to the American people.

After September 11th, INS began conducting the Absconder Apprehension Initiative, designed to ensure that aliens against whom final orders of removal have been entered do indeed leave the country. INS has also worked with the State Department to establish new initiatives to increase security.

Today INS inspectors have access to visa data from the consolidated consular data base system and as a result can call up visa records for immigrants and nonimmigrants and photos of nonimmigrants as they arrive at ports of entry. The system helps them to identify security and fraud risks.

Under the direction of Department of Justice, the INS and FBI are integrating the IDENT and IAFIS fingerprint data bases. As part of this process, the U.S. Marshals Service Federal fugitive fingerprints and FBI fingerprints of foreign nationals wanted by law enforcement have been added to IDENT. This overall effort has resulted in the identification of over 1,600 individuals wanted for felony crimes that include homicide, rape, drug crimes and weapons violations.

We are moving forward on initiatives to strengthen our administration of nonimmigrant student and visitors, including SEVIS and regulatory changes to strengthen oversight of foreign students and the programs they attend as well as visitors to this country.

The INS has been working closely with the Office of Homeland Security in its planning for implementation of an entry-exit system. Last week the Attorney General announced the National Security Entry-Exit Registration System. In close concert with the Office of Homeland Security we have worked with our neighbors in Canada and Mexico and agreed upon several concrete initiatives to secure safety and security and smooth the flow of legitimate travelers and goods.

Let me emphasize, while responding to the need for heightened security nationwide, INS is accountable and will remain attentive to our immigration enforcement and benefits missions. Agents, officers and attorneys throughout the country are attending to our other mandates.

Mr. Chairman, all of us at INS want to improve our systems operations and performance. We believe that the major changes envisioned by the President's proposal will enable us to achieve the results the Nation deserves. INS will continue in its mission to adjudicate applications for immigration benefits and enforce the immigration laws as the Congress and administration work together on legislation to establish the Department of Homeland Security.

Mr. Chairman, I may be sitting on the edge of this table at the very end, but I assure you that INS is in the heart of this battle and we continue to fight.

Mr. SHAYS. How long did it take you to think of that?

Mr. BECRAFT. I just thought of it.

Mr. SHAYS. Let me say to you I appreciate you all being here. We are all cowards. We didn't take off our coats. I guess we want to have the look of authority as we speak.

Mr. BECRAFT. It was Admiral Collins, sir.

Mr. SHAYS. We knew he couldn't take off his coat.

Let me say that it is my decision we are going to take 10 minutes per questioner because it would be kind of silly, in my judgment, to do the 5, and then one or two of you could respond. I want you to feel free to jump in even if the question is addressed to someone else if you think you have a contribution to make on that particular question. We might—if the questioner is a little uncomfortable that he is not able, or she, to get to their questions, we might extend over. But, Mr. Putnam, you have 10 minutes and we will do a second round as well.

Mr. Souder, it is going to take a little longer to get to you, but I think we get better information if we do that.

Mr. PUTNAM. Thank you, Mr. Chairman. I want to thank our distinguished panel. Your agencies have been under a lot of pressure since September 11th. But with the President's speech last week your world turned upside down, and I appreciate you coming up here to dutifully, if only halfheartedly, profess your love to this new reorganization plan. But I think you owe it to this panel to be very candid in your remarks about how we get there from here. I appreciate the professionalism that all of you have to make the President's plan work, and it is that kind of an attitude that is going to make this a successful plan. But the iron triangles have been ringing all over town expressing concerns about different pieces of this plan and how they impact all of the different agencies. So I think you owe it to us to give us a clear eyed policymaker's view-

point because you are in the trenches and you deal with this every day. And we can't afford to turn the Federal Government upside down through rose colored, baby sniffing marches toward group think. And so as we move through this, if we are not asking the right questions, I hope you will let us know and I hope you will be completely candid in your assessment of how this will impact your specific mission and how you serve the American people.

Mr. SHAYS. If the gentleman would yield, you can do it in the way by saying "the challenges that present themselves," and we will know what you mean.

Mr. PUTNAM. The Admiral very candidly laid out some stipulations that this will be successful "if," and I think that sets a model for all of us to follow on how to make this situation work. And I will begin by asking of the gentleman from FEMA, in Panel I we heard from Congressman Gibbons that it was his intention, or his viewpoint that the primary function of the Department of Homeland Security would be to focus on foreign terrorist threats to the homeland. Do you believe that in that context your current responsibilities with flood, with hurricanes, with tornadoes and with incidents that may turn out not to be foreign related, as we have yet to find out with anthrax and as we found out in Oklahoma City, will those issues be adequately resolved under the structure as it exists today?

Mr. BAUGHMAN. I am not sure I am following the question, but you know, if you are asking if it is a foreign threat, what would we do differently domestically? Is that the gist of your question?

Mr. PUTNAM. The question is do you believe that the administration's intent is for the Department to only deal with foreign threats?

Mr. BAUGHMAN. No, I don't.

Mr. PUTNAM. That would be different than what we heard from Panel I.

Mr. BAUGHMAN. I think it is to deal with domestic—certainly with FEMA we are dealing with domestic consequences to terrorism regardless of whether it is caused by a foreign terrorist group. It does damage domestically like the World Trade Center or the Pentagon, and we would respond to that.

Mr. PUTNAM. I would agree with you and I appreciate that.

For the Customs Service, as you understand it, would you only lose the law enforcement component or would your entire agency be transferred?

Mr. BROWNING. As I understand, the President's proposal has the entire agency with all of our core missions going over to the organization. And indeed I think earlier in this process when we started the dialog with the administration on how to approach this issue, Commissioner Bonner made it absolutely clear that from the U.S. Customs Service standpoint, it was critically important that all of our mission requirements go over.

We have four core missions. Clearly border security today is our top priority. But we are a law enforcement agency and we have been a law enforcement agency and quite good at that for quite some period of time. At the same time, we have been able to weave into that law enforcement-border security mission the trade facilitation and trade compliance piece. There was a point in time when

there was a very adversarial relationship between the U.S. Customs Service and our stakeholders, the trade community, and that has changed. And in fact, September 11th has provided us with even more opportunity to weave together those four missions, and in many respects the efficiencies we have been able to achieve as an organization is due to the fact that we have been able to balance our law enforcement, border security, trade compliance and trade facilitation missions together and to get some synergy from those missions.

Mr. PUTNAM. You currently inspect 1 or 2 percent of cargo shipments, is that correct?

Mr. BROWNING. Congressman, I actually think that 1 to 2 percent is a number that people have latched onto that doesn't fairly reflect what actually happens here. We look at 100 percent of everything that comes into this country. We take a look at the documentation that comes on. We use very sophisticated rules-based analysis to determine what is at risk and what we ought to take a look at.

The 2 percent number that you referred to, bantered about in the media, reflects what is believed to be stripped down and actually opened at the seaports. If you take the aggregate numbers of everything we look at across the board, it is upwards of 6 percent. And if you go to some of our ports that are adequately equipped with nonintrusive inspections equipment such as gamma ray, VACIS and x-ray equipment, it could be upwards, 15 to 18 percent.

So I don't want the American public to think that we are letting things just slip through. Everything gets looked at and those things that we break down are those things that we have serious concern about.

Mr. PUTNAM. Let us assume the best case scenario. You are inspecting 15 to 18 percent. What will that number be after you are transferred to the Department of Homeland Security?

Mr. BROWNING. We would hope—and actually I think like many of the agencies here, we are a multi-mission organization—we would hope that through economies of scale both with respect to information systems, with respect to the ability to share information with the additional resources that there would be a force multiplier that would make our job better and allow us to do a better job. One of the things we know we got to do, given the volume of stuff that comes into this country, is that we have to take full advantage of technology to help us do this job. And the good news for us, and a number of you on the panel have been very, very supportive of the U.S. Customs Service over the years, and as a result of that we look in good shape to get some of the equipment and tools we need to do our job better. I would not expect there to be a change. I would expect us to be able to do the job better.

Mr. PUTNAM. Mr. Acord, currently one of APHIS's missions, in addition to interdiction and prevention of plant pests and diseases entering our Nation, is finding a sanitary dispute resolution and you also have the legal authority to quarantine. Will those components also transfer to the Department of Homeland Security?

Mr. ACORD. Congressman Putnam, it is my understanding that all of the agency and its activities will transfer to the Homeland Security Department.

Mr. PUTNAM. Do you believe that the non-terror related threats to the agricultural industry and threats to food safety that are not maliciously created, that are not maliciously introduced, they may be accidental introductions through tourists, through tagalong in cargo containers, some kind of a pest that gets sealed up, will those be a priority and will the eradication of those pests once they are established in the country receive the adequate attention under the Department of Homeland Security and where will the crossover be between Homeland Security and USDA?

Mr. ACORD. Congressman, I think there is no reason to believe whatsoever that the Department of Homeland Security would not focus on the ongoing programs that we have. The emergency response or the response to an infestation, whether it is accidentally introduced or deliberately introduced, the response is much the same from our perspective. So there is no reason to believe that this wouldn't receive a priority, that we wouldn't continue to address these issues the same way that we have in the past.

Mr. PUTNAM. So the Department of Homeland Security, for example, would then assume responsibility for the eradication of citrus canker in Florida or the eradication of Karnal bunt disease in wheat fields? That would be a new mission of the Department of Homeland Security and not the U.S. Department of Agriculture?

Mr. ACORD. Congressman, if you transfer the entire agency, then we transfer that mission along with it. And given this administration's support for animal plant health issues and, you know, for the strong support that we have had, I don't believe that we are going to be in a situation of transferring just part of the mission and letting the other go. I think we will see rigorous enforcement of our quarantines and continue with the eradication programs that we now have in place.

Mr. PUTNAM. Well, then, recognizing that threats to economic security and homeland security also can be in the form of food safety and not just animal plant health or animal and plant pest disease, is it appropriate then that the Department of Homeland Security does not address the food Safety Inspection Service or the food inspection components of FDA? Is that a gap in the biohazard arena?

Mr. ACORD. Well, I believe that as we get into the implementation of the details of the implementation of the President's proposal that we will see those issues addressed, sir.

Mr. PUTNAM. Look forward to working with you on that. Thank you, Mr. Chairman.

Mr. SHAYS. I hope the gentleman stays for another round. I appreciate the questions, the evolution of that question. The bottom line is from the responses we have heard homeland security means protecting the homeland against both the terrorists induced attack and the natural cause attack and will be treated with the same vigor. It is still an attack. The goal is still to protect, "the homeland."

You heard from the vice-chairman of the committee, and now we turn to the chairman of the Subcommittee on Civil Service, Census and Agency Organization, who is directly involved in the whole reorganization of government. Dr. Weldon, you have 10 minutes.

Mr. WELDON. Thank you, Mr. Chairman, and I don't believe I will use the full 10 minutes. First of all, let me apologize, I had

some conflicting commitments this afternoon. I did catch some of your testimony and for those I missed, I will be reviewing them. And let me just ask all of you, the administration with the recommendation—they did a fairly good job of keeping it under wraps and not releasing it to the public until it was fully developed and there has been some press coverage of that. Were you all providing the administration input as they went through that process in terms of what you see your needs are to meet our homeland security requirements over the recent weeks or months?

Admiral COLLINS. Let me take an initial stab at that. Clearly, most of us at the table were involved since back in November-December timeframe as the Office of Homeland Security's policy coordinating apparatus was put into place with the policy coordinating committees, the deputy committees meetings and principal meetings, a series of policy coordinating bodies that considered many, many facets of the homeland security issue. The four were put on the plate right away, ITs, first responder, bioterrorism and border security, and all those issues were discussed at great length in a series of meetings and each agency had an opportunity to provide insight, input on these issues as they unfolded, including organizational considerations.

So in a general sense we were part of a dialog that took place over a number of months back and forth at various levels with each of our organizations, sort of at the assistant secretary level, then at the deputy level and the principals level, and that unfolded over a number of months.

Mr. WELDON. Did any of you want to add to that at all?

Mr. BECRAFT. I would just echo what Admiral Collins said because Tom and I were at the table most of the time. There was quite a clear airing of positions on all the issues and I think on the organizational issues as well. Everyone had their opportunity to contribute, to put their opinions in, and I think that everyone walked away understanding what the issues were on the table. I don't think that this came as a great surprise to anyone.

Mr. WELDON. Admiral Collins, I just had a specific question about the increased demands being placed on the Coast Guard in protecting our seaports. They have been recognized. I realize all the areas represented by all the departments here are of tremendous importance and critical infrastructure for our Nation, but in particular I have a port in my district and I have been able to see firsthand the demands. Now I understand the Coast Guard has gotten some funding in the supplemental and received some additional funding previously. Do you feel now that we are adequately funding the Coast Guard to meet the challenges that are being placed upon you?

Admiral COLLINS. Clearly the reason we are here is an organizational dynamic, an aspect of getting better homeland security and we are talking through that, and there is also a resource capacity part of homeland security, set of competencies, set of capabilities to get the job done right.

You know we have 361 ports and 95,000 miles of coastline and they are very valuable assets. Our ports, 95 percent of the volume of the trade coming through into our country, and absolutely essential to our economy, come through our port systems and waterways,

and they are valuable and they are vulnerable. That is a pretty potent combination.

I think that has been recognized. I think Senator Rudman nailed it this morning on the panel when he talked about port security, and I think it has been recognized solidly by Secretary Mineta and I think it has been recognized solidly by the Office of Homeland Security and the President in the support in both the spring and fall supplementals in 2002 and our 2003 budget.

Our 2003 budget for the Coast Guard is the largest budget increase for the Coast Guard in its history, over 20 percent increase in our operating expense appropriation alone. That is the appropriation that allows us to operate, sail ships, fly planes and do these other things. We have a roughly 36,000-person active duty organization. We have civilians on top of that. But there is a 2,200-person increase through those supplementals in 2002 to start building out the necessary competencies, capabilities to get where we need to be for the Nation. And I see that probably the multiyear effort that we will continue to discuss with the administration what the next steps are, but see sort of the first phase of a buildout that provides us the necessary competencies.

Our effort is to build greater awareness in threats and vulnerabilities, enhance our presence for response and deterrence, protect critical infrastructure and provide for force protection and outreach with partners to leverage all of our capabilities. Those are our goals. That is what our budget supports and I think we are in the right direction with the great support of President Bush and Office of Homeland Security and Secretary of Transportation.

Mr. WELDON. The other agencies, would you say that your budget is adequate for the challenges that are being presented to you, and I assume you are working on the 2004 budgets now and you are putting in your requests to meet these challenges under the new environment we are talking about?

Mr. BROWNING. Congressman Weldon, I think from the Customs Service standpoint certainly a number of the supplementals have greatly assisted us in providing us with the additional funding that we need. One of the things that we have undertaken over the last several years is to develop a new automated system or infrastructure for our new automated commercial system which will have significant benefits to us in the context of homeland security.

Mr. WELDON. One of the reasons I am bringing up this question is as I talked to some of the rank and file people I hear a lot of stories about 6-day workweeks and 10-hour days and 12-hour workdays. And in the immediate post-September 11th environment you can sustain that because the whole country is energized, but this is obviously going to be a long, protracted process and we need to make sure that we are not overstressing our work force, and I just want some assurance that the administration is taking the appropriate action to put the people in place so we can meet the demand, and what I hear is, yes, that is going on.

Mr. ACORD. I would respond from the Agriculture perspective, we have in our budget request for fiscal year 2003 an increased request of $120 million to address these kinds of issues. Our port of entry programs are user fee based. We have had supplemental money allocated to us last year out of the defense supplemental to

address the shortfall that occurred in the user fee collections and the traffic decline after September 11th. We have just distributed, you know, last week $43 million to States to assist them with the emergency preparedness, with surveillance capability for surveillance for foreign animal and plant diseases, and I think the administration has stepped up quite admirably in providing those resources.

Mr. WELDON. Thank you. I yield back.

Mr. SHAYS. Gentleman just wanted to prove he wouldn't use his full 10 minutes. He used 9 of them.

Mr. Schrock.

Mr. SCHROCK. Thank you, Mr. Chairman. Thank you for being here and to the folks in your agencies for the monumental tasks that they are going to be undertaking here. This is not going to be easy, but if we are going to survive in this world, we have got to do this and we got to make it work pretty quickly.

Let me say that I agree with Mr. Putnam that we want brutally honest assessment. The day of political correctness has got to go because if we don't nothing is going to get accomplished here.

I want to address one thing that Mr. Browning said that I would like comments from the rest of you. I have a vested interest in port security. I represent the Port of Hampton Roads, which has the largest contingent of naval vessels in the world and of course a huge commercial port. And what I worry about is a ship—everybody talks about checking containers when they get into this country. I believe it is too late at that point. And I am told 16,000 containers come into this country every day. And if we don't do something at the point of origin, we are going to be in trouble. And you kind of touched on that. And I would like to know what your thoughts are on how we solve that problem.

As I came here today, I crossed under the Hampton Roads Bridge-Tunnel. I think about that every time I cross the Chesapeake. Of course, I see the Coast Guard folks out there as well and I try to figure out how are we going to solve this. That is a huge concern to me because if a ship coming in here from a foreign port has some little device on it in one those containers and the GPS system is set up so that when it gets behind the carrier piers it goes down and then our ships are locked in, and it is a huge concern of mine and I am just curious about what your thoughts are and any other people on the panel, especially the Commandant.

Mr. BROWNING. Congressman, let me first of all respond. We greatly appreciate your comments. Actually this has been an area of great concern for Commissioner Bonner, as you are aware, and on his own initiative Commissioner Bonner basically pressed the organization to stand up to continue the security initiative, which in fact does intend to move our borders away from what would be the traditional points so we can do some of the risk assessment, some of the examinations that we need to do before that box is on a ship on its way to the United States and certainly before it is in one of our harbors, and that is starting to yield some very positive results. You may have noticed that it has been widely reported that Singapore, which is one of the largest security, container security ports, has in fact agreed to have us station our officers there and be part of the CSI program. We are very close to having a similar

arrangement with Rotterdam. And there are at least a half dozen major, what we refer to as megaports that we are working out the details on so we can extend our borders beyond the United States. We firmly believe that is the way to do it, and in many respects as part of the global response to counterterrorism we believe with the requirements of reciprocity that we ought to be prepared to work with our counterparts in the same sense.

Mr. SCHROCK. Are they going to do that with scanners? I am trying to figure out a process that would be used.

Mr. BROWNING. Part of it is using the rules-based targeting systems and selectivity that we have. But the other part of it is also to acquire the necessary nonintrusive examination equipment, which we are fortunate that many of the megaports already have the infrastructure to do that, and then to ensure that we properly seal those containers, so once they leave that port we know that if they have been tampered with we can identify those containers that may have been tampered with and take appropriate action in coordination with the law enforcement agencies.

Mr. SCHROCK. Commandant, before you start let me tell you I don't believe you are funded adequately. I may have worn the uniform of the Navy for 24 years, but I understand the Coast Guard has probably been one of the most underfunded organizations in the military for a long time, and your predecessor had the courage to come up here a couple years ago before I got here and say enough is enough. We can't do it unless you pay us and provide the funding. So the money you got this year was a start, but based on the mission you have and you are going to continue to have, we are going to have to look at that very seriously to make sure that you are properly funded.

Admiral COLLINS. We view it as a multiyear plan, a multiyear buildout, and we are at the first installation and there will be further discussions within the administration. But clearly there is an organizational dynamic playing here and there is a resource capacity dynamic playing here, and you have to address both. In terms of the port security issue and container, I just echo the comments of my Customs colleague, is that this has been a multi-agency approach to this. There is a Container Working Group that has been formed under the auspices of Office of Homeland Security to examine various technologies, information systems and processes by which to solve this issue. Clearly, pushing the borders out and getting to point of origin where the container is loaded is a really attractive return on investment approach because really—this is a transportation logistics issue as much as anything else and it is managing the supply chain and having total visibility of the supply chain.

I think heretofore most nations of the world looked at trade from an import control perspective, and I think we need to get into an export control perspective, all of us, so that we know what we are sending to our fellow nations. It is a global issue. It is going to take a global solution. And Admiral Jim Loy, my predecessor, last fall addressed the IMO, the General Assembly of the IMO, to introduce container security issues, sea man credentialing, security plans and a host of other security issues so that we could get safety on the international agenda.

IMO represents the shipping industry—industries and groups of the world. That is where you get international regimes and protocols in place. We are very successful in getting unanimous decision out of the General Assembly to push forward aggressively on some of these international initiatives. There was a February Intercession Working Group. There was another one in May. There is going to be another one in September, and I think we are going to see some fruits of our labor real soon on some of these issues in December. That is a tremendous accomplishment because sometimes that organization moves at glacial speed.

Mr. SHAYS. I just want to make sure that the cameramen aren't interfering with the reporter. If the reporter is having a little bit of trouble, give a little bit of space to the recorder. I am sorry to interrupt.

Mr. SCHROCK. Let me tell you how important I think this is. On October 11, 2000, the day before the Cole incident, a major network film crew came into the Port of Hampton Roads to see how close they could get to a Navy ship. They actually came right to the hull of the USS Truman. The correspondent put his hand on the hull and said my hand is on the hull of this big ship and not one person has challenged me. The next day the Cole blew up and it got everybody's attention.

It really worries me that could happen again with divers coming in, and if there is anything I can do to help either Customs or Coast Guard with this, I want to be a player in this. I want to get involved because it is vitally important to our national security from the Navy standpoint and our economy from the standpoint of, you know, Hampton Roads and what comes in and out of Hampton Roads, and I would like to help in any way I could.

Thank you, Mr. Chairman.

Mr. SHAYS. We will have a second round here.

Mr. Souder.

Mr. SOUDER. I would like to say something for the record that something that Mr. Schrock just said—Congressman Schrock—it has happened in a couple of other borders and I think it has been irresponsible of our media, and that is that sometimes they play games to try to make our agencies look bad when in fact we see them and we know they are there and we just chose not to shoot them or intercept them, and it should not always be perceived by the media when they do these stunts and they have done at the Washington border, the Vermont border, some of the other places, that our agencies didn't fully well know they were there. Now occasionally if you want to play it, you can break through, but we need to understand that a lack of action does not necessarily mean a lack of knowledge and that you all have been criticized and this has been happening at multiple borders and any reporter in America can do this type of thing if they are looking for that kind of story. But to show that you actually caught them might tip off some of the technology we have, and there needs to be an understanding by the American people that we are not interested in showing everything we have in every situation.

I wanted to get one thing on the record as chairman of the Anti-Narcotics Subcommittee, and that is that the President has made it clear that there is a direct link between the funding of terrorism

and narcotics. Admiral Collins said it in his statement that he viewed the homeland security as narcotics interception as well because if we don't get to their money sources this will also be true of illegal trafficking of minors and other things that terrorists are funded by. I know Admiral Collins agrees with that. I assume also that Customs, INS and FBI agree that would be part of the homeland security perimeter as of the point of the border crossing, that the funding of the terrorists is also an issue. I see each person nodding in the affirmative. FBI agree with that as well?

A second point that I think is important because all of you have been tremendous in trying to work out particularly on the Canadian border but also the southern border, and I have been concerned over the last few days in watching this after our U.S.-Canada parliamentary session, a number of the Canadians pointed out to us that they believed that even in our interborder groups that the Americans have been acting a lot more unilaterally since September 11th. We have been under attack. We are behaving differently than we have in the past even to the point of wearing flag pins, in our tone. And the point of this agency is not to put up a wall around America. Every one of you have IBET, IMET, border teams and so on. And in actuality, this should—to the degree we have harmonization of laws and cooperation from Canada and Mexico should make it easier for their countries to work with the United States.

Is it not correct; in other words, do you agree that the goal here is to make it better and that we are going to need better clearances in Vancouver and Singapore? The goal is to make it easier; the goal is not to erect a wall and that this new department should not be perceived by our allies around the world and our neighbors who are so critical and interdependent of economic security that somehow we are unilaterally doing something that is going to make it necessarily tougher to move commerce, to move visitors, to move tourism, to move nurses across Detroit, for example?

Mr. BROWNING. Congressman Souder, let me first of all say you couldn't have said it better. In fact, first of all let me on behalf of the U.S. Customs Service continue to say thank you because you have always been a big supporter of this agency and we appreciate that. I have in my 26 years of government service, all of which have been with the U.S. Customs Service, and very proud to state, never seen the level of engagement of a Commissioner in the issues we are talking about right now, and I am talking about Commissioner Bonner being personally engaged in meeting with his Canadian and Mexican counterparts to work out the arrangements we have been able to achieve between our respective governments.

And when you talk about the Smart Border Accord, well, what has happened is that real meaning to that accord has been given by the fact that Commissioner Bonner and Commissioner Wright from Canada have sat down face to face on numerous occasions and themselves hammered out the details of that arrangement. The same thing is true with our Mexican colleagues.

I think we all know this is, as you say, not about fortress America, but it is about us taking all the measures we can to work bilaterally and multilaterally to ensure that we secure the international

supply chain, and that also includes programs like CTPAT, where we draw the trade into that process.

So to the extent that people are a little concerned that we are acting unilaterally, maybe what is happening is we are acting swiftly and that speed and resolve with which we are trying to achieve some of these things may suggest that we are trying to be unilateral, but I can say from our experience, having seen the commissioners, having seen the contacts we have had with our counterparts, that we are doing anything but trying to be bilateral. We can't win this war alone and it has to be a multilateral war and it has to be done across a broad spectrum of players and stakeholders.

Mr. ACORD. And I would just add from the Agriculture perspective, you know, that we too have been working with our counterparts in both Canada and Mexico. Under Secretary Hawks, who handles marketing and regulatory programs for USDA, met recently with his colleague in Canada. We have had similar meetings with officials from Mexico. We have our technical people working bilaterally to try to harmonize the regulations that we both operate under and to try to make this a North American effort.

I, too, would echo the comments earlier about pushing the borders out. You know, the U.S. border for the most part ought to be considered a second line of defense, not a first line. I think we need to be looking more overseas at what is going into the containers. We need to push more of this activity offshore. I have seen tremendous cooperation over the last few months in working with the various other agencies in enforcing this kind of attitude and this kind of initiative to look beyond the border for the solution here.

Mr. TRITAK. I would like to emphasize and say it is a key thing that the Congressman is raising. Homeland security cannot be sort of a euphemism for neoisolationism. The whole purpose of many of these terrorist activities is to actually force us to withdraw from our global commitments. If the United States backed out of the Persian Gulf and Middle East, we probably would not be having the problems we are having right now, and of course they are not going to achieve that goal, but if you listen to what al-Qaeda has been saying, forces us to turn inward and basically withdraw our engagements and our responsibilities.

So quite honestly, the whole purpose of the homeland security strategy and all the efforts of every agency you see at this table is for us to preserve the American way of life so that we can continue our global involvement, continue to bring the fruits of free enterprise and democracy abroad to those who otherwise would try to prevent us from doing that and actually force us to retrench our activities.

So I completely concur with your concerns and the fact that we are protecting the U.S. people and property within the borders of the United States is not to be viewed as saying that is all we are concerned about. It is a means to an end.

Mr. SOUDER. Not to mention the fact that the 5200-mile border with Canada would be downright silly to think that we can seal that whole border. I was just up at Sweet Grass in Montana and have been up at Portal in North Dakota. Between the Rocky Mountains and the Lake of the Woods in Minnesota, there is nothing but

wide open spaces, and there is only a certain amount we are going to be able to do without a lot more clearances.

May I ask one other question? I think it is—I heard some—and I will pursue this a little further in the second round, but it has been suggested that we might actually save money with this agency and reduce resources. There isn't a cheap way to do this, and I wanted to pick up on a comment that Admiral Collins said and ask you a question, and then I am going to pursue it a little bit more. You explained fisheries inside the homeland security. Obviously if we don't intercept the people who are trying to put these two-mile long nets in the middle of the salmon run, we won't have a fisheries industry on the whole coast because we will get them and there won't be any to spawn. And if the Coast Guard is pulled back to the tight border and you are not out in Alaska and you are not having your boats down off Mexico watching for illegal narcotics and everybody is pulled in along the border, we will lose those things. And what I am trying to figure out and other Members, when we actually get down to the actual nitty-gritty of this, if you have a boat on the Detroit River and you have an obscure tip that somebody may be hitting chemicals plants along the river, which could be about anywhere, and you are watching and a sailboat tips over out further up in Lake Huron, how do you perceive this is going to evolve as to how the actual boat commander, who may be the only one given your limited resources, and he has to choose where to go because previously this search and rescue would have been the No. 1 priority because homeland security was not in your primary mission.

Admiral COLLINS. Clearly search and rescue and the saving of life takes priority in all instances. So that decision in that particular instance would be fairly a quick one and an instantaneous one, that we will defer to the search and rescue case when life is at stake and prosecute the highest risk issue. All of our resources against all our mission portfolio is basically a risk-based algorithm where we are putting resources to the highest risk.

Have we pulled back on some of our missions to do our homeland security mission? Yes. Did we do it in the immediate post-September 11th period? Yes. And a great percentage pulled back in the immediate aftermath and we are throttling back on that and reallocating our resources back into other missions, and just a couple percentage points below in terms of fisheries enforcement and counter drugs where we were pre-September 11th. That is because the size of the pie with the 2003 budget is getting a little bigger and so we have gotten some additional resources to cover those things. Still a capacity issue for us, clearly, and as we build out our competencies and capabilities over the next 2 to 3 years we are going to have to continue to pursue a risk-based approach to the allocation of our resources, and that is our full intent.

Just one other note, we are doing port vulnerability assessments. They are funded within the supplemental and part of our 2003 budget and part of the maritime security bill now under consideration, passed by both Houses but now in consideration ultimately in conference. But they have called for port vulnerability assessments for our major ports to get a handle on the threats and the

vulnerabilities, which will further help us make that allocation of resources against the highest threat.

Mr. SHAYS. I thank the gentleman for his question. Mr. Souder, I wonder if you could involve me in a bit of a dialog. There is no question that costs go up to fight this war on terrorism. That needs to be separated from the issue of when we reorganize our government are we adding costs, are there synergies that could help reduce costs. In practical effect, I would suggest that the combining and the consolidation will mean that we use resources better but there probably won't be a savings because we will try to do more. But in addition, just fighting the war on terrorism, irrespective of a reorganization, will take more of our resources. And then your concern obviously is with those non so-called terrorist activities, will they suffer, and I think we as a Congress have to make sure that they don't suffer.

Mr. SOUDER. I think one of the biggest dilemmas we look at in our committee is to make sure that in fact we are changing the missions of the agencies in the name of cost saving, that we do that publicly and state that debate because it very easily could be that we shift the mission to counterterrorism and then reduce another mission in the name because we don't want to increase the spending and de facto do that in a different way. Plus, we have not yet heard, and I would be interested and hopeful from the second panel, where the cost savings to this synergy is because having worked with this for a long time, I don't believe we will get efficiency of being able to target for protection. I believe we will have better information sharing, but I am not sure what the cost saving is even in that process unless we are talking about laying off large groups of people and doing certain things. We really haven't put on the table where that cost saving is.

Mr. SHAYS. I suspect there isn't a cost savings, but there is better use of the resources we have. And if we then try to say there are cost savings and make it happen, I do agree with you, and I think what your suggestion is, that there would be programs that would in fact suffer that are maybe non-terrorist related.

Are we in the same wavelength here?

Mr. Platts, you have the floor.

Mr. PLATTS. Thank you, Mr. Chairman. I thank all of our panelists for being here today and certainly for your service to our Nation's citizens day in and day out. You certainly have a tremendous task ahead of you as you work to protect our citizens. I do want to echo Congressman Putnam's comments about the importance of the frankness and being very forthcoming not just to Congress but to your superiors, and I think President Bush stated it well in his address to the Nation when he spoke specifically about FBI agents, about coming forth with what they find to their superiors, to you as well, either to the President, the Vice President or to your commissioners, your deputy—how important in this area, probably all areas, that we have that very frank and open dialog.

My first specific question is, Mr. Tritak, regarding our nuclear power plant security and the infrastructure and protection. With the envision of restructuring, I was wondering what, if any, changes you envision with the NRC's responsibility for nuclear power plant infrastructure, the security of the facilities themselves.

Mr. TRITAK. Congressman, I want to be very frank about this. This is not an area that I can comment on in any particular detail. You have seen what the President has proposed in terms of moving around certain assets within the Federal Government. What I was basically saying, Mr. Chairman, this is not an area that I can comment in any particular detail. It is not an area that I focus on in my work at the CIAO. But we do know that the President has proposed a number of organizational proposals to deal with some of that and I would suggest, quite respectfully, that you may want to talk to him directly on that.

Mr. PLATTS. In the proposal put out by the administration the infrastructure, including our energy sources, our utility operations, chemical plants are included in the infrastructure. So——

Mr. TRITAK. True enough, but you are getting in a level that I am not particularly comfortable dealing with. Let me say a little bit about the way we operate. One part of the critical infrastructure protection effort is trying to engage the owners and operators of those infrastructure—many of them are privately owned and operated—to undertake measures to help secure themselves both from the physical and, particularly where I have been focusing, on the cyber dimensions of security. Increasingly, your electric power industry, for example, is relying heavily on digital control systems to operate their assets.

We know from comments made by al-Qaeda themselves that they are going to exploit vulnerabilities where they can find them. One area could be to exploit the vulnerabilities of cyberspace to produce certain kinds of harms that can only be achieved through physical destruction.

What we have been focusing on at CIAO, largely bringing this to the attention of senior management and trying to make the case as a business proposition, is that it makes good sense to secure their infrastructures. It is important both for the Nation and also important as a matter of corporate governance and the rest. Once you start getting into the areas of regulatory issues regarding safety, and that is an area that we leave to the NRC and that is why I made the comment that I made earlier——

Mr. PLATTS. And that is the reason for my question. I haven't seen a lot of information thus far, and we are the first week since the announcement, regarding the NRC, how it fits into critical infrastructure protection, and with two nuclear power plants bordering my district, that infrastructure of those plants and the security of them are kind of very paramount in my constituents' thoughts.

Mr. TRITAK. But there is an overarching division in the proposed Homeland Security Department which would deal with nuclear countermeasures and the risks posed thereby and I would be more than happy to take up with my appropriate colleagues to get back to you in this matter .

Mr. PLATTS. That would be great and maybe to the chairman of the whole committee and Chair. Again it being early in the announcement, but whatever information that can be shared and that specific aspect of infrastructure protection regarding security of the plants.

Mr. TRITAK. I would like to add one point for the record. In creating the Department of Homeland Security, it was never envisioned

that all aspects of homeland security would fall under one roof. There is still a vital role that is to be played by various departments and agencies in areas that relate to homeland security that do not come under the specific organizational structure of the Homeland Security. Protection of nuclear power plants undoubtedly is going to be a major issue, and I know for a fact, having been involved in numerous Homeland Security Department office policy committee meetings, that this is of paramount concern.

Mr. PLATTS. The point about not this new department covering every aspect is well taken, but I think the intent is certainly to ensure a comprehensive approach and given the threat level of an attack on our nuclear facilities, making sure they are well in the loop of intelligence being shared, the information that the law enforcement community, everybody has, seems to argue pretty strongly that NRC be intricately involved in this new Department of Homeland Security.

Mr. TRITAK. I have no doubt that the concerns about the nuclear power plants are a component part of the Homeland Security Department. I guess the answer I want to give you, how it relates to the NRC and how that is going to be worked out is the piece I cannot give you at this time.

Mr. PLATTS. And given where we are, that is understandable.

Second question is, actually Deputy Commissioner Becraft communications and the focus of this realignment being better sharing of intelligence and better sharing of information in general. And we had the unfortunate disbursement of the student visas 6 months after the attacks regarding the terrorists involved. And are you comfortable or do you believe that this realignment will ensure better communications and was that a problem with the student visa being issued, that the information not being shared between agencies or even within agency, INS, that communication failures was the culprit there?

Mr. BECRAFT. Congressman, I appreciate the opportunity to respond to this, because I think it needs some clarification.

It has been portrayed that, in fact, visas were approved and forwarded after the fact. In fact, those two adjustments of status—of the current status of those two individuals, Marwan al-Shehhi, Moh—I've forgotten the name, I just went blank—Mohamed Atta, those were approved back in July and August of last year.

What took place on March 11th was a contractor's responsibility to send the notification, like a canceled check, to Huffman Aviation for their files. It was unfortunate that went out. It never should have gone out, and it was a problem in communications within the agency.

But it was not an after-the-fact approval of adjustment of status for these two individuals. That was done before September 11th based on the information that the State Department, the CIA, the FBI and INS had at the time.

Mr. PLATTS. I guess two parts. One is, despite it not being an approval but still a notification about someone who has attacked our citizens and taken the lives of our citizens, clearly it is still a failure of the system that was not caught.

Mr. BECRAFT. Correct.

Mr. PLATTS. But also as to the information that was made on the original decision, I would assume that the intent of this restructuring is that you have better information, that those visas would not have been approved or the adjustment of status would not have been approved in the first place if you had had a big——

Mr. BECRAFT. If we had information, intelligence information, that would indicate to us that these people should not have been approved, that, hopefully, would have happened at that point. But I think it is on record we don't have any information to that fact.

Clearly, the President's initiative to pull these organizations together and the attention that September 11th has brought to the whole issue of information sharing between law enforcement agencies and the intelligence agencies hopefully will preclude anything like this from happening again.

There are no guaranties in life, but we certainly are a much smarter organization today and a much smarter group of people sitting at this table than we were 9 months ago, 10 months ago, and that is because we have pushed hard and we have been pushed hard. We have been pushed hard by people like you on this issue to ensure that we improve the way we do business.

Mr. PLATTS. Is it safe to say or accurate to say that part of what we are trying to do with the restructuring—and I well embrace the President's proposal; I think it is a well thought-out proposal—is that we will kind of institutionalize the information sharing that is now occurring 8, 9 months after the attacks and it is still fresh in our minds? So that 2 years, 3 years, 5 years from now, when we hopefully have been more attack free, that we still are sharing information well and not because of the vivid nature of September 11th but because it is the norm?

Mr. BECRAFT. I totally agree with you. I think this focuses all the appropriate agencies on the issue at hand, and they are going to stay focused. There isn't anyone in the Department of Defense that doesn't understand what their mission is. That is because they have a unique organization over there, with a Secretary of Defense and civilian leadership that keeps them very focused on the mission, and they have a uniformed service that understands its duty. This will bring all of these organizations together, put them under one helm and ensure that we are talking to each other on a daily basis.

Mr. PLATTS. Thank you, Commissioner. If I can squeeze in one more, or do you want me to wait?

Mr. SHAYS. You know what? You can squeeze in one more. You used very little time the first time.

Mr. PLATTS. A followup, Admiral Collins, to really the questions of Mr. Schrock and Mr. Souder and the scenario of your new mission being homeland security and how that relates to search and rescue and the scenario he gave with the sailboat capsizing.

I guess the concern is saving money versus needing more money for adding to your priority missions. If that sailboat and your reaction to it would be an instantaneous decision, save the lives of those at risk but not knowing if it was an intentional capsizing of that ship to pull you away from your other duty, homeland security, it seems that without some additional resources you are already strained, given what we give you, and underfunded, that if

you go and save the lives as that priority, that other very important assignment is going to be at risk of not being able to be well-fulfilled.

Admiral COLLINS. Again, clearly, it is a little bit of a balancing act amongst the resources allocated across our missions.

I might say that, again, with the help of the 2002 supplemental and the 2003 budget, we are providing additional presence on the waterways of this country, at our ports and waterways. Through 2003, there will be six maritime safety and security teams. These are teams with about 70 active duty and about 30 reserves that will be positioned around the country to surge into areas to provide those kind of augmentations for high-profile, high-OPTEMPO-type activities. That is a good thing.

In addition, there is both in the 2002 budget and the 2003 budget additional resources going into our search and rescue stations, and there is additional resources to buy small boats for these maritime safety security teams and SAR stations. I might also offer that those SAR stations—or, typically, we would call them search and rescue stations—they are multi-mission stations. They do law enforcement in addition to search and rescue.

So the bottom line here, I think, is recognition both in Congress and in the administration that the enhanced presence in the ports and waterways of this country is an important thing, and we are building that capability. In the meantime, as we build that out, we will, from a risk-based perspective, allocate the resources accordingly.

Clearly, there is linkage between—as mentioned earlier, there is great linkage between the counterdrug mission and illegal behavior of all types, including terrorism. It is the cash cow, if you will, to fuel illegal behavior. That particular mission, I think, remains a very fundamentally important one and figures materially, from my perspective, in the new Office of Homeland Security as one of those fundamental missions that both INS, Customs, and the Coast Guard in particular and the Border Patrol are very much tuned into; and we will continue to do that.

Where we have the information and the intel to trigger action and allocation of assets, that is what we will do. As we get better on the awareness side, as we get better on the awareness side with good intelligence, good movement of information, actionable intel, fused intel, which this new Office of Homeland Security will give us, we will get better on a lot of fronts, stopping the bad and allow allowing the good to come through—stopping the bad and allowing the good to come through. So you service a mobility function and an efficiency function and stopping the bad at the same time.

Mr. PLATTS. Thank you, Admiral Collins.

Again, I thank each of you and your various colleagues in your departments and agencies for your work day in and day out trying to protect our citizens.

Thank you, Mr. Chairman.

Mr. SHAYS. Thank you very much.

This is an excellent panel, and we could spend time with just each and every one of you as a separate entity, but there is importance in having seven of you. But the seven of you are only part

of the 100 that we see on those cards—admittedly, probably a more important part. We took some of the bigger changes.

But as I am sitting here, there are so many things that I want to ask. I think of the U.S. Coast Guard and INS and Customs. I think of Customs as making sure bad things don't get into this country and that people pay for the things that come in that they are supposed to. I think of the INS as making sure those who come should be allowed to come, and those who shouldn't should be stopped and we catch them and so on, and we process it well and keep track of who is here and who isn't—people, things. I think of the Coast Guard as how you interface with both of them.

Yet, as we talk, I realize that you all interact, but we have been to conferences where we have talked about this, and there is a lot of competition in some cases and criticism from one agency to another. Hopefully, as you find yourself part of one entity—obviously, you are part of one entity, the United States—but working more closely together, some of the disconnects will disappear.

I also think of the FBI and think of how the FBI is primarily investigative and that it was primarily domestic. Now, when we go overseas, obviously, we interact with the FBI, who are involved in catching foreign funds and involved in a number of other things overseas that impact us domestically. But the CIA, we didn't want them to come into the United States. We didn't want that intelligence component there, and the disconnect of an intelligence agency involved in gathering intelligence and analyzing and interacting with the culture of the FBI, which was basically evidence gathering.

You are doing what we asked you to do over decades, and now we are saying they do not meld as well as we would like them to. You are all trying to be good soldiers, in the sense of wanting to make sure that this works, but we want you to be candid, to tell us where it is going to be most difficult.

What I was doing when you were talking as well, I was thinking, Admiral, you are green; Baughman, you are purple; Browning, you are green; Acord, you are yellow, yellow colored; Tritak, you are blue; Medford, you are blue; Becraft, you are green. You fit in there in different ways, but you are going to all interact.

I find it ingenious, frankly, the way the President's people have proposed capturing you, in some cases directly. You are the agency, the department, and yet with the FBI and the CIA we are going to use you as—this department is going to be your major, if not primary, customer. Not telling you sources and methods but telling you we want this information, and if you don't measure up, not that we are going to buy somewhere else, we are going to make sure that the President and others say you are not operating the way you need to be and you need to change.

I am curious about the FBI. With the Cyber Division, does that come over? Does the FBI in a sense lose it, or does it stay with the FBI? And then is this Department of Homeland Security going to use you? Are they going to be a customer of yours?

Mr. MEDFORD. Congressman, that is correct. Essentially, the Cyber Division would entail the criminal investigative national security responsibilities of the FBI, the counterterrorism, the coun-

terintelligence, and the criminal role that the FBI has as our core mission——

Mr. SHAYS. And it will still stay in the FBI?

Mr. MEDFORD. Remain in the FBI, and then we will feed the intel and the information to the new agency.

Mr. SHAYS. So you basically come under the blue component.

Mr. MEDFORD. That is right.

Mr. SHAYS. When I look at Customs, do we think of Customs as—let me back up.

When we look at INS, we kind of, in Congress, have divided you into two parts. Do you think of your operation as being divided into two parts? How do you view it?

Mr. BECRAFT. As I stated in my opening statement, we have been looking to reorganize this agency for years, and we are focusing on splitting enforcement and services. That has been part of the game plan. I mean, we are delighted to see the President's plan that in a sense does that. It takes—as we can tell right now, from what we know of the plan, it takes our law enforcement elements, the Border Patrol inspections, probably investigations. I am sure there will be some discussion of this, but I would see those things ending up in the Border Security Division up here.

Immigration Services is also a critical part of it. And I would refer back to Mr. Platts' discussion with me about the two terrorists, Marwan al-Shehhi and Mohamed Atta. That shows that there is a critical linkage here between benefits and the enforcement side. There is room for great fraud in the benefit side of the business.

Mr. SHAYS. But all of INS comes under?

Mr. BECRAFT. All of INS goes under.

Mr. SHAYS. And would it all be under the first component?

Mr. BECRAFT. It will be in the green, yes, sir.

Mr. SHAYS. When I look at Customs, should I think of Customs—not having spent the time that others have on this committee with Customs, should I view it as being able to divide under the same services, revenue and basically enforcement, the three parts? How would I view it?

Mr. BROWNING. Actually, I would say the three pieces are so closely intertwined we look at them as one piece in the organization.

The revenue part of what we do, that is, collecting revenues and then turning them over to the Treasury Department, in our judgment would not be affected by this realignment. That is still something we could do and then turn the revenue collections over to the Treasury Department.

Mr. SHAYS. Let me use this as a point. In the President's presentation, in their booklet they provided, on page 4 they made this comment, under nonhomeland security functions: The new department would have a number of functions that are not directly related to securing the homeland against terrorism. For instance, through FEMA, it would be responsible for mitigating the effects of natural disasters, and so on.

So this is an example. The collection of funds would not be related to homeland security, but since the other parts are there, it makes sense and you could still carry it on?

Mr. BROWNING. Actually, because the way we have built our mission those pieces are so connected, it would be very, very difficult to separate them out and still maintain the efficiency with which we are currently doing it. In that sense, we were very happy when the proposal had the entire Customs Service, with all of our mission responsibilities, going over.

You will recall at the beginning of my statement that I said we have been a law enforcement agency for quite some period of time and we have managed to balance both of those responsibilities, the trade piece, our law enforcement border security, and compliance pieces fairly well. And, indeed, I think our trade is very comfortable with that.

One other point I would raise, Mr. Chairman. One of the concerns that has always been raised with us by the trade is the need to have a single face on this process. If you take these functions and you bifurcate these functions, then what you do is you don't really have the economies of scale you are talking about here. You have the trade having to go to Customs to do examinations and inspections and somewhere else to do something else.

Mr. SHAYS. You just triggered something I wanted to ask as well. When you are going on board a ship, potentially looking for people that are here illegally, that would be INS enforcement or not? Or would it be Customs? You are looking at products.

You are smiling. Tell me about the smile.

Mr. BROWNING. I am only smiling because there is actually an awful lot of synergy that already exists between our two organizations.

If you take what happens at a port of entry—for example, on the southern-northern border, you could have a Customs officer at the booth or you could have an INS officer at the booth, because we are cross-designated to carry out those functions.

Same situation at the international airports. INS will conduct——

Mr. SHAYS. So there is real logic to this part?

Mr. BROWNING. There is a lot of logic to this. They do our primaries, we do the secondaries. There is an awful lot of logic.

In fact, when Congressman Putnam asked me the question, I didn't want to be flippant with my response to can we do our job better. We really should be able to do our job better, because, in fact, we are going to have the benefit of the resources that we have been working with for years so that we can put it under a unified command and get a unified result.

One other point, and I am thinking back to Admiral Collins' point about what happens in that situation where he has to make a decision between a SAR rescue and whether he goes out on a law enforcement initiative. Arguably, in a new agency where you have Customs assets at our close-in assets our interceptors in the marine environment are very good. Deepwater is what the Coast Guard does very, very well. So, arguably, we ought to be able to communicate with each other and say, we need your assistance, have the mechanisms in place to make sure that assistance is available, and be able to respond in a host of different areas, not just border security, not just antiterrorism, but also the other core

missions that we have—search and rescue, trade facilitation and compliance, and immigration activities.

Mr. SHAYS. Let me just say that I am going to recognize Mr. Putnam and then Mr. Souder and then come back. The second round there will be less Members, and we will probably be able to get you out of here pretty soon.

But what I am going to want to talk to you about, Mr. Acord, is the issue of your agency within the Department of Agriculture being removed from the Department of Agriculture. I want to know what the cultural implication of that is. I am intrigued—and I will have you respond when I have my second round, but I am intrigued by the yellow component.

When we had been looking at this for a number of years—the chemical, biological, radiological, and nuclear countermeasures—there was a big weakness in the other plants that didn't involve this focus. When I chaired the Human Resource Subcommittee, we began to look at things like mad cow disease. It was basically under agriculture. We decided to have a hearing because it affected human health, but we didn't have jurisdiction on animals.

When we started to have this hearing, we had everyone from the cattle industry rightfully saying, tread carefully, you could alarm people, and you could interrupt a multimillion dollar business, which got us thinking. Then I became chairman of this committee. Just the incredible opportunity a terrorist has to conduct terrorism against our livestock and so on and the disruption that would cause.

I look forward, Mr. Baughman, to talking to you about the relationship of the State and local participants, because we are going to be drawing in parts of Justice and HHS into grants to first responders. Again, I think that is a pretty interesting way that the White House is looking to kind of bring these parts together.

But I can wait, and I will give Mr. Putnam the opportunity to ask one last round of 10 minutes. I say last round. It probably will be.

Mr. PUTNAM. Thank you, Mr. Chairman.

Just between rounds I have been jotting down the different things that we look for at our borders. Obviously, there is—in the waterways there is a search and rescue component, but in border security we are looking for terrorists, drugs, immigration. We have Fish and Wildlife stations looking for the trafficking of endangered species; Ag looking at plant, pest, and disease issues; trade enforcement, the revenue side, fee, tax, tariff-type issues; ordinary crimes, larceny, things like that; and firearms. And all of you are, to varying degrees, part of that puzzle.

So I am curious, prior to September 11th, how often, how many times had all of you met one another or worked with one another or engaged in a conference with each other on how to better protect our borders? Prior to September 11th.

Admiral COLLINS. I will give it an initial stab. I think there has been a history of close coordination from Washington all the way down to the field level.

When I was on the West Coast, close rapport with INS and Customs on the West Coast to deal with issues. Oftentimes, we do joint boardings together on ships to take advantage of respective exper-

tise. We know about compartmentation and dangers and safety issues aboard ship. We advance notice of arrival from vessels coming into the United States and scrutinize them against data bases that our partners maintain, and so forth.

On counterdrugs, there has been a joint interagency type approach to counterdrug efforts for a number of years. I think that has to get better. It is getting better and better each year in terms of the coordination. We maintain a joint interagency task force, east and west—it is an interagency group—in Key West, in the West Coast, all jointly manned.

I could go on, but I think there are great examples of partnerships across the board, and the reorganization will build on that.

Mr. PUTNAM. You do a wonderful job at JDEF East and JDEF West, but how many times have you guys at this table met with one another prior to September 11th?

Mr. BAUGHMAN. I don't know about the individuals, but as far as agencies, our agency meets routinely, probably once a month, with many of the agencies here.

Coast Guard, under their role with the National Contingency Plan for Hazardous Materials, we have supported INS in immigration emergencies and doing some planning there; APHIS, in foot and mouth disease, when there was an outbreak there last year, we were working with them to do State-level planning. So we have on a number of occasions.

Mr. PUTNAM. So based on the first two answers, at the highest levels, all of our future deputy assistant secretaries of the Department of Homeland Security have never met.

Mr. BECRAFT. I would like to say I've worked with Admiral Collins and with Bruce Baughman for probably 10 years now, and they were on critical issues. Way back before I got to INS and the drug business, Tom and I knew each other. Mr. Baughman and I were intimately involved in the post-Haitian-Cuban crisis in 1994. We have working relationships. We have a Coast Guard liaison officer, a Customs liaison officer. We have people over in those organizations. That is surviving in business today. It is reality.

For example, for Customs and INS, I will admit it, there has been tension there over the years. There is always a little too much battle when you are located in the same little port of entry. But the bottom line is that we cannot survive together or independently without working together, and that has been a reality, and it has been a working reality.

Mr. BROWNING. Congressman, I have only been on this job about 30 days, but I will tell you my predecessor had an awful lot of contact with these folks, and everything being said here is true.

I think what this reorganization is really going to do is build on some of the good relationships that have, in many instances, been the by-product of folks in the same location with the same objective, developing those relationships that allow them to pull their organizations together and make things happen. I think this reorganization is going to provide us with the framework, with the institutional framework with which we can sort of move this process even a step further.

Mr. PUTNAM. Let me change gears a little bit. Admiral, if our airport security was as outstanding as the Coast Guard, there is a lot

of this discussion we probably wouldn't even be having. You do an outstanding job. During peacetime, you probably have a much higher percentage of your personnel in harm's way on a daily basis than our other uniformed services; and for my State, you are our first line of defense from a whole host of threats.

You mentioned three stipulations, concerns that you had about the new department. I only caught the first one, which was, if you are going to transfer us, please transfer us in our entirety. Could you please repeat the next two, because I was a little slow?

Admiral COLLINS. Sure. The first one was transfer intact, in whole. And I think you can tell by the diagram there labeled U.S. Coast Guard, and it is expressly stated within the information put up by the White House, that, in fact, is the case. Check.

Mr. PUTNAM. Check.

Admiral COLLINS. Second, we maintain our military multi- mission maritime characteristics.

I think the taxpayers of the United States and the public gets a great deal of benefit from the combination of those attributes. They have matured over 212 years, and I think they have served the Nation very, very well. We would like to see those remain intact; and all information that we have received on this issue that is, in fact, the case.

The military, in particular, we have extensive partnerships with the Department of Defense, the U.S. Navy written into many of their plans. We have Coast Guard units right now in GTMO in the Persian Gulf providing niche area support services in partnerships with the Department of Defense. That is terribly important. It is a good stewardship issue, and that is going to continue.

The third is that we fully support the full range of our missions that we have talked about here today, that we still pursue the search and rescue mission, that the marine environmental protection is still an important issue to the Nation. And, by the way, an environmental catastrophe may happen as a result of a terrorist attack. So there is linkage.

But all those missions remain critical missions to the national security of the United States. As I mentioned, the 1999 Presidential Interagency Task Force confirmed and validated the essential nature of those missions. So I think we are in good standing on all those features; and this proposal addresses them very, very adequately.

Mr. PUTNAM. Thank you, Admiral.

Commissioner Browning, if you don't know the answer to this, I understand, but it is a sister agency under Treasury. Could you please explain to me what role Secret Service has? Because they appear to be on a different functioning plane, but they are the same color. And if you don't know the answer, I understand, I will get it.

Mr. BROWNING. Actually, Congressman, I know no more than what was in the document that was put out about why Secret Service was pulled into that.

Mr. PUTNAM. As part of your Customs function at our ports, when you are tracking illegal firearms shipments, I assume that is an ATF issue.

Mr. BROWNING. That is correct. We have some engagement in that; that is correct.

Mr. PUTNAM. Is there a rationale for transferring all or a portion over ATF into the new department?

Mr. BROWNING. Actually, the ATF mission is a domestic mission. As to why they were not transferred over as part of this process, I don't know. But, clearly, with respect to the border, there would be a hand-off for Customs to ATF if there were smuggling activity or arms were tried to be imported without the appropriate license. We would do the interdiction. We would turn it over to the regulatory agency for them to make the disposition of what ultimately would happen.

But, other than that, I have no sense—no real sense about the inner discussion as to where ATF lands in this process.

Mr. PUTNAM. Mr. Acord, I fully believe in this plan, but I do have some strong concerns about transferring all of APHIS.

I believe that there is a very strong case to be made for having a unified border security agency involving all the people who are here, a foot wide, if you will, around the Nation. But once, for example, with APHIS, a plant, pest or disease is introduced, I feel like USDA possesses the expertise to conduct the quarantine, eradication, education, and control functions better than the Department of Homeland Security.

I would not want the Department of Homeland Security distracted by citrus canker in Florida or by the pink hibiscus mealybug, and I wouldn't want to think of where those two issues would fall on the priority list in a Department of Homeland Security. Is there a functional way to split off functions to reflect those concerns?

Mr. ACORD. Congressman, I think if you look at transferring all of the Animal and Plant Health Inspection Service, which this plan does, then we move those functions and those responsibilities with the organization. For emergency program operations, we draw from the domestic field force from our veterinarians. If we're doing it on the plant side, we look to the plant protection and quarantine officers as a source of people to staff those emergency response teams; and I think that points out the need for the transfer intact as it is proposed.

Mr. PUTNAM. Thank you.

Mr. SHAYS. Mr. Souder. Thank you for your patience.

Mr. SOUDER. Commissioner Browning, would you agree that since Customs is being moved into the Department of Homeland Security that, though you are multi-missioned, that is now your No. 1 mission?

Mr. BROWNING. Actually, I would say since September 11th, Congressman, that has been our No. 1 priority. But at the same time, the other core mission requirements, working with the trades to have them assist us in shoring up supply chain security, we have not lost focus of that.

I think probably for the foreseeable future counterterrorism is going to be the No. 1 priority of all the agencies here, but I don't think that means we cannot continue to also merge that responsibility of border security with the other core mission of the organi-

zation. It is going to be a challenge, but I think it is one we have indicated we are capable of addressing.

Mr. SOUDER. Would everybody at the table agree, at least for your divisions that are being transferred in, that is now your No. 1 mission, is homeland security?

Mr. TRITAK. I certainly can.

Mr. SOUDER. Because that is going to be one of the difficult things for us to work through, and it has been the historic tradeoff both for Commerce and Customs at the border, is economic security or homeland security in the process of how much checking and how fast people move through the border.

What Congress needs to understand is if we have somewhat altered the mission, your priority mission, since September 11th, because this occurred on September 11th. There was no question there was a shift at the borders, which is why there is a longer backup, even though there are fewer people crossing. In most places it is closer to normal now, but we also have less traffic. But if that mission is changed and if Congress wants to make sure that we are keeping the commerce moving, then we have to put adequate border crossings, adequate bridges, adequate personnel and provide adequate pay at those borders or we are going to, in fact, change our economic security.

In a pickup in Fort Wayne, Indiana, there are 100 border crossings involved. There are 1,400 nurses who cross daily at Windsor; and when we backed it up for a number of hours in Detroit, the Detroit hospitals didn't have staff.

We have to understand here that there is not just shuffling people on the deck, which I would agree, Mr. Browning, earlier, you all have been doing this for some time. We in Congress may not have realized that, but this is more acknowledging what has been happening and accelerating that pace.

So it is not like we are making a huge step in progress here. We are now more acknowledging; and now, in Congress, in our appropriations process, we are going to acknowledge this. But if we are to keep our multi-mission task, this is not going to be done without a change in dollars.

Because, since September 11th, we changed the missions of many of your agencies as far as what was your primary. The primary mission of Coast Guard was not homeland security prior to September 11th or Customs or Commerce or Ag or FEMA.

For example, if you have a tradeoff in FEMA between a hurricane and a tornado or a fairly high-risk threat, and you are in the risk assessment business, obviously, how does this alter your tradeoff calculations even in preparation? Those are things that we have to take into consideration for our constituents and understand that there isn't a cheap way out of this.

Let me address one of the Border Patrol issues. My understanding is, as of at least 2, maybe 3 weeks ago now, that 40 percent of the Border Patrol agents on the south border have applied to be sky marshals or other positions. In other words, we in Congress are talking about beefing up our Border Patrol, yet our pay levels on the Border Patrol and the job satisfaction is such that we cannot hardly hold the people we have. Reorganization is not going to address that question. We have a fundamental challenge.

Mr. BECRAFT. It is very true, Congressman, that we are really bleeding when it comes to retaining our qualified, experienced people in the Border Patrol. We are all in competition with each other right now. We are in competition with the transportation security agency, which seems to be drawing off the majority of the people that are leaving. It is a very critical issue.

Last year, the INS recruited, and it was a banner year. We had to hire 4,000 people, and we did it. This year we have to hire 8,000 people. That is what it was at the beginning of the fiscal year. Right now, given attrition, we are looking at having to hire 10,500 people in order to get the numbers to recruit and get the numbers that we think we will get. Whether or not we come in close to that number is doubtful. I must tell you, I figure we will come in somewhere at 6,000 or below.

But we are competing amongst ourselves. Right now, the journeyman level for a Border Patrol is a GS–9. We would like to get that up to a GS–11. We are working with the administration, and we are working very well with the administration on that issue. But there are tough calls and tough decisions that have to be made. Clearly, if you want to put qualified, experienced people on the line, we have to be able to compete with our sister agencies.

Mr. SOUDER. If we are going to talk about homeland security in the Civil Service Subcommittee, as well as others, we need to look at some of those questions, or what it looks like is if we have come up with a political solution and we have not really given you the means with which to deliver.

One of the effectiveness questions that I think that the chairman and I were talking about is that some of your synergism is occurring currently, but in these different teams hopefully this will help resolve some difficult questions. Because we in Congress haven't resolved this nor have you in your agencies.

For example, the Border Patrol mission is to patrol the border, but Customs often wants to let somebody get through so we can figure out the network and watch where the next point is. This really becomes critical in southern Arizona, where we have had hearings, and in upstate New York, where the goal is, are we going to catch people back at a transportation cross point, as they move through different things, or are we going to be at the border. And many Members of Congress who represent the general population of that area don't want to come back off the border because then many of their constituents are going through who may not even be crossing a border.

We in Congress, when we talk about, hey, we want to do a homeland agency, need to understand that there is actually some political consequences to this. Because you all who have been working inside your agencies now theoretically are going to have a supervisor who can resolve some of the differences and force us to make some tough decisions here in Congress. Because with homeland security there are multiple ways to look at this.

If I can ask one other direct question on the INS question. I think every Member of Congress was panicked that one of our offices had called and cleared one of those people, because somebody had called us, one of our constituents. Because all of us call all the time for visa waivers or acceleration. The Department of State, I

don't believe, is in this, are they, on the INS clearances? How does it work, and how do you perceive that we could do that better as far as the intelligence that relates to these different students that are often put in an embassy and then come into our system? It is unclear to me how this is going to work if we don't have the clearance at the host country organized in this.

Mr. BECRAFT. Well, I must say that we don't have all the details on how that is going to work based upon the documentation that we have received thus far on the Department of Homeland Security. But, clearly, your point is well taken. We have to do it.

As we have said earlier on the issue of cargo and goods coming to the United States, we need to reach and push our borders out, reach out and check that stuff as far away as possible. Visa officers, consular affairs officers in embassies around the world need to have the resources and the assets as well as the intelligence available to them to make those conscious decisions as far away as possible.

Now, how that process will change and work in the future based on this plan, I can't tell you. I am sure there will be great discussion between the State Department and INS and the Department of Homeland Security and the Office of Homeland Security. But the message clearly has been, and I have stated it here before, in fact to you, that our goal is to push that as far away as possible, with the proper intelligence, the proper law enforcement information behind us, so that the decisions are made before these people get here.

Mr. SOUDER. I want to again commend each of you; and I know we are going to have lots more hearings before we get to the end, I am sure, in each of our committees. There is difficulty with the idea that we are going to get economies of scale. I think we will get efficiency. As the terrorists get better, we have to get better, and that is really what we are trying to do here.

Sweet Grass was the last crossing I was at. I was up in Vancouver and then crossed over at Sweet Grass. It illustrates the complexity of the border, because there is an Ag Department presence there, but there is a veterinarian, and he is just one guy. It is not like you can separate his functions. He is checking for hoof and mouth disease and other types of things. That is one of the biggest border crossings in the United States, if not the biggest, for dead and live meat, as they say, because of Calgary and Montana and the back and forth. So you have one vet guy there who doesn't have the ability to split his functions, and he is looking for both type of things.

We have also found the biggest drug busts that Customs has identified, somebody at risk over in Vancouver, and they found 1,200 pounds of BC Bud that sells for higher in Boston and New York than cocaine, and for almost as high in San Francisco, in a peat moss load which was headed for the Department of Agriculture. But the Customs guy caught them. Otherwise, it would have gone through as an Ag load.

In the back part of that border, which is one of the main ones where we are doing bag checking, they are finding arms dealers coming across. So it would have been ATF coming in the United

States, but Customs catches them at the border because they're arms dealers and they initially catch them because of licensing.

In other words, trying to split this stuff up is difficult, but we also need to realize that this is only a partial agency because you are so interconnected in the domestic and ultimately with the border teams. I believe it is a step in the right direction, but we have lots of details to look through here. And having had six hearings so far on the border and been to somewhere between 15 and 20 crossings now north and south, we are doing a lot. There is already a lot of synergy there. I don't think we are going to find a lot of cost savings, but, to be more effective, I think we need to be willing to invest this so we don't kill our commerce in the process of improving our homeland security.

I yield back to the chairman and thank him for this hearing.

Mr. SHAYS. I thank the gentleman.

Mr. Souder, will you have other questions to ask, or Mr. Putnam?

Mr. SOUDER. There will be other hearings.

Mr. SHAYS. How about you? We have time, if you want.

Mr. PUTNAM. Lots of questions.

Mr. SHAYS. OK. Well, I haven't allowed you to use the facilities, but if you have another 15 minutes or so, I think we can get you out of here.

I want to understand, Mr. Tritak, your position a bit more and what your agency does, and then I will be able to ask the question. But what I am wondering, before you even describe it, is you are going under the information analysis and infrastructure protection part.

Mr. TRITAK. Right.

Mr. SHAYS. Are you being captured entirely as a unit?

Mr. TRITAK. Yes.

Mr. SHAYS. So you are not providing a service, you are going to be in that unit consuming services provided by another agency; is that correct?

Mr. TRITAK. Yes. Actually, in many respects, perhaps more commonly similar to the NIPC. We were created out of whole cloth specifically to address the problem of critical infrastructure assurance.

Mr. SHAYS. Slow down a second. You were printed on the what?

Mr. TRITAK. I'm sorry. We were created anew in 1998 by Presidential directive to deal with a very specific set of problems that were identified by a Presidential commission for critical infrastructure protection.

The idea was you needed to have an office that would coordinate across national outreach and awareness efforts to the private sector, which is a major stakeholder in all of this. I know we have not gotten too much into that, but we all understand that is the case. There were a number of other issues that needed to be addressed, and the question was, where do you put it?

The original proposal was, well, let's put it in the White House. And for a variety of reasons the commission and the administration decided that probably was not the best place to put it.

Mr. SHAYS. So you are in Commerce, you are going to the Department of Homeland Security——

Mr. TRITAK. Correct.

Mr. SHAYS [continuing]. And describe to me what your tasks will be within that area.

Mr. TRITAK. Well, I think what the homeland security department wants is to basically bring the functions we have been performing over there so they are performed in one place and also to combine them with similar efforts that are taking place elsewhere, the big one being outreach and awareness, and to engage the private sector, No. 1.

No. 2, we have an effort under way called Project Matrix, which was designed to help agencies identify their critical assets and their dependencies on infrastructure within the Federal Government, to better help prioritize where you put your dollars in terms of securing key functions in the Federal Government.

Then the third is to help facilitate the development of a national strategy. And those were the issues or the functions that were assigned to the CIAO in 1998 by Presidential directive.

Since the Bush administration has taken over, we have also been asked to house an information integration program office that basically will help identify information sharing needs and exploit high technology, information technology to better facilitate the sharing of data across Federal Government. That is a proposal that is in the 2003 budget.

What the proposal for homeland security is is to take that function, everything we have been doing, and put it in the Office of Homeland Security.

Mr. SHAYS. And that makes sense.

Mr. TRITAK. That makes sense.

Mr. SHAYS. It does makes sense. And you all concur?

Mr. TRITAK. We fully support it, and the Secretary of Commerce does as well.

Mr. SHAYS. Mr. Medford, I just want be sure that I am clear that your part of the FBI remains in the FBI, but you will be providing a service to this customer, the Department of Homeland Security? So, unlike Mr. Tritak, you will not be part of the Department, you will be providing a service to it?

Mr. MEDFORD. My understanding is that we have to work out the specific details, but in concept that is correct. The interagency process of the NIPC is basically that they prioritize prevention and mitigation of attacks on the information infrastructure and the physical infrastructure of the country. The process of analyzing and conducting the watch and warning mission, which is basically advising potential victims and mitigating the attacks, that process and the interagency process would be moved over to the new agency.

The FBI would continue our core mission to investigate criminal violations of Federal law and to address our national security responsibilities. That is my understanding today.

Mr. SHAYS. So when you say moved over to the agency, still under the auspices of the FBI or will it be part of the new department? That is what I am trying to get to.

Mr. MEDFORD. Right, and we still have to work out the details. Obviously, we are in the early stages. Preliminarily, we are looking at the responsibilities for the NIPC being assumed by the new de-

partment so that we can basically work closer with such agencies as Commerce and GSA and others that do a similar function.

Mr. SHAYS. Very good.

Getting to you, Mr. Acord, I just want to be clear. I look at the pathogens that attack us, and some of them can be naturally initiated and others could be initiated artificially by terrorist activities. One of the most horrific testimonies our committee had was, and our last question traditionally is, is there anything we should have asked you, and a noted doctor of a major medical magazine said, my biggest fear is a small group of scientists, dedicated scientists will create an altered virus that will have no antidote, and it will wipe out humanity as we know it.

That same fear basically exists in the animal world as well. You will be part of homeland security. Is there any doubt in your mind, though, that you would not pay attention to the natural attacks that would face our livestock as well as the terrorist-generated?

Mr. ACORD. I think that gets back to the comment Congressman Souder made earlier about where the priorities are. Our priorities have always been to prevent the entry of foreign animal and plant diseases.

Mr. SHAYS. No matter what the generator of it is?

Mr. ACORD. That is exactly right. We try to stay on top of all of the potential pathways that may exist where they can gain access to this country, and we try to maintain access to the latest science to make sure that we understand what the risks are and how they can be transmitted.

At the same time, I think it is important to recognize that we have another very important priority, and that is to maintain the health of our herds and flocks and the crops that we have in this country, because that is fundamental to our success at trade. If we don't have that kind of capability, to maintain the importance or the focus on eradication and control of diseases that already exist, then I think we put trade at risk when we do that.

But I think that is something that certainly can be dealt with in this new Department of Homeland Security.

Mr. SHAYS. I am going to conclude, before I ask the general question, with Mr. Baughman. I think it is very exciting for FEMA to obviously play a major role in this effort; and when I look at the purple, which is where you are, correct——

Mr. BAUGHMAN. That is correct.

Mr. SHAYS [continuing]. You have preparedness, mitigation, response and recovery. Preparedness has the connotation to me, obviously, of preparing the Federal Government, but preparing the State and local, the first responders. What the White House is suggesting is that we are going to draw on other agencies that have been involved in this effort and bring them under this title of preparedness. Could you speak a little to this and how there might be advantages by doing this?

Mr. BAUGHMAN. Sure. As a matter of fact, in the President's 2003 budget proposal, the Office of Domestic Preparedness at Justice would have been folded over into my office at FEMA. This proposal goes one step further in that it folds both organizations plus the preparedness piece of DHHS all into one office. I think that is a

threefold force multiplier, in that now we have 300 people working on very related preparedness issues.

So be they natural disaster, weapons of mass destruction related, there has been a duplication of preparedness efforts among the three agencies. We have been working with those agencies to reduce that. This will now put us all in one office and I think make us better work together and more effectively.

Mr. SHAYS. Mr. Putnam, I am going to invite you to ask your questions, then I will just ask the last question. So if you have a question or two to ask, feel free.

Mr. PUTNAM. Thank you, Mr. Chairman. I will just ask one more. I know the hour is late, and these outstanding men and their staffs have put an awful lot into this, and for many of them it is as new to them as it is to us. So we are all trying to feel our way through this.

What I have witnessed, being in what I call a sentinel State, in Florida, that sort of hangs out there and is exposed to a lot of issues—illegal immigration, drugs, the porous borders, all those issues—is that the well-funded, bright, capable terrorist who means us ill most likely can find a way to bring some kind of harm or damage in some way, shape or form to the American public. But our real weakness has been in the everyday stuff.

We still have drugs coming in despite a multi-decade war on drugs. We still have illegal immigration. We still have trafficking of endangered species. We still have unintentional introductions of plant, pests and diseases. And up until September 11th, the basis for all that has been, or the conventional wisdom was that there was a lack of coordination among the agencies, that Customs is there looking for a very specific thing, APHIS is there looking for a very specific different thing, and so forth and so on; and that Customs doesn't employ a whole lot of veterinarians that know the difference between an ordinary tick or an African heartwater tick, which would wipe out the livestock industry.

If you are all under one roof, but you are still functioning as separate subgroups, how will we, on a daily basis, on the ground, in the trenches, as all of this commerce is coming in and all of these cruise passengers are unloading, and we currently only inspect 1 percent of them and 25 percent of international air travelers, as all these people are rushing by and we are trying to encourage freer and fairer and more open trade and as the world shrinks and air fares are reduced and more and more people want to go fishing in Costa Rica instead of just coming to Florida and we have all this movement, how is that really going to improve on a daily basis by being under the same roof?

What will be different in the way that Customs speaks to APHIS? Who speaks to Fish and Wildlife? Who speaks to the INS? How will all those actually improve the percentage of cargo or people who are interactive with—how will it improve or increase the number of drug shipments or weapon shipments that we interdict? How will it reduce the number of plants, pests and diseases that are allowed to get into the homeland that end up costing us millions of dollars to eradicate? Anyone.

Mr. BROWNING. I will take my best shot at it, Congressman. Actually, I think——

Mr. SHAYS. I know it is late, but I want you to speak nice and loud.

Mr. BROWNING. Certainly. I said we will take our best shot at this.

I think, indeed, one of the things we have talked about that comes out of this process is a sense of unified command and unified purpose. You are talking about a number of agencies that have both a strong cultural and historical foundation. If this works right, and I think we have the potential to build something really important here, you can merge together and bring all of those forces together, and it ought to allow us to put more people on a problem, and it ought to allow us to use those people better.

You have situations right now, where for our staffing purposes and INS staffing purposes at the same location we have to staff at levels that if we were one unified body we might not have to staff at. The ability to share information. We are in the process right now of building a new automated system that a number of the agencies at this table are going to be using called ACE. That is our new automated platform for the 21st century. That tool ought to really give us some of the critical information we need to make some of these decisions.

I think you are absolutely right. I think a very talented, motivated terrorist will always find a way. But I think what this proposal does and what I think we are all committed to, and I certainly know the 21,000 men and women of the U.S. Customs Service are committed to, is making it as hard as possible for that to ever happen again. And I think this is a step forward.

What we hope comes out of this is the ability for us all to communicate more rapidly, to have those mechanisms in place so we can get the resources and assets we need to bring to bear on a problem quickly, rapidly, and in a fashion where we aren't fumbling around to try to get there. And I think this process moves us a long way toward that.

Mr. PUTNAM. Mr. Acord, I think you have heard this frustration come from me before.

Mr. ACORD. Well, I think one of the things that it certainly will do, is provide us greater access to containers, so that we don't have several different people looking at the containers for different reasons. I think there's an immediate improvement probably in the access to containers.

The information system that Commissioner Browning talked about, I think we have a great deal of efficiency that we will achieve by being part of that system. And I think we can perhaps deploy our professional expertise, the trained biologist, the veterinarians, the entomologists, and the pathologists that we have. I think there is an opportunity perhaps to utilize their skills a little more efficiently and have them focus on maybe some of the higher-risk pathways that are available for entry into the United States.

On the other front, you are absolutely right that there is always the risk of something getting through the border. That is why we focused our attention on early detection and rapid response. That is why we have put out more resources to the States to try to increase the number of people that are out there looking for plant and animal disease and then to have emergency preparedness

plans in place that provide us the opportunity for a quick response to that. Because the earlier we find it, the quicker we can respond to it, control it, and eradicate it, the cheaper it is and the less for us economic damage is done to the agriculture community.

Mr. PUTNAM. Commissioner.

Mr. BECRAFT. I would agree with everything my colleagues have said, but I would add one thing. What this plan does for us is it gives us a clear chain of command. We are working for one outfit; and so, as Commissioner Browning had mentioned, there are turf issues, there are issues out there that in the past have probably caused conflict. But a clear chain of command is going to change that. It is going to ensure that we understand that our focus is on the mission and it is all of our focus.

How this looks 5, 10 years down the line, whether or not people walk around with Border Patrol or INS or U.S. Customs Service patches on them, that will be resolved over great debate; and I am sure it will be resolved, much of that debate, right here. But the fact of the matter is it has to change, and the President has said it.

I think you see from us, and I know you keep looking for the realistic answer and what are the real problems with this, because I think we could all anticipate that there will be problems.

I think you also see from the responses here today that we are leaning forward in the saddle to make this work. We want to make this work. It is important to America and it is important for my Agency to make it the best Agency it can be in support of this Nation. And I don't mean to take anything from anyone else, but I just think this is the smart thing to do. And we need to get on with it.

Mr. SHAYS. I would like to ask any of you if there was a question you had prepared to answer, and wish we had asked you, that you would like to ask yourself and answer the question, is there anything that you would like to put on the record?

And I will make the point to you that the doctor I referred to that talked about alerting our committee to what an individual scientist could do—not a country but a group of scientists—in altering a biological agent and wiping out humanity, he asked the question and he responded to it.

Is there any question we need to put on the record, any statement you need to put on the record before we adjourn this hearing? Let me say to each of you that we started this morning with six Members of Congress—two Senators, four Members of Congress. It is the first time in my memory that we treated the Members of Congress as witnesses. It wasn't perfunctory and they spoke for a number of hours on something they worked on for years.

We had Warren Rudman, who basically was one of the three major people empowered to have us look at this issue for years, and for years they have suggested we have a Department of Homeland Security.

And I was very dubious to see what this panel would be, this third panel that we began at 1 o'clock. You have, in my judgment, given credit to your Agency, given credit to the administration, given credit to us by your thoroughness in your responses, and I feel, quite frankly, very impressed by how you have been able to

put this all together on such short notice. I appreciate what your staffs have done to cooperate with us, but I am very grateful to this panel. It has been an outstanding panel, and I appreciate your patience because it is a big panel.

Thank you very much. This hearing is adjourned.

[Whereupon, at 3:50 p.m., the joint subcommittee was adjourned.]

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