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RESPONDING TO HOMELAND THREATS: IS OUR GOVERNMENT ORGANIZED FOR THE CHALLENGE?

HEARING

BEFORE THE

COMMITTEE ON GOVERNMENTAL AFFAIRS UNITED STATES SENATE

ONE HUNDRED SEVENTH CONGRESS

FIRST SESSION

SEPTEMBER 21, 2001

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RESPONDING TO HOMELAND THREATS: IS OUR GOVERNMENT ORGANIZED FOR THE CHALLENGE?

FRIDAY, SEPTEMBER 21, 2001

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

The Committee met, pursuant to notice, at 10:02 a.m., in room SD–106, Dirksen Senate Office Building, Hon. Joseph I. Lieberman, Chairman of the Committee, presiding.

Present: Senators Lieberman, Cleland, and Thompson.

OPENING STATEMENT OF CHAIRMAN LIEBERMAN

Chairman LIEBERMAN. The hearing will come to order. I apologize to witnesses and to everyone in the room that we had to delay the hearing because there were two votes on the floor of the Senate. If this does not sound, to two of our witnesses, Senators Rudman and Hart, like deja vu all over again, I would be surprised, but I welcome all of you here this morning.

This morning, the Senate Governmental Affairs Committee will be considering a question of whether the Federal Government, and specifically the Executive Branch, is adequately organized to meet threats to the security of the American people in the 50 American States. Today's hearing complements the series of hearings that the Committee has been conducting on protection of the Nation's critical infrastructure. It is, also, of course, a response to the terrible attacks on America that occurred on September 11.

My personal response to those attacks has probably been like the response of most other Americans, most other members of Congress. I have gone from shock to anger to remorse to determination that we must, together, do everything we can to make as certain as possible that nothing like what happened on September 11 ever happens again. The nature, scale, and motivation of the attacks were unprecedented and so must be our response.

This Governmental Affairs Committee is primarily an oversight and investigative Committee. What we must now attempt to understand is how this violation of our Nation was possible. In particular, we must ask the difficult question of whether our government did enough to protect its citizens. With the horrifying images of devastation at the World Trade Center and the Pentagon and in Pennsylvania still fresh in our minds, the answer to that question must, sadly, be no.

The purpose of these hearings, in one sense, is to make sure that we never have to give that answer to that kind of question again. After the attacks, the people who are our government did all that was humanly possible to respond. We owe a tremendous debt of gratitude to the firefighters and police whose courageous efforts saved countless lives at the cost of so many of their own, to the EMT personnel, and doctors, and nurses who administered aid to the injured and dying, to the public servants who manned the crisis support machinery at all levels of government, managing priorities, handling logistics and making key services of relief and rescue available, to members of the military who were deployed to guard against further loss of life, to elected leaders who brought a sense of hope, unity, and purpose to a Nation stunned by this tragedy, including, most recently, the magnificent statement of American principles and purpose that President Bush delivered to the Congress, to the Nation, and indeed to the world last night.

Our primary purpose here this morning is not to assign blame, it is to prevent future attacks. Even before last week's tragic attacks, we had important warnings that our government was not as well-prepared to meet these new threats to our security to the American homeland as it should have been. For that, we can thank the dedicated efforts of at least two important commissions that recently looked at this issue: The U.S. Commission on National Security in the 21st Century, also known as the Hart-Rudman Commission; and the Advisory Panel to Assess Domestic Response Capabilities for Terrorism involving Weapons of Mass Destruction referred to as the Gilmore Commission, which have identified serious deficiencies in our Nation's efforts to prepare for, respond to, and prevent terrorist acts.

And, I am proud to say, we can also thank our own General Accounting Office, whose oversight committee this is and whose Comptroller, David Walker, will testify this morning. GAO has given us repeated warnings that are relevant to our agenda this morning.

The chief members of the two panels that I referred to are with us today: Senator Hart, Senator Rudman, Governor Gilmore, and Ambassador Bremer. I should note that Ambassador Bremer was also chair of another commission, the National Commission on Terrorism that, in some respects, laid the foundation for the work that has followed.

Though they differ in their approach and recommendations, I do see agreement between the Hart-Rudman and Gilmore Commissions on three key points: First, they concluded that there was a growing threat of homeland attack and how painfully accurate they have now been proven to be; second, that the Nation lacked a clear strategy to prevent and protect against these threats; and, third, that responsibility for homeland security was spread among too many agencies without sufficient coordination.

In fact, current responsibility for addressing terrorism and other homeland threats is diffused throughout all levels of government—local, State, and Federal. At the Federal level, coordination, operational planning, and implementation are divided and subdivided among at least 40 agencies, bureaus, and offices which spend over

$11 billion a year. Both commissions criticize this state of organization and offered recommendations to improve homeland security.

The Hart-Rudman Commission proposed the establishment of a National Homeland Security Agency, an independent agency whose director would be a member of the President's Cabinet. The Agency would be responsible for coordinating an array of Federal activities related to homeland security. The Federal Emergency Management Agency, the Coast Guard, the Customs Service, the Border Patrol, and other entities that are relevant here would be transferred to the new organization, which would be functionally organized around prevention, protection of critical infrastructure, and emergency preparedness and response.

The Gilmore Commission went in a different direction, recommending the creation of a National Office for Combatting Terrorism. This new White House office would report directly to the President and would be responsible for formulating antiterrorism strategy. It would also coordinate terrorism policy and have some influence over national budget allocations for antiterrorism activities.

I must say that I come to this hearing favoring the Hart-Rudman approach, but I want to hear from all sides in this important discussion. I favor the Hart-Rudman approach because it seems to me that creating a Homeland Security Agency has special merit. If you want to get a job done, there is no substitute for having an organization with a budget and line, as opposed to advisory authority. Because in such a context, real people are responsible and accountable for making decisions and taking the necessary and appropriate action. Within an executive agency, all of the policy, budget, and programmatic activities can be integrated and focused toward very specific programs and goals.

Now, as we all know, last night a funny and good thing happened on the way to this hearing about a National Homeland Security Agency. President Bush, in fact, endorsed such an idea. In fact, he went beyond that and, by Executive Order, created a National Homeland Security Agency with Governor Ridge of Pennsylvania as its designated head with cabinet status.

This morning it is not clear what the contours, makeup and powers of that agency will be. I certainly look forward to having this Committee meet with Governor Ridge and others in the administration to discuss this proposal, but I feel very strongly, though I greet President Bush's action last night as a welcome and significant first step toward greater homeland protection, that Congress needs to pass a law, after deliberate consideration, to make this Homeland Security Agency permanent because it is clear that we crossed a bridge on September 11, and in a way that has not been true for most of our history for the future as far as we can see. We are going to have to be prepared to protect the American people as they live and work in the 50 United States.

In the history of America's Government, major organizational changes have occurred during times of crisis. General Marshall transformed what was a small peacetime Army in 1939 into the planet's most powerful military force by 1945, helping to bring victory in World War II.

President Truman's realignment of our national security infrastructure in 1947 helped us successfully prosecute the Cold War. More recently, the sweeping defense reorganization mandated by the Goldwater-Nickles Act of 1986 was an essential factor in helping us win the Gulf War just 5 years later. Similarly bold organizational change is demanded of us now, given the events of September 11. This Committee can lead the Congress to that change, and I hope and believe that we will.

I am very pleased to be working shoulder-to-shoulder on these critical questions of national security with my friend from Tennessee, the Committee's Ranking Republican, Senator Fred Thompson. I am proud to call on him now.

OPENING STATEMENT OF SENATOR THOMPSON

Senator THOMPSON. Thank you, Mr. Chairman. I cannot think of a more timely hearing than this one or a more important one.

Speaking of coordination or lack thereof, as you know, both parties have conferences going on right now which will probably keep some of our people away or some may be coming in a little bit later. We very well may be discussing some of the issues we are discussing here. You and I have discussed what Congress should do, in terms of its organization or reorganization.

I would certainly appreciate our alums here commenting on whether or not we need a select committee or a different committee or what we should do about current jurisdiction. As you know, we have jurisdiction over Capitol Hill, as well as the Executive Branch. So I am going to leave briefly, and hopefully come back, if that is satisfactory.

I want to start out by thanking the gentlemen at this table. I think the whole Nation owes you a debt of gratitude. You have all been telling us what we needed to hear for a long time. Our country, and I suppose maybe all democracies which are not interested in matters of war or aggression or anything other than enjoying peace and freedom, was a little slow out of the blocks. We have been very slow out of the blocks here with regard to something that you have told us should be the Nation's number one priority. You also told us that it is not a matter of if we get hit, it is a matter of when we get hit. This is pretty serious business. You have been steadfast. You have been voices in the wilderness for the most part.

We get these reports up here. They do not filter up to the Executive Branch, they do not filter down to the average person. They show up; we have a hearing; three or four of us are around; or maybe not. Maybe you get to page 16, in a report, but nothing really happens, even though we know it is a different world we live in. We are dealing with different kinds of people than we ever have before, and we have vulnerabilities that we have not had before.

We have let our guard down, as other countries have on other occasions. Other democracies have done so after other wars. Ours having been the Cold War victory. While we have enjoyed discussing and consuming our peace dividend, things have happened around us that we have not responded to. I am very pleased, especially that the people we work with so closely on a daily basis, and we inundate them with all of our little pet ideas sometimes, that GAO has kept a wonderful focus on all of this.

I read their strategic plan, several months ago, and told them I thought it was the best document that I had seen. Every member of Congress ought to be required to read it, and this was in there. It had to do with a handful of issues that are important, as most of the things that we deal with up here are not. Of course, this is No. 1.

I hope that, in terms of Senator Rudman, Senator Hart, and Mr. Bremer, that we will be able to keep your services somehow, some way, as we go forward, and continue to enjoy the contribution that you have made to this because more expertise reside in you gentleman probably than anywhere else.

I was noticing, with regard to the counterterrorism organization or lack thereof, staff pulled together some points here that I think bring it home. who is in charge of these activities depends on a number of factors, such as the nature of the incident and the perpetrator. For example, FEMA is the lead Federal agency in charge of consequence management. The Federal Bureau of Investigations is the lead agency for crisis management and for domestic terrorism events. The State Department is designated as the lead agency for counterterrorism overseas. The Federal Aviation Administration is the lead for hijackings, but only after the plane doors have been closed.

We have had presidential directives which have placed substantial responsibility within the NSC. With regard to the announcement last night that the President made, I share your enthusiasm not only for the move, but for the gentleman who will be taking this position. Obviously, we need to know more about what the President has in mind there. I would agree with you, without having talked to him about it or thought it through, that we are going to need some legislation. I am not sure at all that the new person, Governor Ridge, will have the authority he needs in terms of the reorganization problem that we have got or the ability to reprioritize budget matters and things of that nature. So I think we have got to move forward on it.

One approach would be to put the right tools in the hands of the President and let him decide what to do and when to do it. I think it is important that we not tie the President's hands and decide up here unilaterally, precisely in great detail, exactly what should and should not be done. I think we need to work together with the President and take the lessons put forth by the commissions, the GAO, the Department of Justice, and FEMA, and apply them.

One way to do this would be to reauthorize the Reorganization Act, which sunsetted in 1987. That act allowed expedited consideration for any presidential proposals to reorganize Federal agencies and would be a foundation upon which a new and effective strategy for defeating terrorists could be built. It is just another idea to go along with the very good ones that you have set forth, Mr. Chairman. So I think that we are now on the right track, and I think there is going to be a lot of good come out of this, and I think that what we are doing here today is a part of that.

Thank you very much.

Chairman LIEBERMAN. Thank you, Senator Thompson.

Senator Cleland.

OPENING STATEMENT OF SENATOR CLELAND

Senator CLELAND. Yes, sir. Thank you, Mr. Chairman. I thank our panelists, especially our dear former colleagues here.

A W.C. Fields' quote comes to mind that we have got to take the bull by the tail and face the situation. [Laughter.]

I think we have to face the situation that the whole counterterrorism, the homeland defense issue was very much on the back burner, uncoordinated, buried deep in the bowels of the Pentagon and the Justice Department until Tuesday. Now what do we do? Mr. Chairman, I look forward to our panelists as to how we move forward.

I do know that we need to coordinate these more than 40 different offices that deal with homeland defense better. I just wonder how our panelists feel about the President's decision last night, if they embrace that or not. So I am looking forward to our panelists, Mr. Chairman.

Chairman LIEBERMAN. Thank you, Senator Cleland.

Let us go now to Senator Rudman and Senator Hart. I would say, very briefly, that the two of you proved that there are ample opportunities for public service after one leaves the Senate, and the two of you have just done admirably in that regard.

I think I am just going to go without listing your credentials. You are both very respected spokespeople on matters of foreign affairs, defense, and intelligence and have been leaders for a long time.

Senator Rudman, we are pleased to hear from you now.

TESTIMONY OF HON. WARREN B. RUDMAN, CO-CHAIR, U.S. COMMISSION ON NATIONAL SECURITY/21ST CENTURY

Senator RUDMAN. Thank you very much, Mr. Chairman and Senator Cleland. It is an honor to appear before this Committee which I served on for my entire service in the Senate, sitting in this room.

Chairman LIEBERMAN. Welcome home.

Senator RUDMAN. There are many questions that you have, and I am going to try to brief and direct in my answers to summarize on behalf of our commission what we did, and Senator Hart, of course, will do that as well.

A little background. This commission came about after a conversation between former Speaker Newt Gingrich and President William Clinton, in which they commiserated about the fact that there had been no ongoing study of America's national security since 1947, which resulted in massive reorganizations of our entire government. Thus, our commission was established. There has been some misunderstanding, our commission, as opposed to the other commissions, did not start out to study terrorism per se.

This report, which you have seen, covers the entire panoply of the Federal Government security apparatus: State, Treasury, trade, education, intelligence, and law enforcement. The curious thing is that the 14 people—seven Democrats and seven Republicans—who worked for over 3 years on this, at the conclusion, unanimously came to the consensus that the single most important issue facing America was how to deal with domestic terrorism. So that is why we are here today. It became Chapter 1 of our report which deals with security, in general.

Our deliberations resulted in something rare in Washington: A consensus amongst 14 people of divergent political views and ideologies who came together on the 50 recommendations that are contained in the report, seven of which deal with what we are talking about here this morning.

We reached a consensus that an attack on the domestic homeland was not a question of if, but a question of when, and we reached the consensus that the Nation was, and is, largely unprepared to respond here at home to such an attack. More important, I believe, is that the commission also reached a consensus on the core elements of a road map to allow the Nation to move forward, and we were unanimous on that score as well.

We proposed and still believe that any solution to this problem must address issues of strategy. It must address issues of Federal, State, and local organization and cooperation, and it must address issues of capacity and cooperation. In general, we said that the United States must replace a fractured ad hoc approach to homeland security with a sustained focused approach, emphasize integration of existing agencies and departments, rather than wholesale invention, and recapitalize our existing assets and capabilities rather than try to create redundancy.

Is this plan ambitious? It is, without question. Is it going to take the patience of the American people? Certainly. Is it going to require a whole new way of thinking about our national security? Absolutely. We believe that given the evidence that we heard—all over the world we heard this evidence—the history of our government and the resources available, the best way we could help would be to come up not with a philosophical approach, but with a series of specific recommendations for the Executive and Legislative Branches of government. After all, the charter of this commission, founded by the Congress in 1998, was to give the incoming administration in 2001 and the incoming Congress in 2001 a road map to America's national security. That is what we have tried to do.

The first step, and I will go through a number of steps, is for the President of the United States to declare unequivocally that homeland security is the primary responsibility of our national strategy, not a peripheral responsibility.

Mr. Chairman, I think that happened last night, and I want to just depart from the previous prepared remarks, just to give you a few thoughts on that, which I know you have mentioned, and Senator Cleland has mentioned you would be interested in.

The President has moved quickly to establish an office of homeland security. We do not know yet the details of the office, but would appear to be what is generally called the czar approach. We have had drug czars and others. Why we have ever picked that particular name, I am not sure, but that is the one we tend to use. It is a very good method to bring attention to a recognized problem. Moreover, it is a very good way in time of crisis to encourage improved coordination between disparate agencies which, in normal times, tend to pursue their own bureaucratic purposes.

We applaud the President's initiative and heartily endorse Governor Ridge, who is known to all of us. It is a great choice. For an enduring solution to what we feel certain will be a long-term prob-

lem, we believe the President must move beyond this White House office and establish a major department with homeland security, with a seat at the cabinet table, as its singular mission.

We believe that without budget authority, command authority, accountability, and responsibility to the Congress and to the President, nothing in this government ever works very well, but we applaud this step, and we believe that the Congress and the President can build on it.

The President should propose, and the Congress should agree to create a new National Homeland Security Agency. The nucleus of this agency would be the current Federal Emergency Management Agency, the nucleus. While retaining its 10 regional offices, the new agency would have the responsibility for the nationwide planning and coordination and integration of the various government activities that now involve homeland security. I believe there are about 51 of those activities in various places, and we believe the Director should be a member of the cabinet and a statutory adviser to the National Security Council.

Third, the President should propose, and the Congress should agree, to transfer the Customs Service to the Border Patrol and the Coast Guard to this new agency. This transfer would be for common purpose coordination, not bureaucratic consolidation. Each of these entities would retain their own distinct identities, structures, and internal operating procedures. They would just be located in another cabinet department. If you look at the details of the report, you will see the logic of why those three agencies, in particular, with FEMA are to be in one place.

I want to stress that under our plan, each of these three entities would receive long overdue increases in resources. Let me just summarize that shortly. We were shocked to hear that the Customs Service currently has the capacity to inspect only 1 or 2 percent of all shipments received from overseas and our country. This has to change. We were shocked to learn that the cutter fleet of America's Coast Guard is older than 39 of the 41 world major naval fleets. That has to change.

We were somewhat disappointed to hear the continuing challenges, the horror stories facing the U.S. Border Patrol. Consider this: Each day 1.3 million people cross our borders; 340,000 vehicles cross our borders; and 58,000 containers arrive at America's seaports. These figures are expected to double by 2005.

Mr. Chairman, this is not a case of wanting to create a political carrot to entice people to sign on to a reform proposal. It is a matter of creating the political will to do what we should have done a very long time ago.

Fourth, the President should ensure that the National Intelligence Council include an analysis of homeland security and asymmetric threats, particularly those involving infrastructure and information technology. That portfolio should be assigned full time to a national intelligence officer and the national intelligence estimate, the so-called NIE, should be produced on these threats.

Fifth, the President should propose to Congress the establishment of an Assistant Secretary of Defense for Homeland Security within the Office of Security of Defense and reporting directly to the Secretary. Along similar lines, we propose that the existing

Joint Forces Command and Joint Task Force for Civil Support be broadened and strengthened. For those who may not be familiar with those two organizations, these commands are DOD's current mechanisms for planning and dealing with homeland attacks.

Sixth, it is time to emphasize the "national" in National Guard. Specifically, the Secretary of Defense, at the President's direction, should make homeland security a primary mission of the National Guard, and the Guard should be organized, properly trained and fully equipped to undertake the mission. However, these requirements, we make clear, should be in addition to, not substitutes for, the current state of readiness for sustained combat overseas. Parenthetically, Mr. Chairman, to use the vernacular of the military, the National Guard is forward deployed in the homeland. It is where we would need it, in time of crisis.

Finally, we recommend, Mr. Chairman, and I say this with some hesitancy, but directness, that the Congress reevaluates its organizational approach to issues of homeland security, counterterrorism and protection of information security. Currently, the Congress has roughly two dozen committees addressing these issues in a very scattershot way. We think there ought to be two select committees, one in the House and one in the Senate, and we believe that the members of those committees ought to be carefully selected for their expertise in foreign policy, defense, intelligence, law enforcement, and appropriations.

Mr. Chairman, as I said, I wanted to keep these remarks brief. Let me just say that many of the commentators in recent days have tended to portray the types of changes that we talk about here this morning as a zero sum game. They argue that doing more here at home means that we will have to do less overseas, that homeland is a code for a retreat to unilateralism or that doing more on defense means less for weapons and missiles.

The commission did not and does not subscribe to that point of view. We firmly believe that an engaged, enlightened, and unilateral foreign policy, and defense policy is still America's first line of defense. America not only has interests in the rest of the world, it has obligations. As we said in the report, to shield America from the world out of fear of terrorism is, in large part, to do the terrorists' work for them, but to continue business as usual is irresponsible.

We think that, ultimately, our challenge is to balance the openness and generosity of the American spirit with the security and well-being of the American people. Essentially, we address the issues that are the hallmarks of homeland security. They are to prevent, to protect, and to respond.

As someone who has had the privilege to serve this country on both the field of battle and in the halls of this Capitol, I implore you to take action on the recommendations of these panels that sit before you today. You have an obligation and a duty to the American people to do no less.

Chairman LIEBERMAN. Thank you, Senator Rudman, for that excellent statement. I appreciate it very much.

Senator Hart.

TESTIMONY OF HON. GARY HART,[1] CO-CHAIR, U.S. COMMISSION ON NATIONAL SECURITY/21ST CENTURY

Senator HART. Mr. Chairman, thank you and Members of the Committee for holding these hearings and for the opportunity for us to appear here.

"Americans will become increasingly vulnerable to hostile attack on our homeland, and our military superiority will not entirely protect us. Americans will likely die on American soil, possibly in large numbers." This was our first conclusion of our commission after almost a year of investigation of what we called the "New World Coming," which we described in our first public report. That conclusion was delivered September 15, 1999, almost exactly 2 years to the day before our prediction came true.

"The United States is today very poorly organized to design and implement any comprehensive strategy to protect the homeland," our commission also concluded in its final public report on January 31, 2001. Eight months later, regrettably, that same assessment is true. In light of the dark, satanic events of last week, further delay in creating an effective national homeland defense capacity would be nothing less than a massive breach of the public trust and an act of national folly.

As Senator Rudman has pointed out, our commission was appointed to conduct the most comprehensive review of U.S. national security since 1947. The commissions of that era, post-World War II, pre-Cold War, ended in creating a statutory base for the conduct of the Cold War and created, among other things, the Department of Defense, the Central Intelligence Agency, the U.S. Air Force, and a massive overhaul of this Nation's defense structures.

Those of us on this commission represent almost 300-person-years of public service, almost all of that in the field of national security and foreign policy. As Senator Rudman has pointed out, although we debated issues such as the structure of a homeland defense agency at great length, in the final analysis we were all unanimous.

Senator Rudman has more than adequately summarized the seven conclusions that relate specifically to the creation of what President Bush fortuitously last night called a new Homeland Security Office. What we are really here now to discuss, that decision by the executive having been made, is what the nature of that office or agency should be.

As Senator Rudman has pointed out, we particularly called attention to the role of Congress in this effort and would do so again today. The events of the last 10 days—and the President's speech last night—have presented to the Congress both an opportunity and an obligation to help the President put form, structure, and content on what was essentially a two-line commitment.

We believe this should be a statutory agency. We believe this agency should have budget authority. We believe it should consolidate, under one authority, one civilian authority who has the accountability to the President and the American people for homeland security.

[1] The prepared statement of Senator Hart appears in the Appendix on page 39.

Our commission strongly believes that any lesser or more tenuous solution will merely perpetuate bureaucratic confusion and diffusion of responsibility. No homeland czar can possibly hope to coordinate the almost hopeless dispersal of authority that currently characterizes the 40 or 50 agencies or elements of agencies with some piece of responsibility for protecting our homeland.

May I recall to you when we had an energy crisis in the 1970's, a czar for energy was created. It happened to be a former governor of my State of Colorado. It turned out to be obvious within a matter of months that a czar approach to the issues of energy security in this country was not going to work. And whether you agree with the result or not, we ended up with the Department of Energy.

We have heard, particularly before a week ago Tuesday, that Washington bureaucracy will not permit our solution to be adopted. Mr. Chairman, I would like to hear a cabinet officer or bureau head in this government make that argument today. I would like to hear the Attorney General or the Secretary of Transportation or the Secretary of the Treasury explain to the President, and the American people, and the Congress why it is more important to keep that piece of bureaucratic turf in that department than to protect the people of the United States. Bureaucracy matters nothing right now. The lives and safety of the American people are at stake.

Of those who have taken the trouble to read our recommendations and the reasons for them, some have said that we have gone too far in creating what some have called an "Interior Ministry," a rather ominous phrase. Others say that we have not gone far enough to incorporate intelligence, counterintelligence, and military components. There are thoroughly debated reasons of constitutional principle and practical effectiveness that caused us to strike the balance we did.

The Homeland Security Agency should not have police or military authority, it should not be an intelligence collection agency or have responsibility for counterterrorism. It should not be a military agency. It should be the central coordinating mechanism for anticipating, preventing, and responding to attacks on our homeland.

The executive director of our commission, General Charles Boyd, who is here with us today, has, I think, made a very apt analogy to the situation. We are now, where homeland security is concerned, as if we were in the situation before we had a Department of Defense and a Secretary of Defense. Those who argue against an approach similar to ours would essentially be saying the Army should be in one department, the Navy should be in another department, the Air Force in another department, and by the way, we will have a coordinator of those services somewhere in the White House.

We think the logic of our circumstances require a statutory agency under the accountability of one individual. This is a daunting task, but, Mr. Chairman, we owe it to our children to begin. It would be a mistake of historic proportions to believe that protection must await retribution, that prevention of the next attack must await punishment for the last. We can, and must, do both simultaneously. We do not know when we will be held accountable for the next attack on this country. I believe, personally, it will be sooner rather than later, and we are still not prepared.

Chairman LIEBERMAN. Thank you, Senator Hart, very much for very strong testimony.

Governor Gilmore, good morning and welcome. I know you had some difficulty with flight arrangements getting here, but we are very grateful for your persistence.

For the record, Governor Jim Gilmore is, of course, Virginia's chief executive and also vice chair of the National Governor's Association, an Army veteran. He is here in his current capacity as the Chairman of the Advisory Panel to Assess Domestic Response Capabilities for Terrorism Involving Weapons of Mass Destruction.

Welcome, Governor.

TESTIMONY OF HON. JAMES S. GILMORE, III,[1] GOVERNOR OF THE COMMONWEALTH OF VIRGINIA AND CHAIRMAN, ADVISORY PANEL TO ASSESS THE CAPABILITIES FOR DOMESTIC RESPONSE TO TERRORISM INVOLVING WEAPONS OF MASS DESTRUCTION

Governor GILMORE. Thank you, Senator Lieberman, and also, Senator Cleland, of course who is here, and other Members, for the record. Thank you for inviting me to discuss recommendations of the Advisory Panel to Assess Domestic Response Capabilities for Terrorism Involving Weapons of Mass Destruction and local response, a national panel that was established by the Congress in 1999. We have a statutory duty to report to the Congress and to the President.

I have served as chairman of this advisory panel, Senator Lieberman, and it has been my privilege to work with experts in a broad range of fields, many from outside of the Washington Beltway, including current and former Federal, State and local officials, specialists in terrorism, such as L. Paul Bremer who is here to speak in just a few moments who has chaired his own commission and has been a faithful member of our commission, people from the intelligence community, the military, law enforcement, emergency management, fire services, health and medicine, and public health. And this is the unique quality of the congressional panel that was assembled. It includes the local and State responders as a primary force and input into our panel which I think makes us unique and different.

I might take a moment to say that one of our panel members, Ray Downey, the deputy fire chief for the City of New York, is listed as missing, as he was trying to help people in the City of New York at the World Trade Center, when he was lost, together with about 300 other firefighters in the City of New York, and we will miss him on our panel.

Our panel has had time. We have been working for almost 3 years. We have been able to deliberate quietly and without any type of pressure of crisis. For many generations to come, Senators, September 11, 2001, is a day that is going to stand out in the history of the United States, and indeed I think the entire world, as the day that the tyranny of terrorism attacked American freedom.

The criminals who committed these acts on the people of the United States in New York and in Virginia sought a decisive strike

[1] The prepared statement of Govenor Gilmore appears in the Appendix on page 41.

that was designed to remake the world and the post-Cold War period. Sooner or later those who inflicted these injuries will feel the full weight of justice and the free world's combined efforts to hold them responsible, and I believe no one can exceed the President's eloquence in this matter, as we heard last night.

This brings me quickly, Senator, to the work of the Advisory Panel and the work that lies ahead for the Congress, the Executive Branch, and for our States and for our communities. To date, our panel has issued over 50 specific recommendations in two reports. The first report was issued in December 1999 and the second was issued in December of the year 2000.

In quick summary, the first report was devoted to the assessment of the threat, concern over the issue of who was to be in charge of any particular response effort, and an increased concern, particularly to recognize that weapons of mass destruction, while less probable, could not be dismissed, but that in the meanwhile, that a conventional attack was nearly inevitable. This was our conclusion in December 1999.

The next report, in December 2000, recognized that there was not a national strategy, that there was an absolute essential to have a national strategy, including State and local people, and to make sure that there was, in fact, a separate approach on response itself, particularly emphasizing State and local people in combination with FEMA and other Federal agencies, and of course recommendations for enhancing and improving our intelligence capabilities.

I want to focus your attention today, Senator, on two central recommendations concerning the role of government organization and inner-agency coordination in this war against terrorism.

In our December 2000 report, we proposed at that time the statutory creation of a new national office for combatting terrorism, to coordinate national terrorism policy and preparedness in the Executive Branch located in the White House. The President has done this last night.

Our recommendation was that the director of this office should be a high-ranking official appointed by the President; that, foremost, that the office should have the responsibility to develop a comprehensive national strategy to be approved by the President. The issue is the need for the central direction on this issue among the different complex, solid, different issues, including budgetary concerns, a need for the development of the national strategy, as the President said last night, but including Federal, as the President said, State and local response. Otherwise every agency up and down the line, vertically and horizontally, will assert its own authority in, of course, an uncoordinated way.

Senator this is an important distinction here with our panel and others. Our proposal is an office located in the White House reporting directly to the President of the United States, not a separate homeland agency that competes against other agencies or even other cabinet secretaries. Instead, this office will invoke the direct authority of the President to coordinate various agencies, receive sensitive intelligence and military information, and deal directly with Congress and State and local governments on both domestic

and international counterterrorism programs. This defines the difference between our panel and that of Hart-Rudman.

The central point is this: America needs a White House-level office for a White House-level crisis, and that is the plan that the President adopted last night.

Senator the Annual Report to Congress on Combatting Terrorism of July 2001 points out that we spend about $10.3 billion per year now. Approximately 8 percent of that goes to preparedness and response. About $300 million, only, is designated for State and local government concerns.

Our third report, which is due December 2001, will now be accelerated in an executive summary, although completed on time in December 2001. We propose to accelerate our meetings and to accelerate our report for the benefit of the Congress to which we report and the President. We will, at that time, define five areas of further study in our third year: Health and medical, use of the military, cyber security, local and State response, and border security, as well as filling out some of the additional points on intelligence and other matters.

The second point that I wish to address to you this morning, and that is the area of border security as a prime example of the need for White House coordination. As you know, on September 11 hijackers entered the United States. The question is how did they get in. Senator, as was previously read, we have 100,000 miles of national coastline; 2,000 miles of land bordered with Mexico; 4,000 miles with Canada; 500 million people cross our borders annually; 127 million automobiles cross annually; 11.5 million truck crossings annually; 2.1 million rail cars; 200,000 ships annually dock; and 5.8 million containers enter annually, less than 3 percent are adequately inspected.

The answer calls for interagency coordination. If America is to be secure, we must coordinate immigration enforcement and border securities at all levels of entry in the United States, air, sea, and land. It will require unprecedented coordination between the appropriate agencies.

Our report on this one single issue of the five we will address in our new report will propose that border and immigration agencies all be included in intelligence collection analysis and dissemination process, that there be an intergovernmental border advisory group within the Office of Combatting Terrorism, a coordinated plan for research and development, particularly with sensors and warning systems, trusted shipper's programs to begin to address the issue of containers, and full coordination with Mexico and Canada, and we will have identical and more comprehensive detail in the other four areas as well, as we conclude our report back to the Congress and to the President.

Senator we must start preparing the Nation to defend freedom within our borders today. There is certainly not a moment to spare. The President and the Congress face solemn decisions about how to proceed, and there is certainly little time for deliberation. This is not a partisan political issue. It transcends partisanship. It is about the preservation of freedom and the American way of life. The American people deserve to be prepared, and they deserve to

be prepared now. We must take bold action to defend our freedom at home and abroad.

Thank you very much.

Chairman LIEBERMAN. Thank you, Governor. We appreciate your service and your testimony. I look forward to a question and answer period.

Our next witness is Ambassador Paul Bremer, formerly Ambassador-at-Large for Counterterrorism in the Reagan and first Bush administrations. He is clearly one of our Nation's leading experts on terrorism and, in fact, as I mentioned earlier, chaired the National Commission on Terrorism. He was also a member of the Gilmore Commission.

Ambassador Bremer, thanks for being here, and I look forward to your testimony.

TESTIMONY OF HON. L. PAUL BREMER, III, FORMER AMBASSADOR-AT-LARGE FOR COUNTER-TERRORISM, U.S. DEPARTMENT OF STATE AND MEMBER, ADVISORY PANEL TO ASSESS THE CAPABILITIES FOR DOMESTIC RESPONSE TO TERRORISM INVOLVING WEAPONS OF MASS DESTRUCTION

Mr. BREMER. Senator, I will be brief because the governor has summarized our report. I am just going to make two or three points.

I think there is a lot of value in both of these panels. These are not mutually exclusive. There are some things that can be borrowed from one or the other. There is a fundamental difference on the structure. And I think one of the reasons there is a difference on the structure has to do with one of the most important trends in terrorism, which we saw dramatically last week, and that is the fading distinction between domestic and international terrorism.

As you said in your opening statement, Mr. Chairman, since 1985, our government, has been divided between the State Department being responsible for international terrorism and the Justice Department being responsible for what we call domestic terrorism. This is a nice distinction. It just does not happen to be one that terrorists follow, as we saw last week. And one of the places where this is the most dramatic the governor has just referred to, and that is in the question of immigration and border controls.

The State Department is responsible for issuing visas to people overseas, but it is the INS which is responsible for deciding whether somebody gets into the country and then monitoring, to the extent the INS can, whether that person remains in their visa status in the United States. The intelligence involved in this problem of immigration control is not seamless; that is to say, there are lots of databases around, they are not all interactive.

For example, the consular officer who issues a visa, until today, does not have access to important FBI databases dealing with people who are suspected criminals. There is legislation in the bill which was sent up yesterday, by the Attorney General, does try to deal with this issue, but it is just an example of the fact that you cannot make a distinction any longer between international and domestic terrorism.

Indeed, I think that is one of the problems with trying to set up an agency, one of the substantive problems of trying to set up an

agency whose role is essentially just to look at domestic terrorism. You cannot do it. You cannot cut it that way any more. And as our report pointed out, it is very important to get a seamless connection between intelligence collected by various agencies overseas and intelligence collected in the United States.

A second point I would make is we look very hard at the necessary attributes for the office, whatever the office is, whether it is the one that the distinguished gentleman on Rudman-Hart proposed or one we did or what the President came up with.

First of all, I agree with you, Mr. Chairman. I think it should be established by statute. I think it is important for two reasons. It is important for the political reason that the Congress should embrace whatever the new reorganization is going to be. Second, it is important because of the overriding importance that both of our panels stressed on budget.

We looked at the attributes of what a new office should have, and in my view came up with four. The new office should have political accountability; that is to say, the person in charge should be appointed and given the advice and consent of the Senate. He should be responsible to the American people through the Senate. We said that should also be at the cabinet level, which is the second attribute. The person in charge of this office should have access and visibility.

Third, that office must have budgetary authority, as both of our panels have stressed. In our view, it is important for this office to have an ability to design a national strategy and then to certify whether various departments of the U.S. Government programs are consistent with the President's strategy, and when they are not, to decertify those budget requests as, indeed, has been the case with the Office of National Drug Control for the last decade.

Finally, it is important, we thought, for that office to have a certain degree of autonomy and neutrality, not to be seen as an active member of the bureaucratic fights which are so familiar to all of us here inside the Beltway. These fights are almost a necessary part of life in Washington, but in this particular case we thought you need to rise above it.

The final point I would make, Senator, is a political point, even though I am not a politician. I have followed this subject now, on and off, for almost 30 years. It is the case that over those 30 years attention to terrorism has been very episodic. In the wake of a terrorist attack, as we are now, there is a lot of attention. There are congressional hearings. There is a lot of stuff on television. There are interviews and articles. After a couple of months in the past, that attention span has gone away. The spotlight moves on to some other subject.

One of the problems this country has had in coming up with a coherent counter-terrorist policy is precisely that we do not get sustained attention in a balanced way to this problem. I would urge this Committee and your colleagues in both Houses of Congress to work now with the administration and all of us in trying to keep a sustained attention. It does not mean we need hysteria. We do not need hysteria. As the President said last night, we need to get back to work. We need to show again the great, wonderful resilience of this society, but we need a sustained and balanced atten-

tion to this problem that is going to outlive the immediate emotions of this week.

Thank you.

Chairman LIEBERMAN. Thanks, Ambassador Bremer. That was very helpful testimony.

I think the last point you made is a critically important one about the attention to terrorism having been episodic over recent decades. When we talk now about a war on terrorism and talk as the President so eloquently did last night about this being a long, sustained struggle, that is what we are talking about.

Part of the problem is the elusive nature of the enemy here. It is not as if we can say at any point, well, we have won one battle, but the enemy is still occupying Country A, and the war is not over until it ends. They blend into the darkness, the shadows. But if we are not persistent and do not break the episodic response, we will lower our guard again and once again be victims of attack. So I think your last point is a very important one, and it is part of why a permanent agency, however we decide to shape it, is critically important.

Mr. BREMER. People ask how do you define victory? What is our goal? It seems to me our goal is to delegitimize terrorism. We will not, as you point out, ever capture all of the terrorists, but we can delegitimize the practice, and that is our goal.

Chairman LIEBERMAN. Thanks very much.

Our final witness today is David Walker, Comptroller General of the United States, head of the General Accounting Office. He and his extraordinary staff are a constant source of good counsel for this Committee and Congress, generally, in making the government more efficient.

Welcome, again, Mr. Walker. Thanks for your testimony.

TESTIMONY OF HON. DAVID M. WALKER,[1] COMPTROLLER GENERAL, U.S. GENERAL ACCOUNTING OFFICE

Mr. WALKER. Thank you, Mr. Chairman. I appreciate the opportunity to be here today to discuss a framework for possibly addressing the need to enhance homeland security.

As Senator Thompson said, GAO's past and present strategic plan includesa number of key themes, one of which has been the changing nature of the security threats that this Nation faces in a post-Cold War environment.

We have issued over 65 reports dealing with homeland security-related issues during the past 6 years, and we have issued three in the last 3 days, including this report, which is entitled combatting terrorism, selected challenges, and related recommendations. I might also add, for the record, that of the reports that we recently issued, we let the administration know about them at least 6 weeks ago and had an opportunity to be able to relook at them to consider classification and other factors before we released them this week, and we will continue to do that.

According to a variety of U.S. intelligence assessments, the United States now confronts a range of increasingly diffuse threats that puts greater destructive power in the hands of small States,

[1] The prepared statement of Mr. Walker appears in the Appendix on page 53.

groups, and individuals, and threatens our values and way of life. GAO's work indicates that we face a range of challenges in this area that will have to involve many Federal agencies, as well as State and local governments, the private sector, and even private citizens. The Federal Government must address three fundamental needs.

First, the government needs clearly defined and effective leadership with clear vision to develop and implement a homeland security strategy in coordination with all relevant partners, both foreign and domestic, and the ability to marshal the necessary resources to get the job done;

Second, a national homeland security strategy should be developed based upon a comprehensive assessment of national threats and risks; and,

Third, a large number of organizations will need to be involved in addressing homeland security. They need to have clearly articulated roles, responsibilities, and accountability mechanisms in order to get the job done.

Crafting a strategy for homeland security involves reducing the risk, where possible; assessing the Nation's vulnerabilities; and identifying the critical infrastructure most in need of protection. To be comprehensive, the strategy should include steps to use intelligence assets and other means to identify attackers and prevent attacks before they occur, harden potential targets to minimize the damage from an attack, and effectively manage the consequences of the incident.

In addition, the strategy should focus resources on the areas of greatest need and measure performance against specified goals and objectives. Because the plan will need to be executed nationally, the Federal Government can assign roles to Federal agencies once the strategy is developed, but also will need to develop coordinated partnerships with State and local governments, as well as with private and not-for-profit entities.

Effective homeland security will require forming international partnerships to identify attackers, prevent attacks and retaliate if there are attacks. It will also require efforts by both the Executive and Legislative Branches of the Federal Government.

As I mentioned, Mr. Chairman, just yesterday we issued this report which discusses challenges confronting policy makers on the war on terrorism and offers a series of recommendations. One of these recommendations is that the government needs a more clearly defined and effective leadership to develop a strategy for combatting terrorism and assuring the security of our homeland, to oversee development of a new national threat and risk assessment, and to coordinate implementation among Federal agencies.

Similar leadership is also needed for the broader issue of homeland security. President Bush, as has been noted, announced the creation of a new cabinet-level office of homeland security and the nomination of Governor Tom Ridge to head that office. Important details have not been provided. It is important to understand what the nature and extent of this office will be, what control it will have over resources, what responsibilities it will have with regard to the determination and the implementation of the strategy, whether or not this will be a statutory position, whether or not this

will be a term appointment, and there are a variety of questions that we believe are important that the Congress needs to ask in order to make sure that, in substance, this can be an effective approach.

I think the fact of the matter is that whether we end up having a particular vertical silo or a department agency deal with this or whether you take a horizontal approach because we believe this is a horizontal issue, you will never be able to combine all of the different entities that are going to have to address this issue. In fact, as has been mentioned, there has not been a recommendation to combine the military elements, the law-enforcement elements, the intelligence elements, and certain other elements.

Therefore you need to consider whether or not there should be some combination, but in any event, there is going to have to be coordination across a number of boundaries, across a number of silos, both foreign and domestic, not just at the Federal Government level, but also State and local, the not-for-profit and the private sector because, after all, the private sector owns a lot of the critical infrastructure that is exposed.

The United States does not currently have a national threat and risk-assessment mechanism to guide Federal programs for homeland security. Given the tragic events of Tuesday, September 11, a comprehensive national threat and risk assessment that addresses all threats has become an urgent need.

In addition, as this report notes, neither the Executive Branch nor the Congress is well-organized to address this issue.

In my statement, Mr. Chairman, I summarize a number of areas where GAO has done work relating to these issues, combatting terrorism, aviation security, cyber security, international crime control, public health, a variety of areas.

Finally, let me note that we believe that there are four key questions that need to be addressed in connection with this issue, as noted on this chart:[1] (1) What are our vision and our national objectives to make the homeland more secure? (2) What essential elements should comprise the government's strategy for homelansecurity? (3) How should the executive branch and the Congress be organized to address homeland security issues? and (4) How should we assess the effectiveness of any homeland security strategy implementation to address the spectrum of threats?

As you might imagine, Mr. Chairman, homeland security issues are now at the top of the national agenda as a result of last week's tragic events. Obviously, our work has not been able to be updated to reflect all of the actions that the administration has taken in the last 2 weeks. We expect that at some point in time we will be asked to do so. We stand ready to continue to assist this Committee and the Congress in addressing homeland security and a range of other issues.

Thank you, Mr. Chairman.

Chairman LIEBERMAN. Thank you, Mr. Walker. Thank you all for your very direct and relevant testimony.

Again, I want to express my regrets that the other Members of the Committee are not here, and I know it is because both parties

[1] Chart referred to appears in the Appendix on page 64.

have chosen to hold caucuses this morning, so hopefully as they end, they will be here. But for better or worse, I have a lot of questions that I want to ask all of you, and I am sure my colleagues will review the record.

Let me begin, before we get to the discussion about which is the appropriate response structure for the Congress to choose, to ask you to talk just a bit more about what we mean by "homeland defense." And I am just going to throw something out and ask you all to put some more leaves on the tree here.

I take it that what we mean is taking efforts to prevent or secure potential targets of terrorist or other enemy attack on the homeland, and then if they, God forbid, occur, to be certain that we are prepared to react quickly and comprehensively in a way that diminishes human suffering. But I wonder if you could just go through this a little bit in terms of what you saw, what you learned and the considerable work you did, to help build a record, but also help inform the public as to what we are actually talking about here when we say "homeland defense."

Senator Rudman, you want to begin?

Senator RUDMAN. I will be pleased to. I think probably all of us would agree on this at this panel. We have all determined that there are major threats out there. We define the threats as weapons of mass destruction, and we specifically referred to weapons of mass disruption, which is what we saw on September 11.

We must look at the three things with which the government has to organize itself in order to deal with that. One is to prevent, if possible. The second is to protect. And the third is to respond. And that is a Federal, State, local responsibility, particularly the response. Obviously, the most important one, in terms if you could make it work, would be the prevention.

But I can tell you, having served, as you know, for many years on the Senate Intelligence Committee, having chaired the President's Foreign Intelligence Advisory Board for a long time, I have to tell you, Senator Lieberman, and I wish more people would be saying it, we should not let the American people think that intelligence, no matter how good, is ever going to be good enough to prevent all of these things from happening.

Historically, intelligence agencies throughout the world, going back to the late 1800's, are very good at assessing capabilities and threats. They have been very poor at figuring out people's intentions. If they were good at figuring out intentions, even though they knew what the threat was, we would not have had Pearl Harbor, we would not have had the Battle of the Bulge, and Saddam Hussein would not have got into Kuwait, because we had the basic intelligence. We did not know what the intentions were.

So we talk about prevention, we talk about intelligence, and Ambassador Bremer is quite right, we leave most of those activities where they are now. They should not be transferred. When we talk about prevention, a lot of that is intelligence, but a lot of it has to do with the kind of physical security that we have seen here in Washington over the last few years, and which unfortunately, we will probably be seeing more of around the country. That will be an inconvenience, but I do not think a loss of freedom. It will be an inconvenience.

When we talk about response, we are talking about what I think Governor Gilmore has very eloquently laid out, this response depends heavily on local and State organizations, but you do not get these things to work right unless you do a lot of war gaming, if you will, long before these things happen.

And one final thing. We have all admired Mayor Giuliani and Governor Pataki and the extraordinary job that they have done, and they have done it in an incredible city that has incredible resources of fire and police and emergency workers, and they have done war gaming in New York. I am aware of it. Their hospitals have gone through a number of exercises to deal with things. But the fact is that most places in our country do not have that capacity or that experience or have not exercised these things. And that is why the response side of it is so very important, and I think to some extent the Gilmore Commission properly, because of its charge, has dealt more directly with the response side of this than certainly we have. We have talked about it generally, but not with that kind of specificity.

Chairman LIEBERMAN. So one of the responsibilities of the agency or the office would be to aggressively see to it that local, State, and Federal agencies are better prepared than they are today to respond to such attacks.

Senator RUDMAN. The major responsibility. In fact, it is being done now. It has been done by a number of cities with the aid of the military in some cases. One of the Marine divisions has done exercises in the Southwest in local communities to try to help them. But the fact is, it is sporadic. The resources have not been there, and we have got to get the resources out there.

Let me just say one other thing, because I know we are going to get to it, and I would rather say it now and then let the other panel talk about it. This is an honest disagreement about organization between people of good will who respect what each other have done, and I admire what they have done, and it is a major contribution. But, I come at it differently based on my experience in government, and let me just lay it out in a way that I think everybody can understand. We have an intelligence czar in this country. He is called the Director of Central Intelligence, and everybody really believes that he runs intelligence in this government, but anybody on the Intelligence Committee can tell you that—and I cannot talk in detail because it is classified—but with a relatively small percentage of the intelligence budget being in the CIA. He is also dual-hatted. He is the Director of the CIA and he is Director of Central Intelligence, and some people do not understand the distinction. He has no control over the budget authority, the activities of the Defense Intelligence Agency. He has little control over the National Security Agency and many other defense agencies. And everyone who has studied it has said that it does not work as well as it should because he does not have the budget authority for the command or the control.

We have come at this by saying that at least when it comes to our borders, Border Patrol, Customs, Coast Guard, and FEMA, because of what it does, which the Gilmore Commission has written about, we believe that that consolidation is important because it belongs more properly there than where it currently resides. We

certainly are not talking about taking all of those other activities and moving them into this new agency, certainly not.

But I want to answer your question more broadly than you asked it. Thank you very much.

Chairman LIEBERMAN. The kind of straight talk we have come to respect from you, Senator Rudman. Thank you.

Senator Hart, before you answer, let me add an addendum to the question as you are prepared to answer in this way. But one of the things, I think, we are all feeling now after September 11, as we saw the insanely inhumane acts of these terrorists, that one of the things we are not doing is thinking like they are. So as we talk about preparation, we have to really begin to think beyond what would be normally unthinkable for us, and one of the things that I think we have to think about, and I know that your commission looked at, is the possibility of a chemical or biological attack on the United States.

So I wonder, as you give the answer to my initial question, whether you would give us some help in examples of what a homeland security agency would do to, in some sense prevent, but also protect and respond to such an attack if it ever occurred?

Senator HART. Well, obviously, such an agency would not itself combine either the military or the police functions of our country which are, as Governor Gilmore said, distributed on at least three levels of government. The direct response, counterterrorism, if you will, will come from the military and come from police agencies broadly defined. Senator Rudman accurately stated the way our commission broke down the threat. Try to find out who has evil intent against this country, who they are, how they are organized, how they are financed, and to the degree possible, what their intentions are. Now, their intentions are to do harm to the United States. What you try to find out is when and how, and that is the hardest part.

Then if you get a sense, any sense that this threat is imminent, you try to stop it at the borders using all the assets that we have presently uncoordinated.

Chairman LIEBERMAN. It is a very important point. Excuse me. And that is why you focused on the coordination of the agencies that control access of people or goods into the United States.

Senator HART. And the reason why I stress, frankly, this problem with bureaucracy is that those agencies had a different mission. I mean they are where they are for a different purpose. Border Patrol is in Justice because it is a law enforcement agency. It is trying to prevent people from illegally entering the country. Customs is the Treasury because its purpose originally was to collect revenues. Coast Guard regulates incoming and outgoing seaborne traffic, makes rescues and so on, but that historic function was a Transportation function. Now these are front-line defense organizations. It frankly makes little sense for them to be where they are given their new responsibility. If we are in fact in war, and I believe we are, in a prolonged war, the nature and function of these agencies has changed. So the reason why they are where they are, frankly, makes very little sense any more, and to protect that bureaucratic turf, as I have indicated, under these circumstances is folly.

If the bad guys get inside our country, then the prevent is to try to get them before they act, any way you can, and again, this is FBI, local law enforcement, every asset you have.

And finally, if they act, to limit the damage, bringing together FEMA, State and local agencies, and so forth, under one command.

I think what is important, on September 11 the nature of warfare changed. You have to get your mind around that concept, the nature of warfare changed. Now, it has been changing since the colonial area. The rise of guerilla warfare, that gave way to terrorism. In the Cold War we helped support some people that are now—these people that are now trying to kill us on the theory that the enemy of our enemy is our friend. But the nature of warfare has changed, and the distinction between war and crime has changed.

Had there been a couple of fewer zeroes, had 50 or 60 people been killed, it would have been a crime—6,000 to 7,000 is war. Now, how many people have to die when it quits being crime and becomes war is a matter that theoreticians can debate. So what we are seeing now, what we have to think about differently is to bring assets of the military and policy together, and frankly, I think it will lead to the creation of an entirely new kind of paramilitary capability, something combining Delta Force, Rangers, Seals, some Special Forces of the Marines, and maybe they will not wear uniforms. But that is another whole subject.

I think Senator Rudman, for the commission, has very accurately answered your original question.

Chairman LIEBERMAN. Do you want to take me up on the question of how, just to give an example, a homeland security agency would prevent or protect and respond regarding chemical or biological attack?

Senator HART. Try to find a way to inspect more than 2 or 3 percent of the containers coming into the country. We had one scenario we discussed of a small tactical warhead, nuclear warhead, begin in one of the inspected sealed containers, shipped from Shanghai or from Singapore to Newark by way of the Chicago Rail Yards, off loaded in the Long Beach Port, put on a train. The train is reorganized in the Chicago yards, and you use global positioning triggering to blow up the nuclear warhead. Got to stop them at the borders I think.

Now, you get the chemical, everybody knows chemical is hard to do. All the experts will tell you how hard it is to disperse the chemicals. Biological agents is a little bit different, and here, Ambassador Bremer is much more an authority than I and many members of the commission were, but I am told you can disperse smallpox virus from an aerosol can. now, how we are going to find every aerosol can coming into this country is going to be very, very tough.

The only answer I can give you is do our very, very best to stop whatever the agent is at the border.

Chairman LIEBERMAN. Thank you. Governor Gilmore.

Governor GILMORE. Senator Lieberman, there is so much to say, let me see if I can organize this in a way that is efficient. Our panel evaluated chemical, biological, nuclear, and radiological. These are the classic weapons of mass destruction. We evaluated

them. We were absolutely unwilling to dismiss the possibility of those kinds of attacks, although we examined very closely the difficulty of delivery of those kinds of attacks. Yes, you can certainly deliver them in an aerosol can and so on like that, so we have focused our attention, for example, on the organization of health and medical, which will be discussed in our next report, so that physicians and the communities will begin to trigger those kinds of responses with the Center for Disease Control in a rapid way so that we can address those kinds of issues.

Biological is an extremely serious matter, nuclear as well, although we considered them relatively unlikely, although catastrophic, and that is why we must address them. On the other hand, a conventional attack, such as the one we have just experienced we thought was highly likely, and that is why we call for a national strategy not a Federal strategy, a national strategy that absolutely incorporates in the locals and the States. They are the cops on the beat. They are the State troopers. They are the local physicians in the local clinics. They are the people in the hospitals that are going to be the responders who are going to see these issues first, and then allow a circumvention of the problem at the earliest possible moment.

I know you are going to go to the issue of the national office and coordination types of issues. That has been the central point of our commission, and we are anxious to talk about that, but we have not discussed moving agencies because, as has been so widely discussed by everybody on this panel, it is fairly fruitless to move agencies. They are doing other things, too, besides terrorism. But aside from that, there are so many, that it requires not movement or restructure, but coordination, and we will be happy to return to that topic, but we will put it aside for just a moment so that I can be responsive to your question.

The terrorist has the absolute advantage. He picks the time and the place and the manner of the attack. And the freer the society, the stronger the terrorist is. That is why America becomes the target of opportunity because we are the freest society in the world. So we have tried to analyze this into two pieces. Let me just take them up quickly.

One is the issue of response. The Pentagon is a perfect example, and I am the Governor of the State in which the Pentagon is located. The minute that I saw the second plane go into the World Trade Center, we triggered the Emergency Operation Response System in Virginia immediately. What that does is automatically hooks into FEMA. This is a program that has been in place for years and years. And I have some good news for you, Senator—this is something that actually works, and it works very well. You do not get competition between FEMA and the local State authorities and localities. All of these professionals work well in coordination together, and they did in the Pentagon situation, as a matter of fact. I will not dwell on some of the other issues that I took specifically in Virginia, but I want to say that our panel has concluded that there is a system in place on the response already that works well, although there is, of course, much to do to prepare for that response. That is the office of the local and national coordinator dealing with all of these other types of issues.

Chairman LIEBERMAN. Let me just interrupt and punctuate that. I think it is an important point, because though all of the work that has been done here has shown inadequacies either in preparedness or in organization, perhaps it is saying the obvious, but it bears saying at a time when the American people's confidence has been shaken, there is a lot out there now in all these three categories—prevent, protect and respond—not as much as any of you or we would like, and not as well organized or coordinated as we would like, but I appreciate your example.

Governor GILMORE. And it is working in New York also very, very well. Now, when you get over into the issue of chemical, biological, nuclear, and you go into a factor of 10 or 100 times what we have already seen this week, then it requires a coordinator to do a national strategy to be prepared.

But the final point that I would make is the one that you, I think, were approaching before you move onto your governmental structure issue, and that is the one of prevention. We have thoroughly addressed that issue as a matter of fact. We focused a great deal of attention on the intelligence community. I was in the intelligence community in the early 1970's as a low-level agent in the U.S. Army. I was trained on human intelligence. But it was very clear very quickly that the intelligence community was getting out of human intelligence in the early 1970's. We were moving more technologically into satellites, into your electronic intercept, which are doing extremely well. But we have been out of the human intelligence for a long time in its most complete and comprehensive fashion. We believe you must go back in. How can you determine intent of conspirators unless you make an effort to get into the conspiracy and find out the information from the inside. And there are many ways you can confirm the reliability of that kind of information. One of our points is we believe that the rule against the recruitment of terrorists and criminals overseas should be dropped. It is not fun to do business with bad guys, but bad guys are the ones that we have to try to stop. And as a result of that, you have to find—as I have said in local media and national media, the terrorists worldwide must wake up every morning wondering who in their organization is informing on them to the Central Intelligence Agency.

Chairman LIEBERMAN. Well said.

Governor GILMORE. That is what we must do.

And then third, we believe that there must be dissemination of intelligence up and down the line vertically, Federal, State and local. Unheard of in the intelligence business, but we believe, as a panel, that you can qualify people, that you can clear them, you can give them need-to-know, and you can have the same security that you would have inside any given agency, and we believe that begins to disseminate the information as necessary.

In addition, of course, we focused a great deal of attention also in health and medical and on border. I emphasized border in my opening statement, because we believe that you can in fact apply all of these approaches in order to secure your border types of issues, and you must use the locals. When the terrorist picks the random target because of his advantage of secrecy and because of

surprise, you have got to want to have the local policemen see it and be alert to looking for it before it occurs.

Chairman LIEBERMAN. Thank you. Ambassador Bremer.

Mr. BREMER. I will just make two brief points. First, Senator Rudman is absolutely right about the problems of intelligence. I have been in the foreign affairs community for about 35 years now, and I know of no area where intelligence is more vital than in counterterrorism. If you do not have good intelligence, you do not have a policy. It does not matter what you have got on the borders or anywhere else, and that is really the answer to your question about how we stop the hypothetical example that Senator Hart talked about. The only way to stop that is to have good intelligence and the only way to get good intelligence, as the Governor points out, is to have human resources.

So it will not stop it all. As Senator Rudman said, the American people have to be aware that there will be further attacks, but without intelligence, there is no point in talking about the rest of this stuff. You have to do that right.

Second point, and here I may have a disagreement with my Chairman, in which case he can disavow me. I think in fact one of the bridging ideas between these two panels involves immigration and border control. I could imagine, myself, putting together an agency, where you could take Coast Guard, Customs, Border Patrol, and I would throw in INS, and make an agency that is called the Immigration and Border Control Agency or some other such thing, where you pull together these things that have indeed been sort of bureaucratically encrusted over the decades, in some cases, centuries, to take a really serious look at the problem of what kind of regulations there are for letting people and things into this country. And that would be consistent with our having a homeland agency, whatever it is going to be called that Governor Ridge is going to head. No contradiction there. So it is one of those ideas that maybe between the two panels one could find——

Chairman LIEBERMAN. Mr. Walker, from GAO's work, comment about what a homeland agency would actually do?

Mr. WALKER. Well, first, I think, one has to focus on what is homeland security, and then you have to look at how do you go about trying to achieve it. I think on the "what", in our view, it is a lot broader than many people have assumed. I mean you obviously have the traditional national defense issues that we have always dealt with, but you also have the nontraditional threats that both of these commissions have dealt with. The scope is very broad. It deals with transportation issues, as we saw last week very dramatically, financial issues, cyber issues, public health issues, immigration and border issues, drugs, a whole variety of areas.

I think our objectives really need to be threefold. First, avoid events; second, to maximize preparedness; and third, to manage the consequences.

I would make an observation. I think last week dramatically illustrated how Federal, State and local entities, and how public and private sector entities, can rise above silos and narrow institutional interests and borders that are real or perceived, and manage consequences with outstanding results.

We need to figure out how we can best (1) avoid events, (2) maximize preparation, and (3) manage a crisis if an event occur.

Chairman LIEBERMAN. Have your folks done any work on—I keep coming back to them—chemical and biological? In other words, I think what has been said is the difficulty of preventing here, apart from intelligence, very high, very difficult. So perhaps part of this is response and the state of our preparedness now to respond. Has your office done any work on that?

Mr. WALKER. Mr. Chairman, we have done some work on bio-terrorism and on the chem-bio area. We have got some work ongoing right now with regard to that. Some additional reports are be coming out soon. I would be happy to provide information on that if you so desire.

Chairman LIEBERMAN. Senator Rudman.

Senator RUDMAN. I just want to add one thing that I think none of us have addressed, but I am sure we all agree with. I think it was Vince Lombardi who said the best defense is a good offense. I mean since the intelligence community is very good at assessing the threat and the capability and knowing many of these organizations and the foreign governments that support them, the best way to start to cut down the threat is to eliminate the threat. And I thought the President was very eloquent last night when he said to these people out there, "Either you are with us, or you are with the terrorists."

Now, that has not been U.S. policy for a long time irrespective of which party held the White House. That has not been U.S. policy. If that is U.S. policy and we are serious about it and the American people recognize that there will be loss of life amongst the military to protect our freedoms, then the best thing we can do is to start eliminating the threat. You will never get all of it, but you can sure get a lot of it if you work at it, and I think that is precisely how I read what the President had to say last night.

Chairman LIEBERMAN. A very important point. Apart from the eloquence, the fact that the President dealt with the public's fear and anger very constructively, what was stated last night and is reflected in both parties in Congress, this is a totally new policy to finally catch up with and meet the new threats whose reality became painfully clear to us last Tuesday, but we have turned a corner both in terms of the search and pursuit of terrorists internationally and in our willingness and commitment to defend ourselves here at home from their attacks.

Senator RUDMAN. And unfortunately, but not unsurprisingly, in a democracy such as ours, it took what happened on September 11 to galvanize everyone to that point of view.

Chairman LIEBERMAN. Right. Let me ask the members of the two commissions now to engage directly on the question of the organizational response. I think you see the problem in very similar terms, and each commission said homeland attacks are likely, there are agencies out there working on it, but they need to be coordinated. And let me ask you each why you chose the course you did and why you did not choose the other recommendation?

Senator RUDMAN. Well, we chose our plan for really two reasons. First, it was the collective wisdom of that panel—and if you look at that panel they are people with extraordinary experience in Fed-

eral Government, not local and State, which is very important for what the Gilmore Commission—but they are all people who have held major positions in the Federal Government. If you want to take the Border Patrol and leave it where it is, and leave Customs where it is, and leave Coast Guard where it is, and have someone in the White House, no matter how friendly the President or how good, and assume that person will strongly influence those agencies, it is not going to happen. Now, we believe that. Others may not, but we believe that.

Now, certainly we set up a liaison agency here if you will. If you look at, have your staffs later look at page 17 of our report, and again, on the emergency side on page 21, you will see the organization. Why it is written that way and why it is done that way is we said let us try to protect the borders, and I think Senator Hart has said that as well as it can be said, and I think Ambassador Bremer has indicated that he thinks maybe in some other form that might work. That has to be done in our view.

Beyond that, you have to have this agency, whether it is an office in the White House or a cabinet department, we think a cabinet department. Once you get that reorganization done, there will be time to do all of the things that these two commissions say need to be done, Federal, State and local.

But I have to tell you, Mr. Chairman, I have enormous respect for the Governor and his commission, but I have seen others come into the White House with supposedly high-visibility positions, and a few months went by, and they were not reporting to the President, they were talking to some staff aide—I hate to be that blunt, but I am just going to lay it out the way it is—and the Secretary of Defense is not in the White House. He is sitting over in Virginia. But he is important, and when he wants to see the President, he sees the President, and we believe that you could have a cabinet secretary with the same kind of responsibilities without being necessarily located at the White House. But we think the reorganization is very important from a functional point of view.

Chairman LIEBERMAN. Senator Hart.

Senator HART. I think it gets down to one word, and that is accountability. If a White House office has authority to coordinate, the agencies that it has authority to coordinate are not necessarily accountable to that office. They are accountable to their department head, cabinet secretary or whatever. They will accept the coordination recommendations. There will be a lot of task forces and working groups and so forth, but no one is accountable. No one is accountable today. The President of the United States, but I think the President has, in his wisdom, understood that he cannot run this operation. Somebody else has to. The question is: What is most effective? What is effective? Is there a single person accountable to the President and the American people? And I do not think, whether it was energy in the 1970's, drugs in the 1990's, as much power as you give the czar or whatever you want to call that person, they are ultimately accountable.

Chairman LIEBERMAN. Governor, you have served as a Governor, you know the importance of authority and accountability, why not go with an agency such as the Senators have described?

Governor GILMORE. Senator, obviously, we are very respectful of the other panel's conclusions and its suggestions, and it is on the table for debate just like every other issue, and that is what we are engaged in right now. Our sense as a panel was that a national security coordinator type of model perhaps works better. This is a single person who is in fact accountable. And as the President said last night, that Governor Ridge would be reporting directly to him. We think that is setting off in the right direction. We have to remember, Senator, that an attack by the terrorists and the entire community of terrorists can be on the fabric of a complete free society, and it can be anywhere at any time at anywhere. So how do you ever conglomerate every aspect of the society into one homeland agency? Instead the emphasis needs to be on coordination of all agencies as needed, as planned, as part of an overall strategy for the national strategy.

I think it was said a little while ago that the big dogs are still going to be there to run, and we understand that, because the major people in national security, the Secretary of Defense, the Director of Central Intelligence, they all have duties to do, and they are going to want to do them in the most effective possible way that they can. If they are competing just with simply another agency on the same level in the same way, then there is going to be the danger and hazard. There is going to be turf battles and back and forth, but if the President is basically operating this business through his national coordinator, his national office, that it is the President's authority that then begins to coordinate and manage from the top, and then at that point I think you begin to be able to put something together in a coordinated way.

Chairman LIEBERMAN. How about the argument that the Senators make that unless there is direct line and budget authority, that the office in the White House is not going to be as effective as it should be?

Governor GILMORE. We agree. As a matter of fact, we have proposed in our reports that in fact that the national coordinator have in fact budget authority within the area of terrorism, so that a national strategy goes into place each and every department and agency fits within it, including its plan for its expenditures so it can be spent in the most effective possible way, and that there be a certification process where this individual looks not just at his agency, but at all agencies in order to determine whether or not the spending and the budgetary considerations are coordinating with the national strategy.

Chairman LIEBERMAN. Ambassador Bremer.

Mr. BREMER. Both of these suggestions involve pretty dramatic changes in the Executive Branch, so either way we are up to some pretty dramatic changes. I am very sensitive to the point that the Rudman-Hart panel made about the difficulties of coordination. It actually can work without direct budgetary—without command and control authority, and the example I would give is exactly how the government has coordinated its international counterterrorist policy over the last 15 years, and I was intimately involved in setting up that process back in the second Reagan Administration. And effectively, it is a person on the NSC who does that coordination. Now, he had no authority over me as Ambassador-at-Large for

Counterterrorism, nor over the CIA, nor over the other concerned agencies, but was able by virtue in fact of being located in the NSC, to coordinate. You could say, well, why do we not just do the same thing? Well, the answer is, he is not politically accountable. No President, and for very good reasons in my view, having been in the Executive Branch, is going to have NSC people be accountable to Congress.

And therefore, when we got looking at this question, we came back to this question about budget authority and political accountability, and concluded you need to have it be cabinet level. It needs to be somebody with the advice and consent of the Senate appointed, and he needs to have the budgetary authority that we put in our report.

Chairman LIEBERMAN. Mr. Walker, let me ask you first, and then the others if they want to respond. Are these two proposals mutually exclusive?

Mr. WALKER. You read my mind, Mr. Chairman. I do not think they are mutually exclusive.

Chairman LIEBERMAN. Spending too much time with you, David.

Mr. WALKER. We spend a lot of time together, and I enjoy it, personally.

I do not think they are fundamentally at odds. The fact of the matter is that you have 40 to 50 plus Federal entities that are going to be involved in this fight. There is no question about it. And theoretically you could say that there are certain entities that you might be able to consolidate. As Senator Hart said before, there are some entities that are merely placed where they are today based upon what they were originally focused on decades ago, and those reasons may no longer be the most important reasons or even valid in some circumstances. And, by the way, there are a lot of other government departments and agencies outside of homeland security that are in the same situation.

You could theoretically consolidate a number of those that should be focused primarily on what we could all define as being homeland security. But even if you do that, a vast majority of the resources and a vast majority of the people that are going to be necessary in order to accomplish the three objectives that I talked about before, are not going to be in that entity in all likelihood. And therefore, you still have to have some means to have somebody, as Senator Hart said, who has overall responsibility and accountability, who has the ability, as Governor Gilmore has said, to be able to have control not only over the planning, but the execution, who has some direct involvement in control over people, process and technology, even if they are not in that entity that you have consolidated.

And so I think there are several dimensions of this challenge that have to be addressed.

Chairman LIEBERMAN. Senator Rudman, I presume you could not have an office in the White House and an agency dealing exclusively with homeland security, or does that seem like an unnecessary overlap? The fact is that you cannot include everything in the Homeland Security Agency related to terrorism or weapons of mass destruction.

Senator RUDMAN. Let me answer the question that you just have posed to us, because I think there are some great similarities here.

Let us understand what our commission recommended in terms of government reorganization. The only area that we considered in the area of government reorganization was "protect the border," because that is so fundamental. I mean, we would all agree, if you cannot protect the border better than we are doing now, then no matter how good your intelligence, how good your response, you got big-time trouble coming at you.

So we said—and I think Gary Hart put it better than I can—here is what these people used to do, here is why they were created. Let us protect the border and take Coast Guard, Border Patrol, and Customs. Now, that goes into a cabinet-level agency which has all of the kinds of responsibilities that Governor Gilmore and Ambassador Bremer have talked about, and the comptroller general, in terms of coordinating, I believe it is 51, take away three after you took those three agents, but it is 48 disparate government responsibilities in the area of responding, protecting, and preventing terrorism. And I think the only difference is, that we are saying that Governor Ridge would be confirmed by the Senate. He would sit at the cabinet table. He would not be competing with other people's resource in that area. Those three entities would have their budget about to where they are now or increased by the Congress, but the only agents to be moved in would be that which protected the border. All of the others, and we all know the obvious, the Defense Department, CIA, FBI, but there is HHS and the Governor probably knows even more than that, having dealt with them as a Governor, they would still be where they are, but they would be subject to strong coordinative authority issued by the Congress in statutory language and the President by Executive Order to get it done. So I do not think there is a huge difference about what we are talking about here.

But we are very firm about the fact that these three agencies ought to be where they are, and FEMA, of course, which we think is a major building block.

Senator Hart said to our group, about 2 years ago, when we were debating some of these things, "Let us not recommend to the Congress and to the President that which we think is politically doable. Let us submit, in our report, what we think ought to be done." And this was one of the big hot buttons, and we knew it at the time. That is no reason it should not be done.

Chairman LIEBERMAN. The big hot button was bringing those agencies——

Senator RUDMAN. Was bringing these three, taking them away from where they are.

Chairman LIEBERMAN. Let me ask you the question while we are on it, because I was going to ask it in a while, which is: What about the other functions of those agencies, particularly Coast Guard, but also Customs and Border Patrol, but particularly Coast Guard, that are not directly related to homeland defense, such as navigational security that the Coast Guard does?

Senator RUDMAN. They would keep their absolute identities, just as the Coast Guard did when it went into the Department of Transportation. Its mission did not change. Its mission was the same.

Chairman LIEBERMAN. Right.

Senator RUDMAN. All we are saying is that a very heavy part of their responsibility, those three agencies, is border security from goods and from people, and we think they ought to be together.

Chairman LIEBERMAN. Governor Gilmore, are these two proposals mutually exclusive? I mean, could you envision yourself being supportive of a kind of agency that would combine FEMA, Border Patrol, Customs, Coast Guard, that Senator Rudman has talked about?

Governor GILMORE. Senator Lieberman, the essence of legislative life is a combination of different proposals.

Chairman LIEBERMAN. Spoken like a Governor. [Laughter.]

Governor GILMORE. No, spoken like a legislator, I believe.

Chairman LIEBERMAN. I accept your amendment, spoken like a former legislator.

Governor GILMORE. Naturally, we are all very deeply respectful of every proposal that is here, and I am confident that they could be harmonized, and that they could be accommodated to each other if that is what it takes in order to pass a piece of legislation and to get the votes.

From an executive point of view, sometimes you must choose that which is best, and weigh and balance the different options as meritorious as each of them may be, and ultimately choose. Our belief has been that the answer here was not any bureaucracy, but a vehicle for management, and a vehicle for management. I believe the President has established a vehicle for management with Governor Ridge last night. I suppose that one could put these pieces together, and you could have an agency. It would then go into the cabinet I suppose, a border cabinet position or something, or an agency, something of that nature. And then it would fight for turf, budget issues, and accommodations and influence with other perhaps bigger dogs. That is all right. But ultimately, we believe the ultimate answer is the coordination, budget authority, planning of a national strategy from a national terrorism office that I believe that the President has now established.

Chairman LIEBERMAN. Anyone else want to comment on that last question? If not, let me go to another part of this. I noticed my staff gave me two articles from the *Defense Trade Press* today in which there were statements made, attributed to people in the Pentagon, that we are talking about defense here. So why should this not go under someone in the Defense Department? Why should there not be a new unified command for homeland defense? Presumably, although the article is not totally clear on this, that would include the border control agencies and even the preparedness that we are talking about. Senator Hart.

Senator HART. Two and a half reasons. One is the Constitution of the United States. The second is the Posse Comitatus Law. The third is this practical necessity.

The constitutional argument dates to the constitutional debate. What we did then, 225 years ago, was create two armies. The Federalists wanted a standing army and navy to protect American commercial interests broad, Alexander Hamilton. The anti-Federalists were afraid, dating to classic Republican theory from the Greek city-states, that a standing army in peacetime in a republic was a danger. So they insisted that the defense of the homeland be in the

hands of the militia, and the militia would be under the control of the States, and that was the compromise. Now, the militia, in the late 19th Century, became the National Guard. In the 20th Century the National Guard became an auxiliary expeditionary force, and that's the way they think of themselves. But the fact of the matter is, their primary duty under the Constitution is to defend the homeland of the United States. Now, as Senator Rudman has appropriately said, we have not said that is their exclusive duty. They have not heard what we said, but we have not said that is their exclusive duty. They can still keep their, and need to keep their ability as a follow-on expeditionary force, that a primary, if not the primary, mission of the National Guard is to defend the homeland. That is the constitutional argument.

The statutory argument, as you know, prohibits the use of American troops, regular army forces, on our soil, absent declaration by Congress. And that goes back to, oddly enough, a very closely-contested national election in 1874. So you have got a statutory prohibition against the Defense Department running this thing in effect.

And practically, as Senator Rudman said, National Guard units are forward deployed in 2,100 different units around the country. Now, you are going to get the argument that the Guard is "weekend warriors," and incompetent. Wrong. If the National Guard can fight world wars, and it has, it can defend the homeland. It has to be properly trained and equipped. It is to today? Largely not, but if it is made a national priority and the Commander in Chief orders it done, it will be done. These are citizen soldiers. These are people in the communities and if you need—if the terrorists take over a downtown office building in Denver, it is going to be a while before the 82nd Airborne Division gets there and the damage may be done. But the Governor knows you can mobilize the Guard awfully fast and special units particularly, and if you have had any prior warning, they can be ready to go. They are in the streets of New York. They were within hours, not too many hours.

So I focused my attention here on the Guard because it is the solution to the question that you have asked. It is a constitutional military power under the control of the States, locally deployed, and trainable and equipable for this mission.

Chairman LIEBERMAN. I admire your answer, appreciate it. You must have had some very interesting sessions of this commission.

Senator HART. You do not know the half of it.

Chairman LIEBERMAN. Well, I do not want to hear half of it. [Laughter.]

Senator RUDMAN. Well, let me tell you, interesting enough, Newt Gingrich, who was the father of this idea, on the theory that no good deed goes unpunished, when he left the House, was put on this commission. And he is a historian who brought a lot of insight.

Let me just add one thing to answer your question. The military made it very clear they do not want this primary responsibility. That is not theirs. They have enough to do protecting the Nation overseas, and they do not think that they should have it.

However, everyone agrees, that if we had had a chemical, a nuclear or a biological incident in this country, it is only the active force military with the National Guard that would have the re-

sources to deal with the horrendous situation that would face the country under those circumstance. That is a response issue.

Chairman LIEBERMAN. Let me ask you just a quick question here about the role of the National Guard as you contemplate it in homeland defense. If you take your tripartheid approach of the responsibilities of the Homeland Security Agency, prevent, protect and respond, is it primarily in the respond part that you see the Guard being active?

Senator RUDMAN. Yes, it is. Some protection, but mainly response, and I think Governor Gilmore would be in a better position to tell you when they have had disasters in Virginia, hurricanes and whatnot, I mean there is nothing like the Guard, even though many are not trained to do that. We say they need specific training to deal with these kind of contingencies.

Chairman LIEBERMAN. What were you thinking about, Senator Hart, when you said there might be a role in protection as well?

Senator HART. Well, let us hypothesize, which I hate to do because in an interview a few days ago I said this could happen in Nashville, Denver and Seattle, and my phone has been ringing off the hook from people in those three cities. Take a city, Hartford. [Laughter.]

Chairman LIEBERMAN. Thanks. [Laughter.]

Senator HART. Sorry.

Chairman LIEBERMAN. What was your phone number? [Laughter.]

Senator HART. Let us say intelligence picks up a threat. Let us say the intelligence is precise enough to say probably a capital city in New England. I can see the Guard, units of the Guard, not the whole Connecticut National Guard, but units specially trained, paramilitary units of the Guard, in a protective role, working with the State patrol, the local Hartford police, to find them and prevent them from acting.

Chairman LIEBERMAN. Good example. Governor, how about the role of the military generally, why the commission decided to not ask the Pentagon to take this over, and then specifically, uniquely as Governor, how you see the role of the National Guard here?

Governor GILMORE. Senator Lieberman, this is a very important question, and I want to be as forthright as I can. We also will be addressing an entire provision of our third report to the issue of the use of the military. We have had thorough discussion about it over a long period of time. We absolutely reject the Department of Defense playing a leading role even in the event of a weapon of mass destruction catastrophic attack should the President conclude that only regular military can step in to help, even then we recommend that that be subordinate to a Federal civilian agency, logically FEMA. If the military has to be engaged, they should be engaged only at the request and in support of FEMA and the combined operation of State and local people as well.

We reject the use of the military in any first type of response. It is exactly what the enemy wants, is to have United States military people patrolling the streets of our Nation and imbuing our citizens with the idea that they are to be controlled by uniform military people. It is absolutely against the American tradition.

And furthermore, Senator, I have made some statements, and I believe that I reflect the panel's feelings, that we should never ask any American to give up any civil right in return for security. The civil rights and human rights of the people of the United States under the Constitution are absolutely paramount, and we should not give the enemy the win to say that we should in any way compromise any of that. As a former elected prosecutor, I know that you can take actions consistent with the Constitution and security—the Fourth, the Fifth, and the Sixth Amendments. You can do these things. But we should not cross that line, and we are concerned that the use of the military, unless it is in a subordinate capacity, would be in fact moving down that direction. And all our representatives in the Department of Defense on our panel have concurred that they should not be first responders.

And the second point I would make is to remember, when you start thinking about sticking something like this in the DOD, remember the key provision that we have put forward, the locals and the States absolutely must be built in to the local response. I cannot imagine a day that the local and State officials across the 50 United States will become subordinate to a military authority in the case of a crisis. And in fact, if you went the DOD route, even there are some Federal agencies that would be a little uncomfortable with that, the CIA perhaps.

Chairman LIEBERMAN. Thank you for the answer. I was thinking, as you were talking, that I have spoken to a number of people in New York, and people do not want the Guard patrolling streets in normal times, but the rapid appearance of the National Guard on the streets of New York after the attacks was immensely reassuring to the public there.

Governor GILMORE. Senator Lieberman, two things. First of all, the Guard is a little different, as Senator Hart said. They are the historical militia of the United States. They are under control of the Governor of each individual State, that civilian authority, unless federalized, and I do not believe there has been a federalization in any of these disasters. So that is a little bit different, but in addition to that, even then, they should come in subordinate to the first responders, police, fire, rescue, health, medical, and then come in to provide additional hands, and then finally, as the situation or the attack escalates or becomes a weapon of mass destruction, then perhaps the regular services, but only in response to and at the request of a civilian authority.

Chairman LIEBERMAN. Ambassador Bremer, correct me if I am wrong. It is my impression, not that you disagree with what has been said, but that you have a more expansive view of the potential role of the military in these matters. Is that true?

Mr. BREMER. The National Commission on Terrorism, which I chaired, which was a bipartisan commission appointed by Congress, reached a slightly different conclusion which was based on the following analysis. It is possible, particularly if one considers biological and chemical terrorism, to imagine a circumstance, as we said in our report, where not thousands but tens of thousands of casualties are inflicted. In such a circumstance it is possible to imagine that one event or several events like this would quickly overwhelm available local, State and Federal capabilities, including

FEMA. In such circumstances, we said, the President of the United States ought to have the possibility on a one-time ad hoc temporary basis of asking the Department of Defense to be the lead agency in responding to such an attack or series of attacks.

There are no plans for that to happen for a lot of the reasons that the Governor has mentioned and others. Our view is that under those circumstances, again, hypothesizing a much worse attack than we saw last week, the President in fact is likely to do that. He is likely to move the military into the lead agency because they do have all of the capabilities. Our commission's view, and I speak now for the National Commission, not for the Gilmore Commission, our commission's view was the best way to protect civil liberties in that circumstance is to plan for it ahead of time and exercise it. The worst way to protect civil liberties is never to even allow the possibility.

And the example I have given, Senator, in testimony on my National Commission, is what happened after Pearl Harbor, the last major domestic attack, when the two great American liberals, Franklin Delano Roosevelt and Earl Warren, responded by locking up Japanese Americans. Although the Supreme Court upheld that decision—most Americans today believe that was a violation of their civil liberties. So I take the opposite view precisely because of the respect I have for civil liberties, and that was the unanimous consensus of my bipartisan commission, which is, as you point out, different from where some others have come out.

Chairman LIEBERMAN. Very interesting and worth thinking about. It is true also that in the recent crisis the President did deploy military assets in response in a very controlled way. For instance, the fighter planes that were sent out over American cities, the AWACs, and in a very different way, the medical ships, for instance, that came in to New York and maybe other areas as well.

Mr. Walker, a final question just to give a perspective. I believe the GAO has done some comparative work here on the way other countries in the world deal with homeland security, and the role of the military in homeland security, and I wonder if you could just speak for a moment about that.

Mr. WALKER. Senator, we have done some work with regard to how certain other countries such as Canada, the United Kingdom, France, and Israel, end up approaching this issue. We have already issued a report on that. It is publicly available, and it would provide some useful information for you and the Congress to consider. One of the things that we find at GAO is that we are very much in a borderless world. In many cases the United States is the lead with regard to many types of activities. In some cases we are not. And in this area we are not. And there are other countries that have been dealing with this issue for longer than we have for various reasons, and I think there are some lessons learned there that we ought to draw from.

Chairman LIEBERMAN. We will look to that. You have been immensely helpful. Any of you want to make a statement? Yes, Senator Hart?

Senator HART. Mr. Chairman, in our efforts since our commission to convey what our report does and does not do at both the congressional staff and administrative and media level, a lot of misunder-

standing has occurred. And I know you get, and your staff gets, dozens of these. We obviously believe this is an extraordinary effort, a historic effort.

Chairman LIEBERMAN. We agree.

Senator HART. May I just say if any on your staff or any of your colleagues need to understand what we do and do not do, the first report is 8 pages, the second report is 16 pages. Eleven pages of this one will show you what we propose and what we do not propose, and I would really hope anyone making a decision as to what the congressional response should be, or the administrative response, should at least read those 35 pages. It is not too much.

Chairman LIEBERMAN. I absolutely agree. We will make sure that, with your cooperation, that every Member of the Committee, if they have not already, gets copies of the reports. I have been over them, and they are superb pieces of work, as is your commission's work, Governor Gilmore.

I thank each and every one of you. You have been very constructive. You were ahead of your time, ahead of the rest of the Nation's time unfortunately, but it is not too late now to put into effect the recommendations that you have made to deal with the new realities that we face.

This Committee will continue its consideration of protection of critical infrastructure next week with two hearings, one on airline security and then the other on what we are doing now to protect other elements of critical infrastructure, including other transportation systems, public utilities, and the computer infrastructures on which so much of our country today, including the financial systems, are based. And then I certainly hope that we can engage Governor Ridge and the administration as quickly as possible.

And I would like to set the goal for the Committee, and I believe Senator Thompson shares this—we have talked about it—to see if we can work with everyone involved here and report a bill out soon. These are not ordinary times and we should not be following an ordinary legislative schedule. The President, by his action last night, if you will, closed the gap, and now I think we have to act with the administration to create a permanent structure here to forever after protect the American people when they are at home.

We are going to keep the record of the hearing open for a week. Senators Akaka and Voinovich have submitted statements, which I would like to add for the record.

[The prepared statements of Senators Akaka and Voinovich follow:]

PREPARED STATEMENT OF SENATOR AKAKA

Mr. AKAKA. Good morning. I commend the Chairman for calling this hearing and thank all the witnesses for being here. It is a pleasure to have such expertise on this subject here today. I especially want to welcome my friends and former colleagues, Senator Hart and Senator Rudman.

In the face of tragedy, our leadership must be steady and our voice calm but firm. The President is right to say this will be a long conflict.

I was a young man when Pearl Harbor was attacked. I watched as Japanese Zeros bombed Hawaii and my country. Then we knew our enemy, but today's faceless terrorist is more difficult to identify.

Dreadful as the attacks were on September 11, we can imagine some which could be even more lethal. In July the International Security Subcommittee, which I chair, held a hearing on FEMA's Role in Managing a Bio-terrorist Attack. One truth

became clear: We lack a national security strategy and institutional organization to address terrorist attacks.

This threat is amorphous . . . amoral . . . without race . . . or . . . ethnicity and may operate from several countries. It is asymmetric in the sense that it exploits our strengths—in technology and organization—and turns them into weaknesses. This Nation's commercial airline system, piloting knowledge, and the way our institutions are designed and our people trained to react to such threats, were turned into a weapon against us. Our airline system is clearly not our only vulnerability. This was not Pearl Harbor—this was an asymmetric attack altogether different than anything we have experienced.

The response last week reflected a strategy and coordination that was inadequate. Today's hearing properly focuses on how our Nation's institutions must be reorganized in a way that maximizes their ability to react effectively.

Today the enemy of democracy is less definable in a world that was forever altered on September 11. I look forward to the testimony.

PREPARED STATEMENT OF SENATOR VOINOVICH

Thank you, Mr. Chairman.

I would like to thank you, Mr. Chairman, for holding this hearing this morning on the Federal Government's role in responding to terrorist threats against the United States. I would also like to welcome our witnesses and thank them for being here today.

Mr. Chairman, last Tuesday, the United States of America suffered a horrible national tragedy, the images of which will forever etch the date, September 11, 2001, on the collective minds of the American people. The events of that day and the days following the terrorist attack have highlighted just how important a role our Federal agencies—and the individuals who work for them—play in the defense of our Nation.

While this Committee has broad jurisdiction to examine the efficiency and effectiveness of these agencies, there is perhaps no greater function that we can undertake than ensuring that those entities of our Federal Government are properly arrayed and structured to deal with any attack on our homeland. Both the Hart-Rudman and Gilmore Commissions have released reports in recent months on this issue. Little did we know that their observations would be so prescient. In the wake of last week's tragic events, I believe we should consider more carefully than ever the recommendations of these two commissions and ensure that our government is prepared to act expeditiously in responding to any future attacks.

Mr. Chairman, we have an excellent panel of witnesses with us today, and I am especially pleased to welcome Senator Gary Hart and Senator Warren Rudman. As you know, Mr. Chairman, earlier this year, the Oversight of Government Management Subcommittee held a hearing on the national security implications of the human capital crisis. I was pleased to have former Defense Secretary James Schlesinger and retired Admiral Harry Train, two of the commissioners who worked with Senators Hart and Rudman, as witnesses at that hearing. They offered excellent testimony on preparing our Federal workforce for the challenges of national defense in the 21st Century, and I will be interested in hearing the recommendations of our witnesses today on the homeland security section of their report.

Mr. Chairman, like all Members of this Committee, I wish we did not have to conduct this hearing under these circumstances. However, I think it is important, in light of last Tuesday's tragedy, to get this dialogue going so that we may ultimately eliminate the threat of terrorism once and for all.

Thank you again, Mr. Chairman.

Chairman LIEBERMAN. But you have each done extraordinary public service here, and I thank you for it. The hearing is adjourned.

[Whereupon, at 12:07 p.m., the Committee was adjourned.]

APPENDIX

United States Senate
Committee on Government Affairs
United States Capitol
Washington, D. C.

Testimony of Gary Hart, co-chair, U.S. Commission on National Security/21st Century
September 21, 2001

Distinguished Members of this Committee:

I appreciate the opportunity to present this testimony and thank you for conducting these hearings.

"Americans will become increasingly vulnerable to hostile attack on our homeland, and our military superiority will not entirely protect us. * * * Americans will likely die on American soil, possibly in large numbers." This was the first conclusion of our Commission after almost one year of investigation of what we called the "New World Coming", which we described in our first public report. That conclusion was delivered on September 15, 1999, almost exactly two years to the day before our prediction came true.

"The United States is today very poorly organized to design and implement any comprehensive strategy to protect the homeland," the Commission also concluded in its final public report on January 31, 2001. Eight months later, regrettably, that same assessment is true. In light of the satanic events of last week, further delay in creating an effective national homeland defense capability would be nothing less than a massive breach of the public trust and an act of national folly.

Our Commission's mandate to perform the most sweeping review since 1947, of U.S. national security institutions and the environment in which they operate was carried out by 14 former public officials representing almost 300 person-years of public service. Our 50 specific recommendations for major, post-Cold war overhaul of national security doctrines, strategies, and structures were unanimously agreed to without dissent or negative vote.

Among those recommendations, of most immediate interest to this Committee and to the American people are these:

> First, **The President should develop a comprehensive strategy to heighten America's ability to prevent and protect against all forms of attack on the homeland, and to respond to such attacks if prevention and protection fail;**
>
> Second, **the President should propose, and Congress should agree to create, a National Homeland Security Agency (NHSA) with responsibility for planning, coordinating, and integrating various U.S. government activities involved in homeland security. The Federal Emergency Management Agency (FEMA) should be a key building block in this effort;**
>
> Third, **The President should propose to Congress the transfer of the Customs Service, the Border Patrol, and Coast Guard to the National Homeland Security Agency, while preserving them as distinct entities;**

Fourth, **the President should ensure that the National Intelligence Council: include homeland security and asymmetric threats as an area of analysis; assign that portfolio to a National Intelligence Officer; and produce National Intelligence Estimates on these threats;**

Fifth, **the President should propose to Congress the establishment of an Assistant Secretary of Defense for Homeland Security within the Office of the Secretary of Defense, reporting directly to the Secretary;**

Sixth, **the Secretary of Defense, at the President's direction, should make homeland security a primary mission of the National Guard, and the Guard should be organized, properly trained, and adequately equipped to undertake that mission;**

And, seventh, **Congress should establish a special body to deal with homeland security issues, as has been done effectively with intelligence oversight. Members should be chosen for their expertise in foreign policy, defense, intelligence, law enforcement, and appropriations. This body should also include members of all relevant Congressional committees as well as ex-officio members from the leadership of both Houses of Congress.**

Our Commission strongly believes that any lesser or more tenuous solution will merely perpetuate bureaucratic confusion and diffusion of responsibility. No homeland "Czar" can possibly hope to coordinate the almost hopeless dispersal of authority that currently characterizes the 40 or more agencies or elements of agencies with some piece of responsibility for protecting our homeland.

Even were our comprehensive approach adopted, it will take time to organize and put into effect. And even operating at maximum efficiency, a new Homeland Security Agency faces daunting odds. 340,000 vehicles cross our borders each day. 58,000 cargo shipments enter the United States each day. 1.3 million people cross our borders each day. Only one or two percent of those cargo shipments and vehicles are inspected by Customs.

Of those who have taken the trouble to read our recommendations and the reasons for them, some say we have gone too far toward creating an "Interior Ministry" and others say we have not gone far enough to incorporate intelligence, counter-intelligence, and military components. There are thoroughly-debated reasons of Constitutional principle and practical effectiveness that caused us to strike the balance we did. The Homeland Security Agency should not have police or military authority. It should not be an intelligence collection agency or have responsibility for counter-terrorism. It should not be a military agency. It *should* be the central coordinating mechanism for anticipating, preventing, and responding to attacks on the homeland.

This is a daunting task. But we owe it to our children to begin. It would be a mistake of historic proportions to believe that protection must await retribution, that prevention of the next attack must await punishment for the last. We can and must do both. For like death itself, no man knoweth the day when he will be held accountable and none of us knows how quickly the next blow will be delivered. I believe it will be sooner rather than later. And we are still not prepared.

Congress of the United States

U.S. Senate

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Hearing of the

Committee on Government Affairs

September 21, 2001

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Testimony of

Governor James S. Gilmore, III

Governor of the Commonwealth of Virginia

&

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

Introduction

Chairman Lieberman, Senator Thompson, and distinguished Committee Members, thank you for inviting me to discuss recommendations of the Advisory Panel to Assess Domestic Response Capabilities for Terrorism Involving Weapons of Mass Destruction, a national commission established by Congress in 1999 (P.L. 105-261). The Advisory Panel has assessed our Nation's combined federal, state and local capabilities to detect, deter, prevent – and respond to and recover from – a terrorist attack inside America's borders, and to offer recommendations for preparing the Nation to address terrorist threats.

For almost three years, I have served as Chairman of the Advisory Panel, and it has been my privilege to work with experts in a broad range of fields, including current and former federal, state and local officials and specialists in terrorism, intelligence, the military, law enforcement, emergency management, fire services, medicine and public health.

I am saddened to report that, as of today, one member of our Panel is reported as missing at ground zero in New York. Ray Downey, Chief of Special Operations for the New York City Fire Department, was one of the first emergency responders to arrive at the World Trade Center on September 11. Firemen from California to Virginia to New York know Ray Downey as a man of great courage and skill and commitment. Our prayers go out to Ray and his family.

Attack on American Freedom

Ladies and gentlemen, for many generations to come, September 11, 2001, is a day that will stand out in the history of the United States and, indeed, the entire world, as the day tyranny attacked freedom. Individuals who committed these attacks on the people of the United States, in New York and Virginia, sought a decisive strike, one that was designed to remake the world and the post-Cold War era.

The picture of two commercial airplanes careening into two office towers and a wounded Pentagon – recorded for posterity – forever will remind our children and grandchildren of how precious freedom is and that freedom can never be taken for granted.

The goal of these terrorists was to prove that the great democracies are not the way of the future. The goal was, in fact, to establish the dominance of tyranny, force, and fear – and to blot out a love of freedom and individual liberty, which has been growing consistently since the Enlightenment centuries ago. In the 21st century, the United States stands as the ultimate statement and symbol of that human freedom and liberty across the world; and, therefore, the United States was the country attacked.

Ladies and gentlemen, the people who committed these crimes, with those goals in mind, have failed. They have failed in their attacks. They have not blotted out the United States as the ultimate formation and symbol of liberty. They have not diminished the resolve of the United States. They have not created fear and terror in the United States.

Yes, we grieve as a civilized people for the people who have died. Freedom-loving people in New York at the World Trade Center – a stunning loss of life in the nation's largest city. At the Pentagon, across the river in Virginia. The people who died on the airplanes, totally innocent victims. As I recall, having read the manifest on the airplanes, there were fathers with their young daughters on those planes. Barbara Olson, who we all knew and loved. She was a personal friend mine. We lost our firemen and emergency rescue responders, who gave their lives attempting to save the lives of their fellow Americans. Ray Downey, another personal friend, may be one who gave the last measure of commitment. Yes, I grieve. The American people grieve. Any civilized people would grieve.

But, in the eternal conflict between freedom and tyranny, the people of the United States shall never retreat.

Work of the Advisory Panel

Sooner or later, those who inflicted these injuries will feel the full weight of justice and the free world's combined efforts to hold them responsible.

We cannot undo their evil actions now. If only we could. Be we can, and must, move forward to do everything we can to prevent a tragedy of this magnitude from striking again in our homeland.

That brings me to the work of the Advisory Panel. The Advisory Panel was established by Section 1405 of the National Defense Authorization Act for Fiscal Year 1999, Public Law 105-261 (H.R. 3616, 105th Congress, 2nd Session) (October 17, 1998).

For the last three years I have worked with a distinguished panel of experts, with staff support from the RAND Corporation, to draw up a blueprint for American preparedness. Our commission has been a three-year commission. It began to work in the year 1999. We have issued two reports to the President and Congress. The first report was issued December of 1999, and the second report in December of 2000. Both reports can be downloaded from RAND's website: www.rand.org/organization/nsrd/terrpanel.

The work of our Advisory Panel is significantly and qualitatively different from any previous terrorism commission. Our panel includes a unique combination of experts from all three levels of government representing the intelligence community, front-line local emergency responders, military experts, and state and local law enforcement. We also have leaders from the health care community. Reflective of the broad array of experts and a strong "outside-the-beltway" perspective, our panel has addressed the full realm of issues from assessment of the risk to prescriptions for detection, prevention, response and recovery. We have focused a tremendous amount of attention upon state and local first-responders, as well as intelligence issues and national coordination topics. Other commissions have not covered as wide a realm of topics.

Conclusions & Recommendations Issued in First and Second Reports

In our first report (December 1999), we provided a comprehensive assessment of the actual threat of a terrorist attack on U.S. soil. Among our findings were the following:

- First and foremost, the threat of a terrorist attack on some level inside our borders was inevitable, and the United States must prepare.

- In assessing the kind of attack the United States could expect, we concluded that a conventional attack (such as the one that occurred on September 11) had a high probability of occurrence and should receive more attention than they were receiving at that time. We concluded that an attack using weapons of mass destruction, while threatening a high impact, had a lower probability of occurrence in the near term, but could not be ignored. Regardless of the kind of attack, we called for a national strategy to address the full spectrum of possible attacks.

- We also said that the terrorist threat would be more lethal than ever before because the trend among terrorists is toward greater and greater lethality.

- We concluded that the real weapon is not the device or the material involved, but the terrorist delivery capacity and capability. Unfortunately, I am afraid that this point has been borne out by the events of September 11.

- Our review revealed that counter-terrorism efforts to date had been largely reactionary, to a threat not clearly understood. While we should prepare, first and foremost, for the most likely conventional terrorist attack scenario (such as the conventional attack we recently witnessed), we must also heed the threat of a more exotic attack by weapons of mass destruction.

- We concluded that a clear comprehensive national vision and strategy for large or small events must be developed and put into place, but that such a vision and strategy did not presently exist as of the time of that report. We recognized that a coordinated national strategy could be built upon the well-tested system that already exists for responding to natural and man-made disasters, such as hurricanes, earthquakes, toxic chemical spills and nuclear accidents. That is, firefighters, emergency medical providers, public health offices and private hospitals, police and the National Guard.

- And we stressed the paramount importance of preserving our citizens' constitutional rights and civil liberties. We said, "[T]he Panel urges officials at all levels of government to ensure that the civil liberties of our citizens are protected." We can meet this terrorist threat without trampling the Constitution. In fact, the goal of the enemy would be to have us trample our constitutional rights. We don't have to do that and we should never ask the people of the United States to give up their freedoms because of an attack like this.

Our second report, issued a year later (December 2000), contained about 50 recommendations for improving our nation's preparedness against terrorism. Most importantly, the second report underscored the need for something more than a *federal* strategy. The federal government's role represents only one component of a *national* strategy. The distinction here is an important one. The federal government cannot address this threat alone. We need new public and private partnerships. Every state and local community has capabilities, resources, assets, experience and training that must be brought to bear in addressing this threat.

Among our most important recommendations in our second report are the following recommendations:

- First, we called for statutory creation of a new "National Office for Combating Terrorism" to coordinate national terrorism policy and preparedness in the Executive Branch – located in the White House. The Director of this office should be high ranking, appointed by the President, and confirmed by the Senate. Foremost, the office should have the responsibility to develop a comprehensive national strategy to be approved by the President.

- We proposed that Congress create a "Special Committee for Combating Terrorism." This could be a joint committee of senators and congressmen to create a unified legislative view or it could encompass two distinct committees, one for the House and one for the Senate. Of course, we do not presume to instruct the Congress on how it should conduct its affairs, but we offer that recommendation in the best interests of the people of the United States. The Special Committee should have a direct link to the Executive Branch's National Office for Combating Terrorism, and it should be the first referral for legislation preparing our nation for terrorist attacks.

- Next, we addressed the issue of intelligence-sharing and focused on the fact that it is very typical in the intelligence community to hold information so close it can often not be communicated to those responsible parties who need to know. This is particularly true of sharing intelligence information with state and local authorities. Thus, we need to develop a comprehensive national intelligence system based on sound need-to-know principles.

- We found our federal intelligence apparatus was lacking critical tools it needs to detect terrorist plots, so we recommended improvements to human intelligence capabilities such as, for example, rescinding the CIA guidelines on paying foreign informants engaged in terrorist or criminal activity.

- We recognized the importance of state and local agencies in responding to and recovering from terrorist attacks and insisted they be included in the plotting of a national strategy. Thus, the panel recommended a number of ways to strengthen the nation's first responders: firemen, law enforcement, emergency medical services and emergency management.

- We also called for improvement of health and medical response capabilities and I think everybody is very proud of the hospitals and medical services that have been called into action over the past weeks. Our report, however, recognized that our public and private hospitals are prepared for the routine, but in the case of a high concentration of traumas resulting from a weapon of mass destruction – especially biological in nature – or a catastrophic conventional attack such as we have seen, our medical system might become overloaded. Therefore, we intend to address this issue further in our final report.

- And, finally, we have focused a great deal of attention on the use of the Armed Forces, their appropriate role and how they should be used. We expressly recommended that the U.S. military ***not*** serve as the lead federal agency in responding to a domestic terrorist action. Although it is generally accepted that events could occur where the military needs to be engaged, particularly the National Guard, nonetheless, we have expressed an abiding caution about deploying a military response to a domestic situation and only then in support of a civilian federal agency like FEMA.

These are the highlights of our work to date. Our work is not yet complete, but we intend to make it so in a short time. Our next meeting will be held next week, on Monday, September 24, where we will decide upon our final set of recommendations. Among the topics we expect to address in our final report are U.S. border security, cyber terrorism, proper role of the military in domestic response scenarios, and necessary medical strategies to plan for a biological or chemical weapon.

I would like to focus your attention today on two central recommendations that implicate the organization of government agencies and coordination: first, the creation of a "National Office for Combating Terrorism" located in the White House with a direct report to the president, and second, U.S. border security proposals that will require unprecedented coordination of resources, intelligence and effort between U.S. Customs and the Immigration & Naturalization Service.

A White House "National Office for Combating Terrorism"

Let me start by outlining the panel's recommendation for a National Office for Combating Terrorism in the White House. As I mentioned earlier, we called for statutory creation of a new National Office for Combating Terrorism to coordinate national terrorism policy and preparedness in the Executive Branch – located in the White House and directed by an individual with high rank appointed by the President and confirmed by the Senate.

Our panel's review of the federal bureaucratic structure, spread across numerous agencies vested with some responsibilities for combating terrorism, revealed a structure that is uncoordinated, complex, and confusing. Our first report included a graphical depiction of the numerous federal agencies and offices within those agencies that have responsibilities touching upon terrorist threats. Our research indicated that attempts to create a federal focal point for

coordination with state and local officials – such as the National Domestic Preparedness Office – have met with little success. Moreover, many state and local officials believe that federal programs intended to assist at their levels are often created and implemented without sufficient consultation. We concluded that the current bureaucratic structure lacks the requisite authority and accountability to make policy changes and impose the discipline necessary among the numerous federal agencies involved.

Therefore, we have recommended creation of the National Office for Combating Terrorism to serve as a senior level coordinating entity in the Executive Office of the President. The office would be vested with responsibility for developing both *domestic* and *international* policy as well as coordinating the Nation's vast counter-terrorism programs and budgets.

There is an important distinction here. Our proposal is an office located in the White House, reporting directly to the President of the United States – not a separate agency that competes for turf against other agencies and even Cabinet Secretaries. Instead, this office will invoke the direct authority of the President to coordinate various agencies, receive sensitive intelligence and military information, and deal directly with Congress and state and local governments.

- First and foremost, the office's principal task will be to develop a comprehensive national strategy that is approved by the President and updated annually to respond to the latest intelligence. The national strategy will address the full range of domestic and international terrorism deterrence, prevention, preparedness, and response. The approach to the domestic strategy should be "bottom up," developed in close coordination with local, state and other federal agencies.

- Second, the office should ensure that sufficient resources are allocated to support execution of the national strategy, and should be vested with budgetary control over significant counter-terrorism resources for domestic preparedness. (However, the U.S. strategy for detection and deterrence, prevention and response for terrorist acts *outside* the United States should remain vested with the Department of State.)

  The office's budget authority should include responsibility to conduct a full review of federal agency programs and budgets to ensure compliance with the programmatic and funding priorities established in the approved national strategy and to eliminate conflicts and unnecessary duplication among agencies.

- Third, the office should coordinate foreign and domestic terrorism-related intelligence activities, including the development of national net assessments of terrorist threats. A critical task will be to develop, in concert with the intelligence community, policies and protocols for dissemination of intelligence and other pertinent information regarding terrorist threats to designated entities at all levels of government – local, state and federal. We also recommend that an Assistant Director for Intelligence be appointed within the office to assume these responsibilities, and to

ensure strict adherence to applicable civil rights and privacy laws and regulations in the context of "domestic collection" of intelligence.

- Third, the office should be vested authority to review state and geographical area strategic plans for consistency and effectiveness in fulfilling the national strategy. That review authority will allow the office to identify gaps and deficiencies in the national strategy as well as federal programs, and to assess the need for additional federal funds to assist state and local governments.

- Fourth, it would be the responsibility of the National Office for Combating Terrorism to propose new federal programs or changes to existing federal programs, including federal statutory or regulatory authority, to ensure an effective national strategy.

- Fifth, we recommend that an Assistant Director for Domestic Preparedness Programs be appointed to direct coordination of federal, state and local response agencies, funding and programs – especially in the areas of "crisis" and "consequence" planning, training, exercises, and equipment.

- Sixth, we recommend that an Assistant Director for Health and Medical Programs be appointed to coordinate federal health and medical programs addressed at terrorism response with state and local health officials, emergency medical services, public and private hospitals, and emergency management offices.

- Seventh, the office should coordinate research, development, test and evaluation programs directed at counter-terrorism.

- Eighth, we recommend that the national office serve as the information clearinghouse and central federal point of contact for state and local entities. We have heard many comments about the difficulties encountered by state and local government officials to navigate the maze of the federal bureaucracy. The national office should serve as a "one-stop-shop" for state and local agencies in their efforts to counter terrorist threats.

Before leaving this subject, let me suggest a few attributes the new National Office for ombating Terrorism must should possess. Most importantly, the Director must be politically :countable and responsible. Therefore, he must be vested with sufficient authority to :complish the office's goals. Congress must have someone to go to assess out Nation's :eparedness. That is why we have recommended the Director be appointed by the President, onfirmed by the Senate, and serve in a "cabinet-level" position.

The office should have sufficient budget authority and programmatic oversight to :fluence the resource allocation process and ensure program compatibility and effectiveness. he best way to instill this attribute is to give the Director a "certification" power – a process by hich he could formally "decertify" all or part of an agency's budget as "non-compliant" with .e national strategy. This "certification" power would act as a veto of all or any part of any gency's budget, but would be sufficiently powerful to effect the coordination responsibility.

Finally, while the National Office should be vested with specific program coordination and budget authority, it is not our intention that it be given actual "operational" control over various federal agency activities. Under our paradigm, the office would not be "in charge" of response operations in the event of an actual terrorist attack. It's job will be ensuring existing bureaucracies are prepared to respond in a coordinated and comprehensive manner. According, the word "czar" is inappropriate to describe this office.

U.S. Border Security

While we are on the subject of government organization, I also would like to offer the Committee a preview of one of the panel's upcoming recommendations for U.S. border security. As many of you know, several of September 11 hijackers may have entered the United States on forged visas or by car from Canada. A truck carrying explosive materials bound for Seattle for New Year's eve 2000 was interdicted at the Canadian border.

If America is to be secure, we must have a coordinated policy of immigration enforcement and border security, and it must address the totality of all avenues of entry into the United States – land, air, and sea. This effort will require unprecedented coordination between the U.S. Border Patrol, the Immigration & Naturalization Service, U.S. Customs Service, the Coast Guard, and the Federal Aviation Administration – as well as state and local law enforcement.

In its previous two reports, this panel acknowledged that the laws and traditions of the United States creating and maintaining a very open society make us vulnerable to terrorist attacks. Some statistics emphasize this stark reality:

- Over 100,000 miles of national coastline
- Almost 2000 miles of land border with Mexico, another 4000 miles with Canada, most of it essentially open to transit
- Almost 500 million people cross our borders annually
- Over 127 million automobile crossings annually
- Over 11.5 million truck crossings annually
- Over 2.1 rail cars annually
- Almost 1 million commercial and private aircraft enter annually
- Over 200,000 ships annually dock in maritime
- Over 5.8 million containers enter annually from maritime sources

The movement of goods, people, and vehicles through our border facilities is characterized by vast transportation, logistics, and services systems that are extremely complex, essentially decentralized, and almost exclusively owned by the private sector. Despite valiant efforts by personnel of the U.S. Customs Service, the U.S. Coast Guard, the U.S. Immigration and Naturalization Service (including the U.S. Border Patrol), the Federal Aviation Administration, and other Federal entities, as well as State and local enforcement authorities, the

challenge is seemingly insurmountable. Those efforts are further hampered by a lack of full interagency connectivity and information sharing.

With adequate coordination of effort and resources – and primarily through information sharing – these agencies could significantly improve a seamless enforcement and detection system without unduly hindering the flow of goods and people. However, still, simply increasing enforcement of current laws and regulations through existing mechanisms may not provide the ultimate solution. That activity could result in further delays at very busy ports of entry. The likely "domino" effect of further delays will generate opposition from many U.S. commercial interests whose businesses depend on carefully timed delivery of goods, political pressure from states and localities whose job markets would likely be affected, potential retaliation from foreign countries who export goods to the United States, and increased complaints from the millions of business and tourist passengers transiting our border—many of whom are already unhappy about the queues at airports of entry.

Given the nature and complexity of the problem, the panel recognizes that we as a nation will not likely find the "100% solution" for our borders. We should, nevertheless, search for ways to make it harder to exploit our borders for the purpose of doing harm—physical or economic—to our citizens. The confluence of these issues calls for new, innovative approaches that will strike an appropriate *and* more effective balance between valid enforcement activities, the interests of commerce, and civil liberties.

Among the Advisory Panel's upcoming recommendations to accomplish these objectives are the following proposals:

- First, we must improve intelligence collection and dissemination between and among agencies responsible for some aspect of border protection. This panel is strongly committed to the proposition that relevant, timely intelligence is crucial in the campaign to combat terrorism. That is especially so in the arena of enhancing the security of our borders. New and better ways must be developed to track terrorist groups and their activities through transportation and logistics systems. All agencies with border responsibilities must be included as full partners in the intelligence collection, analysis, and dissemination process, as related to border security. This process is a "two-way street;" all entities involved must be willing to share information, horizontally and vertically. This will represent a departure from the current "culture" of many agencies to cloister information. The structure and procedures that the panel recommended in its second report, for the establishment of intelligence oversight through an advisory board under the National Office for Combating terrorism could facilitate a new paradigm in this area.

  The fact is that no single framework exists to look at terrorist and security threats across all the various agency functions. And what is critically needed is *connectivity* across agencies to create a virtual national data repository of data that will serve as the focal point for the fusion and distribution of information on all border security matters.

Although some interagency agreements for border security do exist, notably the Memorandum of Agreement on Maritime Domain Awareness among the Department of Defense, the U.S. Coast Guard, the U.S. Immigration and Naturalization Service, and the Department of State, all affected agencies are not involved in a fully coordinated and integrated process. Therefore, we recommend that the Maritime Domain Awareness model be expanded to create an interactive and fully-integrated database system for "Border Security Awareness." It should include participation from all relevant U.S. government agencies, and State and local partners. Congress should mandate participation of all related Federal agencies in this activity, and provide sufficient resources to fund its implementation. The development and implementation of such a system, including appropriate resources for systems integration to be provided by the Congress, can be accomplished by the National Office for Combating Terrorism.

- Second, a necessary corollary to inter-agency intelligence sharing is the need to expand intelligence sharing with state and local agencies responsible for critical aspects of law enforcement and customs checks. This concept may break with "inside-the-beltway" culture, but state and local agencies must be trusted with important intelligence and information if our border security effort is to be successful. The point is plain and simple: The full, timely dissemination and sharing of information among effected Federal, State, and local agencies will be critical in preventing the movement of foreign terrorists and their weapons across our borders.

- Third, we must foster intensive coordination between and among the relevant agencies. Information and intelligence sharing is just a start. The next level of inter-agency cooperation will mean coordinated *operations* between federal and state agencies with border responsibilities. Again, this coordination could be led by the National Office for Combating Terrorism, which would bring to bear the power and authority of the White House to establish a special inter-agency advisory panel on border security, ensure cooperation and eliminate turf struggles. That entity could be an expansion of the Border Interdiction Committee, formed in the late 1980s to address the problem of drug trafficking across U.S. borders. This advisory board can assist the director of the NOCT in developing program and resource priorities as part of the national strategy for combating terrorism and the related budget processes.

- Fourth, we should enhance sensor and other detection and warning systems of the various agencies – but in a coordinated fashion to ensure each agency's system compliments the others' systems. Individual agencies have one or more activities underway that are intended to enhance enforcement and interdiction capabilities, through the use of static or mobile sensors and other detection devices. Valuable research and development is also underway in multiple agencies to extend such capabilities, especially in the area of non-intrusive inspection systems. There is, nevertheless, no comprehensive and fully-vetted plan among related agencies for critical aspects of such activities. Therefore, the National Office for Combating Terrorism should coordinate a plan for research and development among the

agencies, and for fielding and integration of sensor and other detection and warning systems, as well as elevation of priority for the application of resources for the execution of such a plan.

- Finally, no border security plan will be successful unless we improve our cooperation with Mexico and Canada. It will be imperative for the U.S. to implement more comprehensive agreements on combating terrorism with the governments of Mexico and Canada. Some agreements and protocols with both countries already exist, but more needs to be done. We know from open-source material and from other sources that Canada has been a country of choice for certain elements who have engaged or who may seek to engage in terrorist activities against the United States. Unfortunately, the laws of Canada do not explicitly make terrorist activities a crime *per se*. As a result, Canada has been unable to take action against certain individuals who may, for example, be conspiring to perpetrate a terrorist attack against the United States. Country-to-country negotiations should be designed to strengthen laws that will enhance our collective ability to deter, prevent, and respond to terrorist activities, to exchange information on terrorist activities, and to assist in the apprehension of known terrorists before they can strike.

Conclusion

Mr. Chairman, Senator Thompson, we must start preparing our Nation to defend freedom within our borders today. The President and the Congress face solemn decisions about how we proceed and there is little time for deliberation.

The members of the Advisory Panel to Assess Domestic Response Capabilities for Terrorism Involving Weapons of Mass Destruction are convinced, upon nearly three years of study, that there is an immediate need for appointment of a senior person at the federal level – in the White House – who both has the responsibility and the authority to coordinating our vast national resources and efforts – federal, state and local.

As our great democratic institutions move forward toward a solution, allow me to offer a couple of observations. This is not a partisan political issue. It transcends partisanship. It is about the preservation of freedom and the American way of life.

After a generation of moral relativity an equivocation, let there be no debate or doubt that the hijacking of four commercial airplanes and the tragedies that followed on September 11 clearly demonstrated that evil exists in our world.

However we as a democracy decide to approach this evil force, we must always remember that terrorism is tyranny. Its aim is to strip away our rights and liberties and replace them with fear. As Americans, it is our duty and our destiny to strike down tyranny wherever it may arise. We did in World War I, again in World War II, in Korea, and later in Kuwait. The battlefields and warriors change, but the enemy is always the same.

In the face of this evil, we will not be afraid, but strong. We will not divide, but unite. We will not doubt, but affirm our faith in freedom, each other, and the grace of God. And freedom will prevail.

United States General Accounting Office

GAO

Testimony

Before the Senate Committee on Governmental Affairs

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HOMELAND SECURITY

A Framework for Addressing the Nation's Efforts

Statement of David M. Walker
Comptroller General of the United States

GAO-01-1158T

Mr. Chairman and Members of the Committee:

We at GAO, along with all Americans, were shocked and saddened by the coordinated terrorist attacks on the World Trade Center and the Pentagon on September 11, 2001. The events of that day remind us that terrorism victimizes real people—men, women, and children—our families, friends, neighbors, and colleagues. Our hearts go out to the families of the victims of the attack and to the families of the heroic rescue crews, those responders who were lost trying to save others. They and many other responders have served with distinction and valor.

I appreciate the opportunity to discuss with you today a framework for addressing federal efforts to provide for homeland security. I would like to address the issue by making three points. First, I will discuss the nature of the threats that face the United States today. Second, I will offer some thoughts on what government could do to both counter the threats and provide for a more secure homeland. Third, I will offer a framework for how the government might organize a homeland security program. We have completed work in a variety of areas related to homeland security, and I will reiterate some of our major recommendations from this work.

Summary

According to a variety of U.S. intelligence assessments, the United States now confronts a range of increasingly diffuse threats that puts greater destructive power into the hands of small states, groups, and individuals and threatens our values and way of life. These threats range from incidents of terrorism and information attacks on critical infrastructure to the potential use of weapons of mass destruction and the spread of infectious diseases. Each one of these threats could cause massive casualties and disruption.

Our work indicates that in efforts of this kind—which involve many federal agencies as well as state and local governments, the private sector, and private citizens—the federal government must address three fundamental needs. First, the government needs clearly defined and effective leadership with a clear vision to develop and implement a homeland security strategy in coordination with all relevant partners, and the ability to marshal the necessary resources to get the job done. Second, a national homeland security strategy should be developed based on a comprehensive assessment of national threats and risks. Third, the large number of organizations that will be involved in homeland security need to have clearly articulated roles, responsibilities, and accountability mechanisms.

Crafting a strategy for homeland security involves reducing the risk where possible, assessing the nation's vulnerabilities, and identifying the critical infrastructure most in need of protection. To be comprehensive, the strategy should include steps to use intelligence assets or other means to identify attackers and prevent attacks before they occur, harden potential targets to minimize the damage from an attack, and effectively manage the consequences of an incident. In addition, the strategy should focus resources on areas of greatest need and measure performance against strategic goals. Because the plan will need to be executed nationally, the federal government can assign roles to federal agencies once the strategy is developed, but also will need to develop cooperative partnerships with state and local governments as well as with the private and not-for-profit sectors. Effective homeland security also will require forming international partnerships to identify attackers, prevent attacks, and retaliate if there are any attacks.

The Nature of the Threat Facing the United States

As we noted in GAO's strategic plan, the United States and other nations face increasingly diffuse threats. In the future, potential adversaries are more likely to strike vulnerable civilian or military targets in nontraditional ways to avoid direct confrontation with our military forces on the battlefield. The President's December 2000 national security strategy states that porous borders, rapid technological change, greater information flow, and the destructive power of weapons now within the reach of small states, groups, and individuals make such threats more viable and endanger our values, way of life, and the personal security of our citizens.

Hostile nations, terrorist groups, transnational criminals, and even individuals may target American people, institutions, and infrastructure with weapons of mass destruction and outbreaks of infectious disease. They may attempt to disrupt or destroy our information systems through cyber warfare. International criminal activities such as money laundering, arms smuggling, and drug trafficking can undermine the stability of social and financial institutions and the health of our citizens. As we witnessed in the tragic events of last week, some of the emerging threats can produce mass casualties. Others can lead to mass disruption of critical infrastructure and can hold serious implications for both our domestic and the global economy, as we saw when the New York Stock Exchange re-opened for trading this past Monday and the Dow Jones Industrial Average fell more than 600 points. Terrorist attacks also could compromise the integrity or delivery of water or electricity to our citizens, compromise the safety of the traveling public, and undermine the soundness of government and commercial data systems supporting a myriad of activities.

A basic and fundamental role of the government under our Constitution is to protect America from both foreign and domestic threats. The government must be able to prevent and deter threats to our homeland as well as detect impending danger before attacks or incidents occur. However, it may not be possible to prevent, deter, and detect every threat, so steps should be taken to harden potential targets. We also must be ready to manage the crises and consequences of an event, to treat casualties, reconstitute damaged infrastructure, and move the nation forward. Finally, the government must be prepared to retaliate against the responsible parties in the event of an attack.

What Government Could Do to Address Homeland Security

Now I would like to turn to what the government could do to make our homeland more secure. First, I will discuss the need for clearly defined and effective leadership with a clear vision of what needs to be accomplished. Second, I will address the need for a coordinated national strategy and comprehensive threat assessment. Third, I will discuss the need to clarify roles and responsibilities while assuring accountability for the effective implementation of the strategy.

A Focal Point Is a Critical Component of Homeland Security Strategy

Yesterday, we issued a report that discusses challenges confronting policymakers in the war on terrorism and offered a series of recommendations. One of these recommendations is that the government needs more clearly defined and effective leadership to develop a strategy for combating terrorism, to oversee development of a new national threat and risk assessment, and to coordinate implementation among federal agencies. Similar leadership also is needed to address the broader issue of homeland security. Specifically, a national focal point will be critical to articulate a vision for ensuring the security of the American homeland and to develop and implement a strategy to realize that vision. The entity that functions as the focal point should be dedicated to this function. In addition, the person who heads this entity should be dedicated full-time to this effort and consideration should be given to a term appointment in order to enhance continuity.

In testimony on March 27, 2001, we stated that overall leadership and management efforts to combat terrorism are fragmented because there is no single focal point managing and overseeing the many functions conducted by more than 40 different federal departments and agencies.[1]

[1] *Combating Terrorism: Comments on Counterterrorism Leadership and National Strategy* (GAO-01-556T, March 27, 2001).

Also, our past work in combating terrorism has shown that the multitude of federal programs requires focus and attention to minimize redundancy of effort and eliminate confusion within the federal government and at the state and local level. Homeland security will rely on the concerted efforts of scores of agencies, which may exceed the number in the fight against terrorism. Consequently, the need for overall leadership is even more critical.

At present, we do not have a national strategy specifically for ensuring homeland security. Thus, the strategy must establish the parameters of homeland security and contain explicit goals and objectives. It will need to be developed in partnership with Congress, the executive branch, state and local governments, and the private sector (which owns much of the critical infrastructure that can be targeted). Without such a strategy, efforts may be fragmented and cause confusion, duplication of effort, and ineffective alignment of resources with strategic goals. Consequently, clarifying the roles and responsibilities of the various levels of government and the private sector will be a critical function for the entity that is given oversight responsibility for homeland security efforts.

The Country Needs a Comprehensive National Security Threat and Risk Assessment

The United States does not have a national threat and risk assessment to help guide federal programs for homeland security. A threat and risk assessment is a decision-making tool that helps to define the threats, to evaluate the associated risk, and to link requirements to program investments. In our March 2001 testimony on combating terrorism, we stated that an important first step in developing a strategy for combating terrorism is to conduct a national threat and risk assessment to define and prioritize requirements. Combating terrorism is a major component of homeland security, but it is not the only one. It is essential that a national threat and risk assessment be undertaken that will address the full range of threats to the homeland.

Results from hearings and other studies also underscore the importance of a national threat and risk assessment. For example, in a July 2001 letter to the vice president from several senators, the senators stated that federal programs to combat domestic terrorism are being initiated and expanded without the benefit of a sound national threat and risk assessment process.[2] In a May 2001 Center for Strategic and International Studies'

[2] *Report to the Vice-President: Findings Pursuant to the Senate Hearings on US Federal Government Capabilities to Combat Domestic Terrorism* (July 13, 2001).

report on homeland defense, the authors stated that an annual threat assessment would provide federal planners with the basis for assessing the emerging risk of attacks and developing an integrated analysis structure for planning.[3]

We recognize that a national-level threat and risk assessment will not be a panacea for all the problems in providing homeland security. However, we believe that such a national threat and risk assessment could provide a framework for action and facilitate multidisciplinary and multi-organizational participation in planning, developing, and implementing programs to enhance the security of our homeland. Given the tragic events of Tuesday, September 11, 2001, a comprehensive national-level threat and risk assessment that addresses all threats has become an urgent imperative.

How the Country Should Develop the National Strategy

Now, I would like to discuss some elements that may need to be included in the development of the national strategy and a means to assign roles to federal, state, and local governments and the private sector.

Three essential elements provide a basis for developing a national strategy: a risk assessment, vulnerability analysis, and infrastructure criticality analysis. This approach, developed by the Department of Defense for its antiterrorism program, could be an instructive model in developing a homeland security strategy. First, our nation must thoroughly assess the threats posed by nations, groups, or individuals and, to the extent possible, eliminate or reduce the threat. Second, we have to identify the vulnerabilities and weaknesses that exist in our infrastructure, operations, planning, and exercises and then identify steps to mitigate those risks. Third, we must assure our ability to respond to and mitigate the consequences of an attack. Given time and resource limitations, we must identify the most critical aspects of our infrastructure and operations that require the most immediate attention.

Our strategy, to be comprehensive in nature, should include steps designed to

[3] *Combating Chemical, Biological, Radiological, and Nuclear Terrorism: A Comprehensive Strategy* (Report of the CSIS Homeland Defense Project, May 2001).

- reduce our vulnerability to threats, for example, by hardening targets to minimize the damage from an attack;
- use intelligence assets to identify threats;
- stop attacks before they occur; and
- manage the consequences of an incident.

In addition, the strategy should incorporate mechanisms to assess resource utilization and program performance as well as provide for training, exercises, and equipment to respond to tragic events such as those that occurred last week. Because we may not be able to eliminate all vulnerabilities within our borders, prevent all threat activity, or be completely prepared to respond to all incidents, our strategy should focus finite national resources on areas of greatest need.

Once a strategy is developed, all levels of government and the private sector will need to understand and prepare for their defined roles under the strategy. While the federal government can assign roles to federal agencies under the strategy, it will need to reach consensus with the other levels of government and with the private sector on their roles.

In the 1990s, the world was concerned about the potential for computer failures at the start of the new millennium, an issue that came to be known as Y2K. The Y2K task force approach may offer a model for developing the public-private partnerships necessary under a comprehensive homeland security strategy. A massive mobilization with federal government leadership was undertaken in connection with Y2K which included partnerships with the private sector and international governments and effective communication to implement any needed corrections. The value of federal leadership, oversight, and partnerships was repeatedly cited as a key to success in addressing Y2K issues at a Lessons Learned summit held last year. Developing a homeland security plan may require a similar level of leadership, oversight, and partnerships with nearly every segment of American society—including individual U.S. citizens—as well as with the international community. In addition, as in the case of our Y2K efforts, Congress needs to take an active, ongoing, and crosscutting approach to oversight in connection with the design and implementation of the homeland security strategy.

Prior GAO Work Related to Homeland Security

We at GAO have completed several congressionally requested efforts on numerous topics related to homeland security. I would like to briefly summarize some of the work that we have done in the areas of combating terrorism, aviation security, transnational crime, protection of critical infrastructure, and public health.

Combating Terrorism

Given concerns about the preparedness of the federal government and state and local emergency responders to cope with a large-scale terrorist attack involving the use of weapons of mass destruction, we have reviewed the plans, policies, and programs for combating domestic terrorism involving weapons of mass destruction. Our report, *Combating Terrorism: Selected Challenges and Related Recommendations*,[4] was issued yesterday and updates our extensive evaluations in recent years of federal programs to combat domestic terrorism and protect critical infrastructure.

Progress has been made since we first began looking at these issues in 1995. Interagency coordination has improved, and interagency and intergovernmental command and control now is regularly included in exercises. Agencies also have completed operational guidance and related plans. Federal assistance to state and local governments to prepare for terrorist incidents has resulted in training for thousands of first responders, many of whom went into action at the World Trade Center and at the Pentagon on September 11, 2001.

However, some key elements remain incomplete. As a result, we recommended that the President designate a single focal point with responsibility and authority for all critical functions necessary to provide overall leadership and coordination of federal programs to combat terrorism. The focal point should oversee a national-level threat assessment on likely weapons of mass destruction that might be used by terrorists and lead the development of a national strategy to combat terrorism and oversee its implementation. Furthermore, we recommended that the Assistant to the President for Science and Technology complete a strategy to coordinate research and development to improve federal capabilities and avoid duplication.

[4] *Combating Terrorism: Selected Challenges and Related Recommendations* (GAO-01-822, Sept. 20, 2001).

Aviation Security

Now let me turn to aviation security. Since 1996, we have presented numerous reports and testimonies and reported on numerous weaknesses that we found in the commercial aviation security system. For example, we reported that airport passenger screeners do not perform well in detecting dangerous objects, and Federal Aviation Administration tests showed that as testing gets more realistic—that is, as tests more closely approximate how a terrorist might attempt to penetrate a checkpoint—screener performance declines significantly. In addition, we were able to penetrate airport security ourselves by having our investigators create fake credentials from the Internet and declare themselves law enforcement officers. They were then permitted to bypass security screening and go directly to waiting passenger aircraft. In 1996, we outlined a number of steps that required immediate action, including identifying vulnerabilities in the system; developing a short-term approach to correct significant security weaknesses; and developing a long-term, comprehensive national strategy that combines new technology, procedures, and better training for security personnel.

Cyber Attacks on Critical Infrastructure

Federal critical infrastructure-protection initiatives have focused on preventing mass disruption that can occur when information systems are compromised because of computer-based attacks. Such attacks are of growing concern due to the nation's increasing reliance on interconnected computer systems that can be accessed remotely and anonymously from virtually anywhere in the world. In accordance with Presidential Decision Directive 63, issued in 1998, and other information-security requirements outlined in laws and federal guidance, an array of efforts has been undertaken to address these risks. However, progress has been slow. For example, federal agencies have taken initial steps to develop critical infrastructure plans, but independent audits continue to identify persistent, significant information security weaknesses that place virtually all major federal agencies' operations at high risk of tampering and disruption. In addition, while federal outreach efforts have raised awareness and prompted information sharing among government and private sector entities, substantive analysis of infrastructure components to identify interdependencies and related vulnerabilities has been limited. An underlying deficiency impeding progress is the lack of a national plan that fully defines the roles and responsibilities of key participants and establishes interim objectives. Accordingly, we have recommended that the Assistant to the President for National Security Affairs ensure that the government's critical infrastructure strategy clearly define specific roles and responsibilities, develop interim objectives and milestones for achieving adequate protection, and define performance measures for accountability. The administration currently is reviewing and considering

adjustments to the government's critical infrastructure-protection strategy that may address this deficiency.

International Crime Control

On September 20, 2001, we publicly released a report on international crime control and reported that individual federal entities have developed strategies to address a variety of international crime issues, and for some crimes, integrated mechanisms exist to coordinate efforts across agencies. However, we found that without an up-to-date and integrated strategy and sustained top-level leadership to implement and monitor the strategy, the risk is high; scarce resources will be wasted; overall effectiveness will be limited or not known; and accountability will not be ensured. We recommended that the Assistant to the President for National Security Affairs take appropriate action to ensure sustained executive-level coordination and assessment of multiagency federal efforts in connection with international crime. Some of the individual actions we recommended were to update the existing governmentwide international crime threat assessment, to update or develop a new International Crime Control Strategy to include prioritized goals as well as implementing objectives, and to designate responsibility for executing the strategy and resolving any jurisdictional issues.

Public Health

The spread of infectious diseases is a growing concern. Whether a disease outbreak is intentional or naturally occurring, the public health response to determine its causes and contain its spread is the same. Because a bioterrorist event could look like a natural outbreak, bioterrorism preparedness rests in large part on public health preparedness. In our review last year of the West Nile virus outbreak in New York, we found problems related to communication and coordination among and between federal, state, and local authorities. Although this outbreak was relatively small in terms of the number of human cases, it taxed the resources of one of the nation's largest local health departments. In 1999, we reported that surveillance for important emerging infectious diseases is not comprehensive in all states, leaving gaps in the nation's surveillance network. Laboratory capacity could be inadequate in any large outbreak, with insufficient trained personnel to perform laboratory tests and insufficient computer systems to rapidly share information. Earlier this year, we reported that federal agencies have made progress in improving their management of the stockpiles of pharmaceutical and medical supplies that would be needed in a bioterrorist event, but that some problems still remained. There are also widespread concerns that hospital emergency departments generally are not prepared in an organized fashion to treat victims of biological terrorism and that hospital emergency capacity is already strained, with emergency rooms in major metropolitan

areas routinely filled and unable to accept patients in need of urgent care. To improve the nation's public health surveillance of infectious diseases and help ensure adequate public protection, we recommended that the Director of the Centers for Disease Control and Prevention lead an effort to help federal, state, and local public health officials achieve consensus on the core capacities needed at each level of government. We advised that consensus be reached on such matters as the number and qualifications of laboratory and epidemiological staff as well as laboratory and information technology.

Conclusion

Based on the tragic events of last week and our observations over the past several years, there are several key questions that need to be asked in addressing homeland security:

1. What are our vision and our national objectives to make the homeland more secure?

2. What essential elements should constitute the government's strategy for securing the homeland?

3. How should the executive branch and the Congress be organized to address these issues?

4. How should we assess the effectiveness of any homeland security strategy implementation to address the spectrum of threats?

Homeland security issues are now at the top of the national agenda, as a result of last week's tragic events. As a result, it is clear that the administration has taken and is taking a variety of actions to identify responsible parties for last week's attacks, manage the related consequences and mitigate future risks. Obviously, we have not been able to assess the nature and extent of this effort in the wake of last week's events. We expect that we will be asked to do so in due course.

Finally, Mr. Chairman, as you might expect, we have been inundated with requests to brief congressional committees and members on our present and pending work and to undertake new work. We are working with the congressional leadership to be sure we have focused our limited resources on the most important issues. We look forward to working with you and others to focus our work and to identify options for how best to proceed while holding responsible parties accountable for desired outcomes. This concludes my prepared statement.

I would be happy to answer any questions that you may have.

GAO
Accountability * Integrity * Reliability

Key Questions for Homeland Security

- What are our vision and national objectives to make the homeland more secure?
- What essential elements should comprise the government's strategy for homeland security?
- How should the executive branch and the Congress be organized to address homeland security issues?
- How should we assess the effectiveness of any homeland security strategy implementation to address the spectrum of threats?

NEW WORLD COMING:

AMERICAN SECURITY IN THE 21ST CENTURY

MAJOR THEMES AND IMPLICATIONS

The Phase I Report on the Emerging Global Security Environment
for the First Quarter of the 21st Century

The United States Commission on National Security/21st Century

September 15, 1999

Preface

In 1947, President Harry Truman signed into law the National Security Act, the landmark U.S. national security legislation of the latter half of the 20th century. The 1947 legislation has served us well. It has undergirded our diplomatic efforts, provided the basis to establish our military capabilities, and focused our intelligence assets.

But the world has changed dramatically in the last fifty years, and particularly in the last decade. Institutions designed in another age may or may not be appropriate for the future. It is the mandate of the United States Commission on National Security/21st Century to examine precisely that question. It has undertaken to do so in three phases: the first to describe the world emerging in the first quarter of the next century, the second to design a national security strategy appropriate to that world, and the third to propose necessary changes to the national security structure in order to implement that strategy effectively. This paper, together with its supporting research and analysis, fulfills the first of these phases. As co-chairs of the Commission, we are pleased to present it to the American people.

Gary Hart

Warren B. Rudman

U.S. COMMISSION ON NATIONAL SECURITY/21st CENTURY

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Harry D. Train
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Andrew Young
Commissioner

This paper consists of four parts: a contextual introduction; an articulation of twelve basic assumptions and observations; fourteen key conclusions about the global environment of the next quarter century; and a statement of their essential meaning for American national security strategy in the 21st century. The U.S. Commission on National Security/21st Century will build upon this foundation to recommend a new strategy for the advancement of American interests and values. It will then propose, as necessary, new structures and processes for U.S. foreign and security policies in order to implement that strategy.

Introduction

In the next century, the spread of knowledge, the development of new technologies, and an increasing recognition of common global problems will present vast opportunities for economic growth, regional integration, and global political cooperation. The size of the world's middle class may increase many times over, lifting literally tens of millions of people from the depredations of poverty and disease. Authoritarian regimes will increasingly founder as they try to insulate their populations from a world brimming with free-flowing information, new economic opportunities, and spreading political freedoms. We may thus see the rise of many new democracies and the strengthening of several older ones. However fragile this process may be, it holds the hope of less conflict in the world than exists today.

Realizing these possibilities, however, will require concerted action on the part of the United States and other mature democracies around the world. Active American engagement cannot prevent all problems, but wise policies can mitigate many of them. The United States and governments of kindred spirit must work harder to prevent conflicts as well as respond to them after the fact. Otherwise, the promise of the next century may never be realized, for greater global connectedness can lead to an increased possibility of misfortune as well as benefit.

The future is one of rising stakes. While humanity has an unprecedented opportunity to succor its poor, heal its sick, compose its disagreements, and find new purpose in common global goals, failure at these tasks could produce calamity on a worldwide scale. Thanks to the continuing integration of global financial networks, economic downturns that were once normally episodic and local may become more systemic and fully global in their harmful effects. Isolated epidemics could metastasize into global pandemics. The explosion in scientific discoveries now under way bears the potential of near miraculous benefit for humanity; misused, in the hands of despots, the new science could become a tool of genocide on an unprecedented scale. During the next 25 years, dilemmas arising from advances in biotechnology increasingly will force some cultures to reexamine the very foundations of their ethical structures. As society changes, our concept of national security will expand and our political values will be tested. In every sphere, our moral imaginations will be exercised anew.

For all that will be novel in the next century, some things will not change. Historical principles will still apply. There will still be great powers, and their interaction in pursuit of their own self-interests will still matter. As ever, much will depend on the sagacity and good character of leadership. Misunderstandings, misjudgments, and mistakes will still occur, but so will acts of bravery borne on the insight of exceptional men and women.

Today, and in the world we see emerging, American leadership will be of paramount importance. The American moment in world history will not last forever; nothing wrought by man does. But for the time being, a heavy responsibility rests on both its power and its values. It is a rare moment and a special opportunity in history when the acknowledged dominant global power seeks neither territory nor political empire. Every effort must be made to ensure that this responsibility is discharged wisely. It is to this end that our study is ultimately directed.

Our View of the Future

As we look to the future, *we believe that*:

1. An economically strong United States is likely to remain a primary political, military, and cultural force through 2025, and will thus have a significant role in shaping the international environment.
2. The stability and direction of American society and politics will help shape U.S. foreign policy goals and capacities, and hence the way the United States may affect the global future.
3. Science and technology will continue to advance and become more widely available and utilized around the world, but their benefits will be less evenly distributed.
4. World energy supplies will remain largely based on fossil fuels.
5. While much of the world will experience economic growth, disparities in income will increase and widespread poverty will persist.
6. The international aspects of business and commerce (trade, transportation, telecommunications, investment and finance, manufacturing, and professional services) will continue to expand.
7. Non-governmental organizations (refugee aid organizations, religious and ethnic advocacy groups, environmental and other single-issue lobbies, international professional associations, and others) will continue to grow in importance, numbers, and in their international role.
8. Though it will raise important issues of sovereignty, the United States will find it in its national interest to work with and strengthen a variety of international organizations.
9. The United States will remain *the* principal military power in the world.
10. Weapons of mass destruction (nuclear, chemical, and biological) and weapons of mass disruption (information warfare) will continue to proliferate to a wider range of state and non-state actors. Maintenance of a robust nuclear deterrent therefore remains essential as well as investment in new forms of defense against these threats.
11. We should expect conflicts in which adversaries, because of cultural affinities different from our own, will resort to forms and levels of violence shocking to our sensibilities.
12. As the United States confronts a variety of complex threats, it will often be dependent on allies; but it will find reliable alliances more difficult to establish and sustain.

Conclusions

On the basis of the foregoing beliefs, and our understanding of the broad context of the international security environment that will emerge over the next quarter century, *we conclude that*:

1. ***America will become increasingly vulnerable to hostile attack on our homeland, and our military superiority will not entirely protect us.***

The United States will be both absolutely and relatively stronger than any other state or combination of states. Although a global competitor to the United States is unlikely to arise over the next 25 years, emerging powers—either singly or in coalition—will increasingly constrain U.S. options regionally and limit its strategic influence. As a result, we will remain limited in our ability to impose our will, and we will be vulnerable to an increasing range of threats against American forces and citizens overseas as well as at home. American influence will increasingly be both embraced and resented abroad, as U.S. cultural, economic, and political power persists and perhaps spreads. States, terrorists, and other disaffected groups will acquire weapons of mass destruction and mass disruption, and some will use them. Americans will likely die on American soil, possibly in large numbers.

2. ***Rapid advances in information and biotechnologies will create new vulnerabilities for U.S. security.***

Governments or groups hostile to the United States and its interests will gain access to advanced technologies. They will seek to counter U.S. military advantages through the possession of these technologies and their actual use in non-traditional attacks. Moreover, as our society becomes increasingly dependent on knowledge-based technology for producing goods and providing services, new vulnerabilities to such attacks will arise.

3. ***New technologies will divide the world as well as draw it together.***

In the next century people around the world in both developed and developing countries will be able to communicate with each other almost instantaneously. New technologies will increase productivity and create a transnational cyberclass of people. We will see much greater mobility and emigration among educated elites from less to more developed societies. We will be increasingly deluged by information, and have less time to process and interpret it. We will learn to cure illnesses, prolong and enrich life, and routinely clone it, but at the same time, advances in bio-technology will create moral dilemmas. An anti-technology backlash is possible, and even likely, as the adoption of emerging technologies creates new moral, cultural, and economic divisions.

4. ***The national security of all advanced states will be increasingly affected by the vulnerabilities of the evolving global economic infrastructure.***

The economic future will be more difficult to predict and to manage. The emergence or strengthening of significant global economic actors will cause realignments of economic power. Global changes in the next quarter-century will produce opportunities and vulnerabilities. Overall global economic growth will continue, albeit unevenly. At the same time, economic integration and fragmentation will co-exist. Serious and unexpected economic downturns, major disparities of wealth, volatile capital flows, increasing vulnerabilities in global electronic infrastructures, labor and social disruptions, and pressures for

increased protectionism will also occur. Many countries will be simultaneously more wealthy and more insecure. Some societies will find it difficult to develop the human capital and social cohesion necessary to employ new technologies productively. Their frustrations will be endemic and sometimes dangerous. For most advanced states, major threats to national security will broaden beyond the purely military.

5. Energy will continue to have major strategic significance.

Although energy distribution and consumption patterns will shift, we are unlikely to see dramatic changes in energy technology on a world scale in the next quarter century. Demand for fossil fuel will increase as major developing economies grow, increasing most rapidly in Asia. American dependence on foreign sources of energy will also grow over the next two decades. In the absence of events that alter significantly the price of oil, the stability of the world oil market will continue to depend on an uninterrupted supply of oil from the Persian Gulf, and the location of all key fossil fuel deposits will retain geopolitical significance.

6. All borders will be more porous; some will bend and some will break.

New technologies will continue to stretch and strain all existing borders—physical and social. Citizens will communicate with and form allegiances to individuals or movements anywhere in the world. Traditional bonds between states and their citizens can no longer be taken for granted, even in the United States. Many countries will have difficulties keeping dangers out of their territories, but their governments will still be committed to upholding the integrity of their borders. Global connectivity will allow "big ideas" to spread quickly around the globe. Some ideas may be religious in nature, some populist, some devoted to democracy and human rights. Whatever their content, the stage will be set for mass action to have social impact beyond the borders and control of existing political structures.

7. The sovereignty of states will come under pressure, but will endure.

The international system will wrestle constantly over the next quarter century to establish the proper balance between fealty to the state on the one hand, and the impetus to build effective transnational institutions on the other. This struggle will be played out in the debate over international institutions to regulate financial markets, international policing and peacemaking agencies, as well as several other shared global problems. Nevertheless, global forces, especially economic ones, will continue to batter the concept of national sovereignty. The state, as we know it, will also face challenges to its sovereignty under the mandate of evolving international law and by disaffected groups, including terrorists and criminals. Nonetheless, the principle of national sovereignty will endure, albeit in changed forms.

8. Fragmentation or failure of states will occur, with destabilizing effects on neighboring states.

Global and regional dynamics will normally bind states together, but events in major countries will still drive whether the world is peaceful or violent. States will differ in their ability to seize technological and economic opportunities, establish the social and political infrastructure necessary for economic growth, build political institutions responsive to the aspirations of their citizens, and find the leadership necessary to guide them through an era

of uncertainty and risk. Some important states may not be able to manage these challenges and could fragment or fail. The result will be an increase in the rise of suppressed nationalisms, ethnic or religious violence, humanitarian disasters, major catalytic regional crises, and the spread of dangerous weapons.

9. Foreign crises will be replete with atrocities and the deliberate terrorizing of civilian populations.

Interstate wars will occur over the next 25 years, but most violence will erupt from conflicts internal to current territorial states. As the desire for self-determination spreads, and many governments fail to adapt to new economic and social realities, minorities will be less likely to tolerate bad or prejudicial government. In consequence, the number of new states, international protectorates, and zones of autonomy will increase, and many will be born in violence. The major powers will struggle to devise an accountable and effective institutional response to such crises.

10. Space will become a critical and competitive military environment.

The U.S. use of space for military purposes will expand, but other countries will also learn to exploit space for both commercial and military purposes. Many other countries will learn to launch satellites to communicate and spy. Weapons will likely be put in space. Space will also become permanently manned.

11. The essence of war will not change.

Despite the proliferation of highly sophisticated and remote means of attack, the essence of war will remain the same. There will be casualties, carnage, and death; it will not be like a video game. What will change will be the kinds of actors and the weapons available to them. While some societies will attempt to limit violence and damage, others will seek to maximize them, particularly against those societies with a lower tolerance for casualties.

12. U.S. intelligence will face more challenging adversaries, and even excellent intelligence will not prevent all surprises.

Micro-sensors and electronic communications will continue to expand intelligence collection capabilities around the world. As a result of the proliferation of other technologies, however, many countries and disaffected groups will develop techniques of denial and deception in an attempt to thwart U.S. intelligence efforts—despite U.S. technological superiority. In any event, the United States will continue to confront strategic shocks, as intelligence analysis and human judgments will fail to detect all dangers in an ever-changing world.

13. The United States will be called upon frequently to intervene militarily in a time of uncertain alliances and with the prospect of fewer forward-deployed forces.

Political changes abroad, economic considerations, and the increased vulnerability of U.S. bases around the world will increase pressures on the United States to reduce substantially its forward military presence in Europe and Asia. In dealing with security crises, the 21st century will be characterized more by episodic "posses of the willing" than the traditional World War II-style alliance systems. The United States will increasingly find itself wishing to form coalitions but increasingly unable to find partners willing and able to carry out combined military operations.

14. The emerging security environment in the next quarter century will require different military and other national capabilities.

The United States must act together with its allies to shape the future of the international environment, using all the instruments of American diplomatic, economic, and military power. The type of conflict in which this country will generally engage in the first quarter of the 21st century will require sustainable military capabilities characterized by stealth, speed, range, unprecedented accuracy, lethality, strategic mobility, superior intelligence, and the overall will and ability to prevail. It is essential to maintain U.S. technological superiority, despite the unavoidable tension between acquisition of advanced capabilities and the maintenance of current capabilities. The mix and effectiveness of overall American capabilities need to be rethought and adjusted, and substantial changes in non-military national capabilities will also be needed. Discriminating and hard choices will be required.

Seeking an American National Security Strategy

In many respects, the world ahead seems amenable to basic American interests and values. A world pried open by the information revolution is a world less hospitable to tyranny and more friendly to human liberty. A more prosperous world is, on balance, a world more conducive to democracy and less tolerant of fatalism and the dour dogmas that often attend it. A less socially rigid, freer, and self-regulating world also accords with our deepest political beliefs and our central political metaphors—the checks and balances of our Constitution, the "invisible hand" of the market, our social creed of *E Pluribus Unum*, and the concept of federalism itself.

Nevertheless, a world amenable to our interests and values will not come into being by itself. Much of the world will resent and oppose us, if not for the simple fact of our preeminence, then for the fact that others often perceive the United States as exercising its power with arrogance and self-absorption. There will also be much apprehension and confusion as the world changes. National leaderships will have their hands full, and some will make mistakes.

As a result, for many years to come Americans will become increasingly less secure, and *much less secure than they now believe themselves to be*. That is because many of the threats emerging in our future will differ significantly from those of the past, not only in their physical but also in their psychological effects. While conventional conflicts will still be possible, the most serious threat to our security may consist of unannounced attacks on American cities by sub-national groups using genetically engineered pathogens. Another may be a well-planned cyber-attack on the air traffic control system on the East Coast of the United States, as some 200 commercial aircraft are trying to land safely in a morning's rain and fog. Other threats may inhere in assaults against an increasingly integrated and complex, but highly vulnerable, international economic infrastructure whose operation lies beyond the control of any single body. Threats may also loom from an unraveling of the fabric of national identity itself, and the consequent failure or collapse of several major countries.

Taken together, the evidence suggests that threats to American security will be more diffuse, harder to anticipate, and more difficult to neutralize than ever before. Deterrence will not work as it once did; in many cases it may not work at all. There will be a blurring of boundaries: between homeland defense and foreign policy; between sovereign states and a plethora of protectorates and autonomous zones; between the pull of national loyalties on individual citizens and the pull of loyalties both more local and more global in nature.

While the likelihood of major conflicts between powerful states will decrease, conflict itself will likely increase. The world that lies in store for us over the next 25 years will surely challenge our received wisdom about how to protect American interests and advance American values. In such an environment the United States needs a sure understanding of its objectives, and a coherent strategy to deal with both the dangers and the opportunities ahead. It is from the Phase I Report—both this document and the research and analytical study from which it is drawn—that this Commission will seek to develop that understanding, and build that strategy, in Phase II. We will unveil that strategy in April 2000.

SEEKING A NATIONAL STRATEGY:

A CONCERT FOR PRESERVING SECURITY AND PROMOTING FREEDOM

The Phase II Report on a
U.S. National Security Strategy for the 21st Century

The United States Commission on National Security/21st Century

April 15, 2000

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Introduction

"We must disenthrall ourselves," said Abraham Lincoln, at a time of much greater peril to the Republic than we face today. As the times are new, said Lincoln, "so we must think anew." At the dawn of this new century, the nation faces a similar necessity. No concern of American society is more in need of creative thinking than the future security of this country, but in no domain is such thinking more resistant to change. The very term "security" suggests caution and guardedness, not innovation. We know that major countries rarely engage in serious rethinking and reform absent a major defeat, but this is a path the United States cannot take. Americans are less secure than they believe themselves to be. The time for reexamination is now, before the American people find themselves shocked by events they never anticipated.

During the last half century, the national security strategy of the United States was derived largely from, focused on, and committed to the containment of Soviet Communism. Since the fall of the Berlin Wall in 1989, and the dramatic transformation of world politics resulting from the dissolution of the Soviet Union two years later, our leaders have been searching for a unifying theme to provide a strategic framework appropriate to current and future circumstances. That search has not been easy.

The U.S. Commission on National Security/21st Century has been tasked with thinking anew about America's national security for the next 25 years.[1] In this report, we suggest the strategic precepts that should guide the formulation of U.S. strategy, and then take a fresh look at U.S. national interests and priority objectives. On that basis, we propose the framework of a new national security strategy.[2] This report is intended to contribute to a new consensus on national security strategy to carry the United States forward into a challenging future.[3]

Thinking about Strategy

This Commission's Phase I report pointed to two contradictory trends ahead: a tide of economic, technological, and intellectual forces that is integrating a global community, amid powerful forces of social and political fragmentation.[4] While no one knows what the mix of these trends will produce, the new world coming will be dramatically different in significant respects. Governments are under pressure from below, by forces of ethnic separatism and violence, and from above, by economic, technological, and cultural forces beyond any government's full control. We are witnessing a transformation of human society on the magnitude of that between the agricultural and industrial epochs—and in a far more compressed period of time.

Such circumstances put a special premium on strategic wisdom, particularly for a country of the size and character of the United States. In this Commission's view, the essence of American strategy must compose a

[1] This Commission, established to examine comprehensively how this nation will ensure its security in the next 25 years, has a threefold task. Phase I, completed on September 15, 1999, described the transformations emerging over the next quarter-century in the global and domestic U.S. security environment. Phase II, concerning U.S. interests, objectives, and strategy, is contained in this document. Phase III, which will examine the structures and processes of the U.S. national security apparatus for 21st century relevancy, will be delivered on or before February 15, 2001.

[2] In the interest of brevity, this Commission has compressed considerable discussion and detail into this document. Further discussion of the implications of several main themes in this report will be presented in the Commission's Phase III findings.

[3] This report is built upon a consensus involving all members of the Commission, but not every Commissioner subscribes with equal enthusiasm to every statement contained herein.

[4] See *New World Coming: American Security in the 21st Century* (Washington, DC: U.S. Commission on National Security/21st Century, September 15, 1999).

balance between two key aims. The first is to *reap the benefits of a more integrated world in order to expand freedom, security, and prosperity for Americans and for others.* But, second, American strategy must also strive to *dampen the forces of global instability so that those benefits can endure.* Freedom is the quintessential American value, but without security, and the relative stability that results therefrom, it can be evanescent. American strategy should seek both security and freedom, and it must seek them increasingly in concert with others. Hence our title: *A Concert for Preserving Security and Promoting Freedom.*

Our assessment of the new world emerging, and the core interests and values of the American people, lead us to offer the following precepts as a guide to the formulation of national strategy:

Strategy and policy must be grounded in the national interest. The national interest has many strands—political, economic, security, and humanitarian. National interests are nevertheless the most durable basis for assuring policy consistency. Gaining and sustaining public support for U.S. policy is best achieved, too, when American principles are coupled with clearly visible national interests. Moreover, a strategy based on national interest, properly conceived, engenders respect for the interests of others.

The maintenance of America's strength is a long-term commitment and cannot be assured without conscious, dedicated effort. If America does not make wise investments in preserving its own strength, well within 25 years it will find its power reduced, its interests challenged even more than they are today, and its influence eroded. Many nations already seek to balance America's relative power, and the sinews of American strength—social, military, economic, and technological—will not sustain themselves without conscious national commitment. Assuring American prosperity is particularly critical; without it, the United States will be hobbled in all its efforts to play a leading role internationally.

The United States faces unprecedented opportunities as well as dangers in the new era. American strategy must rise to positive challenges as well as to negative ones. Working toward constructive relations among the major powers, preserving the dynamism of the new global economy and spreading its benefits, sharing responsibility with others in grappling with new transnational problems—this is a diplomatic agenda that tests American statesmanship and creativity. As in the late 1940s, the United States should help build a new international system in which other nations, freely pursuing their own interests, find it advantageous to do so in ways that coincide with American interests.

Since it cannot bear every burden, **the United States must find new ways to join with other capable and like-minded nations.** Where America would not act itself, it retains a responsibility as the leading power to help build effective *systems* of international collaboration. America must therefore overcome its ambivalence about international institutions and about the strength of its partners, questioning them less and encouraging them more.

This nation must set priorities and apply them consistently. To sustain public support and to discipline policy, America must not exhaust itself by limitless commitments. Especially with respect to military intervention abroad, a finer calculus of

benefits and burdens must govern. Resisting the "CNN effect" may be one of the most important requirements of U.S. policymaking in the coming period.

Finally, **America must never forget that it stands for certain principles, most importantly freedom under the rule of law.** Freedom is today a powerful tide in the affairs of mankind, and, while the means chosen to serve it must be tempered by a realistic appreciation of limits, it is not "realism" to ignore its power. At the same time, if America is to retain its leadership role, it must live up to its principles consistently, in its own conduct and in its relations with other nations.

The National Interest in a New Century

The first of these precepts is the most crucial of all: American national security strategy must find its anchor in U.S. national interests, interests that must be both protected *and advanced* for the fundamental well being of American society. We define these interests at three levels: **survival** interests, without which America would cease to exist as we know it; **critical** interests, which are causally one step removed from survival interests; and **significant** interests, which importantly affect the global environment in which the United States must act. There are, of course, other national interests, though of lesser importance than those in the above three categories.

U.S. **survival** interests include America's safety from direct attack, especially involving weapons of mass destruction, by either states or terrorists. Of the same order of importance is the preservation of America's Constitutional order and of those core strengths—educational, industrial, scientific-technological—that underlie America's political, economic, and military position in the world.

Critical U.S. national interests include the continuity and security of those key international *systems*—energy, economic, communications, transportation, and public health (including food and water supplies)—on which the lives and well being of Americans have come to depend. It is a critical national interest of the United States that no hostile power establish itself on U.S. borders, or in control of critical land, air, and sea lines of communication, or—in today's new world—in control of access to outer space or cyberspace. It is a critical national interest of the United States that no hostile hegemon arise in any of the globe's major regions, nor a hostile global peer rival or a hostile coalition comparable to a peer rival. The security of allies and friends is a critical national interest of the United States, as is the ability to avert, or check, the proliferation of weapons of mass destruction into the hands of actors hostile or potentially hostile to the United States.

Significant U.S. national interests include the deepening and institutionalization abroad of constitutional democracy under the rule of law, market-based economics, and universal recognition of basic human rights. The United States also has a significant interest in the responsible expansion of an international order based on agreed rules among major powers to manage common global problems, not least those involving the physical environment. It is a significant national interest of the United States that there be economic growth abroad, to raise the living standards of the poorest and to mitigate economic and political conflict. It is a significant national interest of the United States that international terrorism and criminality (including illicit drug trade) be minimized, but without jeopardizing the openness of international eco-

nomic and cultural exchanges. It is a significant national interest of the United States that neither mass murder nor gross violations of human rights be acceptable in the world's political life. It is a significant national interest of the United States that immigration across American boundaries not be uncontrolled. Finally, the free and safe movement of American citizens abroad is a significant national interest of the United States.

Key Objectives

The United States seeks to assure its own freedom under law, its safety, and its prosperity. But Americans recognize that these goals are best assured in a world where others achieve them, too. American strategy, therefore, must engage in new ways—and in concert with others—to consolidate and advance the peace, prosperity, democracy, and cooperative order of a world now happily free from global totalitarian threats. At the same time, however—also in concert with others—American strategy must strive to stabilize those parts of the world still beset by acute political conflict. To fulfill these strategic goals in a new age, America's priority objectives—and key policy aims—must be these:

FIRST, TO DEFEND THE UNITED STATES AND ENSURE THAT IT IS SAFE FROM THE DANGERS OF A NEW ERA.

In light of the new dangers arising from the proliferation of weapons of mass destruction and terrorism, the United States must focus anew on how to maintain a robust and powerful deterrent to all forms of attack on its territory and its critical assets. Non-proliferation of weapons of mass destruction is of the highest priority in U.S. national security policy in the next quarter century. A higher priority, too, should be given to preventing, through diplomatic and other means, unconventional attacks on all states. But should prevention and deterrence fail, the United States must have means of active defense against both mortal danger and blackmail. U.S. military, law enforcement, intelligence, economic, financial, and diplomatic means must be effectively integrated for this purpose.

The United States should seek enhanced international cooperation to combat the growing proliferation of weapons of mass destruction. This should include an effective and enforceable international ban on the creation, transfer, trade, and weaponization of biological pathogens, whether by states or non-state actors. Also, when available and implemented with rigor, cooperative programs to deal with existing stockpiles of nuclear, biological, and chemical weapons are cost-effective and politically attractive ways to reduce the dangers of weapons and weapons matériel proliferation.

The United States should also strive to deepen the international normative consensus against terrorism and state support of terrorism. It should work with others to strengthen cooperation among law enforcement agencies, intelligence services, and military forces to foil terrorist plots and deny sanctuary to terrorists by attacking their financial and logistical centers.

The United States should build comprehensive theater missile defense capabilities. It should also build national defenses against a limited ballistic missile attack to the extent technically feasible, fiscally prudent, and politically sustainable. As cruise missile and other sophisticated atmospheric technologies spread, the United States must address the problem of devising defenses against such capabilities. The United States must also develop methods to defend against other, covert means of attacking the United States with weapons of mass destruction and disruption.

The United States must also have specialized forces capable of combating threats and blackmail from those possessing weapons of mass destruction and from terrorism. The magnitude of the danger posed by weapons of mass destruction compels this nation, as well, to consider carefully the means and circumstances of preemption.

The protection of U.S. and international access to outer space and cyberspace must become a high priority of U.S. security planning. Outer space and cyberspace are the main arteries of the world's evolving information and economic systems, and the ability to move ideas and information through them freely is a prerequisite for expanding global freedom and prosperity. Secure access to outer space and cyberspace is also now the *sine qua non* of the U.S. military's ability to function effectively. Through both technological and diplomatic means, the United States needs to guard against the possibility of "breakout" capabilities in space or cyberspace that would endanger U.S. survival or critical interests.

Despite the political obstacles, the United States should redouble its efforts to deal multilaterally with the diffusion of dangerous dual-use technologies. It must improve its capability to track the destinations and final uses of its own high-technology exports, and it must be prepared to aid allies in similar efforts.

To deal medically and psychologically with potentially large losses of American lives in attacks against the American homeland, U.S. public health capabilities need to be augmented. In addition, programs to ensure the continuity of Constitutional government should be bolstered.

SECOND, TO MAINTAIN AMERICA'S SOCIAL COHESION, ECONOMIC COMPETITIVENESS, TECHNOLOGICAL INGENUITY, AND MILITARY STRENGTH.

To ensure the vitality of all its core institutions, the United States must make it a priority of national policy to improve the quality of primary and secondary education, particularly in mathematics and the sciences. Moreover, in an era when private research and development efforts far outstrip those of government, the United States must create more advanced and effective forms of public/private partnerships to promote public benefit from scientific-technological innovation.

The United States must strive to reduce its dependence on foreign sources of fossil fuel energy that leaves this country and its allies vulnerable to economic pressures and political blackmail. Steady development of alternative sources of energy production, and greater efficiencies in energy transmission and conservation, are thus national security as well as economic and environmental necessities.

The United States must strengthen the bonds between the American people and those of its members who serve in the armed forces. It must also strengthen government (civil and military) personnel systems in order to improve recruitment, retention and effectiveness at all levels. Executive-Legislative relations regarding national security policy need to foster effective collaboration.

THIRD, TO ASSIST THE INTEGRATION OF KEY MAJOR POWERS, ESPECIALLY CHINA, RUSSIA, AND INDIA, INTO THE MAINSTREAM OF THE EMERGING INTERNATIONAL SYSTEM.

The United States should engage China constructively and with a positive attitude, politically and economically. But it must recognize that the potential for competition between the United States and China may increase as China grows stronger. China's increasing adherence to global economic, legal,

and cultural institutions and norms will be a positive factor, and the United States should encourage and assist this process of integration. At the same time, the United States should maintain its deterrent strength and its alliance system in the Asia/Pacific region. It should remain committed to the peaceful resolution of the Taiwan question, consistent with the terms of the three Sino-American Communiqués and the Taiwan Relations Act.

The United States should support Russian economic reform and democratic political development on a realistic basis, recognizing that these goals are first and foremost for Russians themselves to accomplish. It is also in the U.S. interest to assist Russian integration into global economic institutions, no less than is the case with China.

Clearly, too, relations with Russia should be appropriate to its importance as a major power. It does not benefit the United States to pursue policies that weaken or humiliate Moscow. Still, the United States must assert its own interests when they are affected adversely by Russian policies—as they are, for example, by policies that encourage or allow the proliferation of weapons of mass destruction. The United States and its allies should also support the continued political independence and territorial integrity of the newly independent former Soviet states.

In addition, arms control remains an important facet of U.S. national security policy. But the United States needs a new calculus for developing future strategic nuclear arms control strategy beyond START II. Such a calculus must include analysis of the implications of the increase in the number and prospective capabilities of nuclear weapons powers in the world. It must take account of new Chinese and Russian nuclear weapons capabilities. It must also take into account both the potential U.S. need to respond to chemical and biological threats with nuclear weapons and the U.S. commitment to protect non-nuclear states from blackmail and attack by nuclear weapons states.

India is the world's largest democracy and soon will be the world's most populous country. Therefore, India is and must be dealt with as a major power. Pakistan, too, remains a pivotal country in its own right, and good U.S. relations with Pakistan are in the U.S. national interest. The United States should also encourage India and Pakistan to settle their differences short of violence, and should make its good offices available to that end.

It is unlikely that American policy can persuade any Indian or Pakistani government to abandon its nuclear capacity. But the United States, together with other major powers, can play a more active role in discouraging future testing and the further production of fissile materials not under safeguards. The United States should also encourage mutual adoption of measures to ensure the safety and security of both countries' nuclear capabilities.

Beyond its efforts to bring these three major states into the mainstream of a new cooperative international order, the United States has a strong interest in limiting the further proliferation of sophisticated conventional weapons around the world. It should therefore seek support for a multilateral approach to devising limitations on such proliferation first with its closest allies and friends, and thereafter with Russia, China, India, and other significant arms producing countries.

FOURTH, TO PROMOTE, WITH OTHERS, THE DYNAMISM OF THE NEW GLOBAL ECONOMY AND IMPROVE THE EFFECTIVENESS OF INTERNATIONAL INSTITUTIONS AND INTERNATIONAL LAW.

The United States, in concert with the G-7, must strive to manage the elements of turbulence that accompany economic globalization in order to spread its benefits, while minimizing social and political dislocations and the system's vulnerability to financial crisis. This must include building political legitimacy as well as an economic architecture.

Continuing trade liberalization remains a key to global economic advance, particularly for those regions, countries, and selected economic sectors in advanced countries—including the United States—whose trade remains shackled by protectionist policies. Bilateral and regional approaches (in addition to the global system represented by the WTO) should be encouraged. Environmental concerns and labor rights must be addressed, although not in a manner that blocks or reverses trade liberalization.

Similarly, economic sanctions should not unduly inhibit trade. But, while this Commission is skeptical of the efficacy of broad and especially unilateral U.S. economic sanctions, specifically targeted financial sanctions, particularly when employed multilaterally, have a better chance of working. As the United States and its closest allies erect a new financial architecture, the capability to impose financial sanctions should be built into the system.

The United States, in cooperation with others, must continue to ensure that the price and supply of Persian Gulf and other major energy supplies are not wielded as political weapons directed against the United States or its allies and friends.

Because this Commission believes that public diplomacy is an important part of American diplomacy, the United States should help spread information technology worldwide, to bring the benefits of globalization and democracy to those parts of the world now cut off from them. The United States should also employ new technologies creatively to improve its public diplomacy in the new Information Age.

The United States should continue to promote strong international efforts against state corruption and transnational criminality, and should help the international community respond more effectively to humanitarian relief crises. To do this will require not only working in new ways with other governments but also with the burgeoning community of non-governmental organizations (NGOs), particularly in areas where U.S. official representation is sparse.

The United States should, as it has traditionally, support the growth of international law and remain willing to subscribe to international agreements where they promote overall U.S. interests. But the United States must always reserve the right to define its own interests, even if it requires withdrawing from—but not violating—selected treaty obligations. U.S. policy coherence and democratic accountability under the Constitution must be preserved.

The United States has a strong stake in a reformed and more effective United Nations system, and should engage constructively to that end. The UN, when properly supported, can be an effective instrument for the enhancement of international stability and humanitarian ends. In addition, the United States must be willing to lead in assembling ad hoc coalitions outside UN auspices if necessary.

FIFTH, TO ADAPT U.S. ALLIANCES AND OTHER REGIONAL MECHANISMS TO A NEW ERA IN WHICH AMERICA'S PARTNERS SEEK GREATER AUTONOMY AND RESPONSIBILITY.

The cornerstone of America's regional policies must be the maintenance and

enhancement of existing U.S. alliances and friendships. By strengthening relations with allies and friends, the United States extends both its influence and the zone of peace and stability.

In Europe, the United States should be prepared to support the evolution of an independent European Union defense policy in a manner consistent with the unity of the Atlantic Alliance. Forward-stationed forces, as the embodiment of overall U.S. capabilities and commitments in Europe, should remain an essential ingredient in that regional security alliance. The United States should also promote the concept of a Transatlantic Free Trade Area (TAFTA), as well as encourage the integration of East and Central European democracies into Atlantic and European economic institutions based on free trade.

The United States should expand the North American Free Trade Agreement (NAFTA) to all the democracies of the Western Hemisphere. It should deepen its ties within this hemisphere and seek to strengthen the Organization of American States (OAS). Whatever the merits of "exporting" democracy, there can be little doubt that helping to bolster democracies where they have come to exist of their own exertions should be high on the list of U.S. priorities. Nowhere is such an effort more important than in the Western Hemisphere.

In the Asia/Pacific area, the U.S.-Japan alliance should remain the keystone of U.S. policy. The United States should seek a more equal strategic partnership and a free trade agreement with Japan. In a region where old rivalries persist and reconciliation and integration have not advanced as far as they have in Europe, U.S. alliance and security ties with Korea, Australia and New Zealand, Thailand, Singapore, the Philippines, and others remain critical. Such ties compose a regional security community resting solidly on the assurance provided by U.S. engagement and power. The United States should also support the growth of multilateral institutions for regional security and prosperity, including the Association of Southeast Asian Nations (ASEAN), the ASEAN Regional Forum (ARF), and the Asia-Pacific Economic Cooperation (APEC).

The United States should plan now for the possibility of Korean reunification. Some American troops should remain in a unified Korea as a factor of reassurance and stability in the region, including for the purpose of ensuring that a unified Korea remains without nuclear weapons.

The United States has a continuing critical interest in keeping the Persian Gulf secure, and must accept its share of the burden for so doing. In that light, it must be a high priority to prevent either Iraq or Iran from deploying deliverable weapons of mass destruction. The United States should also support the emerging collaboration of friendly states—notably Israel, Turkey, and Jordan—and seek to broaden such a collaboration to include Egypt and Saudi Arabia, among others. Assisting the diplomatic settlement of the Arab-Israeli dispute will advance that prospect.

In collaboration with other OECD countries, the Organization of African Unity (OAU), and international development institutions, the United States should assist sub-Saharan Africa to build stronger economies and strengthen institutional cohesion and democratic ideals. In the economic field, emphasis should be put on promoting private investment, helping to develop West Africa's offshore energy resources, and providing debt relief and humanitarian aid (including resources to combat the AIDS epidemic). The United States should promote the professionalization of African militaries within

a framework of democratic values, and encourage African governments to engage their militaries in constructive tasks of infrastructure building. Major emerging democracies such as South Africa and Nigeria will be key players as partners with the United States and its allies.

SIXTH, TO HELP THE INTERNATIONAL COMMUNITY TAME THE DISINTEGRATIVE FORCES SPAWNED BY AN ERA OF CHANGE.

The disruptive new forces of globalization are subjecting many governments to extraordinary pressures. In many states, what used to be governmental monopolies on the use of force, on law making, and over the supply of money are now "privatized" in various ways. Even the spread of the idea of freedom, while positive in the long run, is often accompanied by destabilization. The disruption of the political and territorial status quo in much of the world will be one of the distinctive features of international affairs over the next quarter century.

To address these spreading phenomena of weak and failed states, ethnic separatism and violence, and the crises they breed, the United States needs first to establish priorities. Not every such problem must be primarily a U.S. responsibility, particularly in a world where other powers are amassing significant wealth and human resources. There are countries whose domestic stability is, for differing reasons, of major importance to U.S. interests (such as Mexico, Colombia, Russia, and Saudi Arabia). Without prejudging the likelihood of domestic upheaval, these countries should be a priority focus of U.S. planning in a manner appropriate to the respective cases.

For cases of lesser priority, the United States should help the international community develop innovative mechanisms to manage the problem of failed states. One such mechanism should include standing procedures to facilitate organizing peacekeeping operations and UN "conservatorships."

In all cases, the United States should resort first to preventive diplomacy: acting with political and economic tools, and in concert with others, to head off conflict *before* it reaches the threshold of mass violence.

Preventive diplomacy will not always work, however, and the United States should be prepared to act militarily in conjunction with other nations in situations characterized by the following criteria:

- when U.S. allies or friends are imperiled;
- when the prospect of weapons of mass destruction portends significant harm to civilian populations;
- when access to resources critical to the global economic system is imperiled;
- when a regime has demonstrated intent to do serious harm to U.S. interests;
- when genocide is occurring.

If all or most of these conditions are present, the case for multilateral military action is strong. If *any one* of these criteria is serious enough, however, the case for military action may also be strong.

Implications for National Security

The strategy outlined here bears important implications for the political, economic, and military components of U.S. national security policy. From the political perspective, American diplomacy must recognize that the increasingly integrated nature of global exchanges will render traditional analytical divisions of the world obsolete. While important relations will continue to take place on a

bilateral basis, many more international phenomena will be increasingly regional in nature and more will be fully global. The proliferation of non-state actors will also strain the traditional categories within which American diplomacy is organized.

As this Commission emphasized in its Phase I report, the economic dimensions of statecraft are also becoming more important. Among the democracies in what is known as the "zone of democratic peace," economic issues can rival the importance of military ones. But economic issues are also of critical importance to the prospect that other emerging or developing states will succeed or fail with fundamental political and social reform. American strategy must also recognize the importance of technology as the basic underpinning of economic health and military prowess the world over.

All this means that the integrating function of U.S. policymaking processes will be challenged as never before. Traditional national security agencies (State, Defense, CIA, NSC staff) will need to work together in new ways, and economic agencies (Treasury, Commerce, U.S. Trade Representative) will need to work more closely with the traditional national security community. In addition, other players—especially Justice and Transportation—will need to be integrated more fully into national security processes. Merely improving the interagency process around present structures may not suffice.

Moreover, the U.S. government must learn to build more effective partnerships with state and local governments, and government as a whole must develop new partnerships with nongovernmental organizations—though without sacrificing its ultimate responsibility and accountability for determining national policy.

As to military implications, the world we see emerging, and the strategy appropriate to that environment suggest that the United States needs five kinds of military capabilities:

- *nuclear* capabilities to deter and protect the United States and its allies from attack;
- *homeland security* capabilities;
- *conventional* capabilities necessary to win major wars;
- rapidly employable *expeditionary/intervention* capabilities; and
- *humanitarian relief* and *constabulary* capabilities.

Fundamental to U.S. national security strategy is the need to project U.S. power globally with forces stationed in the United States, and those stationed abroad and afloat in the forward presence role. Owing to the proliferation of new defense technologies in the hands of other states, effective power projection will become more difficult for the U.S. armed forces in the 21st century. U.S. forces must therefore possess greater flexibility to operate in a range of environments, including those in which the enemy has the capability to employ weapons of mass destruction. U.S. forces must be characterized by stealth, speed, range, accuracy, lethality, agility, sustainability, reliability—and be supported by superior intelligence—in order to deal effectively with the spectrum of symmetrical and asymmetrical threats we anticipate over the next quarter century.

This Commission believes that the "two major theater wars" yardstick for sizing U.S. forces is not producing the capabilities needed for the varied and complex contingencies now occurring and likely to increase in the years ahead. These contingencies, often calling for expeditionary interventions or stability opera-

tions, require forces different from those designed for major theater war. We believe these contingencies will occur in the future with sufficient regularity and simultaneity as to oblige the United States to adapt portions of its force structure to meet these needs. The overall force would then have the ability to engage effectively in contingencies ranging from humanitarian assistance and disaster relief, to peace and expeditionary combat operations, to large-scale, high-intensity conventional warfare. Finally, we recommend that the force structure designed to address these needs be developed on the basis of real-world intelligence assessments rather than illustrative scenarios.

In short, the capabilities mandated by these requirements will result in forces able to deploy rapidly, be employed immediately, and prevail decisively in expeditionary roles, prolonged stability operations, and major theater wars; a force to **deter** wars, to **preclude** crises from evolving into major conflicts, and to **win** wars rapidly and decisively should it become necessary.

America must also enhance the civil (that is, non-military) aspects of homeland security. These functions must be adequately funded and organized along appropriate lines of authority, responsibility, and accountability. The National Guard—successor to the militia, and acknowledged in the Second Amendment as the historic defender of the Republic—must be trained and equipped to assume, among its other responsibilities, a significant role in defending the homeland in the 21st century.

It is imperative, too, that the United States develop and fund these five kinds of capabilities *consistent with the level of need* created by changing political and security realities. Given the demands now placed upon this nation's military, or those anticipated in the next quarter century, it is evident that modern forces equal to these demands cannot be sustained by current levels of spending.

To Phase III—Building for Peace

The strategy articulated here requires that the United States *lead in the construction of a world balanced between the expansion of freedom, and the maintenance of underlying stability*. To do so it must concert its efforts with others and, to the extent possible, in a way consistent with the interests of others.

Having become a global power, the United States now holds a responsibility it will not abandon, both for the safeguarding of American interests and the broader interests of global peace and security. The United States is the first nation with fully global leadership responsibilities, but there are more and less effective ways to lead. Tone matters. Leadership is not the same as dominance; everyone else's business need not also be America's. Just as riches without integrity are unavailing, so power without wisdom is unworthy. As Shakespeare put it:

> O, it is excellent
> To have a giant's strength; but it is
> tyrannous
> To use it like a giant.[5]

The strategy outlined here for U.S. national security differs from the strategic habits of the past half-century. It puts new emphasis on the economic and other non-military components of national security; it focuses on opportunities as much as on threats; and it reminds us of the domestic foundations of U.S. international strength. It attempts to clarify U.S. strategy and purposes, and to match them to a prudent sense of limits. It is

[5] Measure for Measure, Act II, Scene 2.

not clear to us that the U.S. government is now organized in such a way that it can execute this strategy, or any other strategic concept that departs significantly from past practices. The world is changing fast, and if the U.S. government does not change with it, it may find itself forced into one bewildered reaction after another. If the United States loses the capacity to respond to dynamic change, the day will come when we will regret it dearly.

In Phase III of its work, therefore, this Commission will examine current structures and processes to determine their relevance to the 21st century. We will apply the following criteria:

First, the U.S. government needs to be adept at anticipating national security challenges. This requires the best possible system of intelligence, from collection to analysis to dissemination to policy review.

Second, the U.S. government needs the ability to calculate the longer-term implications of intervention abroad. It is not enough to be selective; we must be wisely selective, which requires a better matching of the instruments of national power to the problems at hand.

Third, the U.S. government needs to integrate effectively all non-traditional elements of national security policy with traditional ones.

Fourth, the U.S. government needs the agility to adapt rapidly to changes in the global environment.

Fifth, the U.S. government needs new organizational mechanisms to manage the increased blurring of lines among military, police, and legal jurisdictions, and among new forms of warfare.

Sixth, the U.S. government needs effective means to assess critically its own performance, draw lessons from its experience, and adjust resources, as appropriate.

Seventh, the U.S. government needs coherence between domestic policies with core national security implications and national security policies directed outside U.S. borders.

Phase III of this Commission's work will offer recommendations for enhancing the U.S. government's ability to function effectively in a rapidly changing political and technological environment. As with any kind of travel, clarity with respect to destination and route will prove unavailing if one's vehicle is not up to the journey. It is to that vehicle—the structures and processes of the U.S. national security apparatus—that this Commission now turns its attention.

FINAL DRAFT REPORT
EMBARGOED UNTIL JAN. 31, 2001

Road Map for National Security: Imperative for Change

The Phase III Report of
the U.S. Commission on National Security/21st Century

The United States Commission on National Security/21st Century

January 31, 2001

DRAFT FINAL REPORT

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[1] Disclaimer: This Commission has striven successfully to achieve consensus on all major issues, and each Commissioner stands by all the major recommendations made in this report. However, as is to be expected when discussing complex issues, not every Commissioner agrees completely with every statement in the text that follows.

DRAFT FINAL REPORT

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Foreword

American power and influence have been decisive factors for democracy and security throughout the last half-century. However, after more than two years of serious effort, this Commission has concluded that without significant reforms, American power and influence cannot be sustained. To be of long-term benefit to us and to others, that power and influence must be disciplined by strategy, defined as the systematic determination of the proper relationship of ends to means in support of American principles, interests, and national purpose.

This Commission was established to redefine national security in this age and to do so in a more comprehensive fashion than any other similar effort since 1947. We have carried out our duties in an independent and totally bipartisan spirit. This report is a blueprint for reorganizing the U.S. national security structure in order to focus that structure's attention on the most important new and serious problems before the nation, and to produce organizational competence capable of addressing those problems creatively.

The key to our vision is the need for a culture of coordinated strategic planning to permeate all U.S. national security institutions. Our challenges are no longer defined for us by a single prominent threat. Without creative strategic planning in this new environment, we will default in time of crisis to a reactive posture. Such a posture is inadequate to the challenges and opportunities before us.

We have concluded that, despite the end of the Cold War threat, America faces distinctly new dangers, particularly to the homeland and to our scientific and educational base. These dangers must be addressed forthwith.

We call upon the new President, the new administration, the new Congress, and the country at large to consider and debate our recommendations in the pragmatic spirit that has characterized America and its people in each new age.

Gary Hart
Co-Chair

Warren B. Rudman
Co-Chair

Preface

The U.S. Commission on National Security/21st Century was born more than two years ago out of a conviction that the entire range of U.S. national security policies and processes required reexamination in light of new circumstances. Those circumstances encompass not only the changed geopolitical reality after the Cold War, but also the significant technological, social, and intellectual changes that are occurring.

Prominent among such changes is the information revolution and the accelerating discontinuities in a range of scientific and technological areas. Another is the increased integration of global finance and commerce, commonly called "globalization." Yet another is the ascendance of democratic governance and free-market economics to unprecedented levels, and another still the increasing importance of both multinational and non-governmental actors in global affairs. The routines of professional life, too, in business, university, and other domains in advanced countries have been affected by the combination of new technologies and new management techniques. The internal cultures of organizations have been changing, usually in ways that make them more efficient and effective.

The creators of this Commission believed that unless the U.S. government adapts itself to these changes—and to dramatic changes still to come—it will fall out of step with the world of the 21st century. Nowhere will the risks of doing so be more manifest than in the realm of national security.

Mindful of the likely scale of change ahead, this Commission's sponsors urged it to be bold and comprehensive in its undertaking. That meant thinking out a quarter century, not just to the next election or to the next federal budget cycle. That meant searching out how government *should* work, undeterred by the institutional inertia that today determines how it *does* work. Not least, it meant conceiving national security not as narrowly defined, but as it ought to be defined—to include economics, technology, and education for a new age in which novel opportunities and challenges coexist uncertainly with familiar ones.

The fourteen Commissioners involved in this undertaking, one that engaged their energies for over two years, have worked hard and they have worked well.[2] Best of all, despite diverse experiences and views, they have transcended partisanship to work together in recognition of the seriousness of the task: nothing less than to assure the well-being of this Republic a quarter century hence.

This Commission has conducted its work in three phases. Phase I was dedicated to understanding how the world will likely evolve over the next 25 years. From that basis in prospective reality, Phase II devised a U.S. national security strategy to deal with that world. Phase III aims to reform government structures and processes to enable the U.S. government to implement that strategy, or, indeed, any strategy that would depart from the embedded routines of the last half-century.

Phase I concluded in September 1999 with the publication of *New World Coming: American Security in the 21st Century*.[3] Phase II produced the April 2000 publication, *Seeking a*

[2] See Appendix 3 for Commissioner biographies and a staff listing.
[3] Publication consisted of two documents: *Major Themes and Implications* and *Supporting Research and Analysis*.

National Strategy: A Concert for Preserving Security and Promoting Freedom. Phase III, presented in these pages, is entitled *Road Map for National Security: Imperative for Change*. This report summarizes enough of the Commission's Phase I and Phase II work to establish an intellectual basis for understanding this Phase III report, but it does not repeat the texts of prior phases in detail. For those seeking fuller background to this report, the Commission's earlier works should be consulted directly.[4]

In *Road Map for National Security,* the Commission has endeavored to complete the logic of its three phases of work, moving from analysis to strategy to the redesign of the structures and processes of the U.S. national security system. For example, in Phase I the Commission stressed that mass-casualty terrorism directed against the U.S. homeland was of serious and growing concern. It therefore proposed in Phase II a strategy that prioritizes deterring, defending against, and responding effectively to such dangers. Thus, in Phase III, it recommends a new National Homeland Security Agency to consolidate and refine the missions of the nearly two dozen disparate departments and agencies that have a role in U.S. homeland security today.

That said, not every Phase I finding and not every Phase II proposal has generated a major Phase III recommendation. Not every aspect of U.S. national security organization needs an overhaul. Moreover, some challenges are best met, and some opportunities are best achieved, by crafting better policies, not by devising new organizational structures or processes. Where appropriate, this report notes those occasions and is not reluctant to suggest new policy directions.

Many of the recommendations made herein require legislation to come into being. Many others, however, require only Presidential order or departmental directive. These latter recommendations are not necessarily of lesser importance and can be implemented quickly.

The Commission anticipates that some of its recommendations will win wide support. Other recommendations may generate controversy and even opposition, as is to be expected when dealing with such serious and complex issues. We trust that the ensuing debate will ultimately yield the very best use of this Commission's work for the benefit of the American people.

Organizational reform is not a panacea. There is no perfect organizational design, no flawless managerial fix. The reason is that organizations are made up of people, and people invariably devise informal means of dealing with one another in accord with the accidents of personality and temperament. Even excellent organizational structure cannot make impetuous or mistaken leaders patient or wise, but poor organizational design can make good leaders less effective.

Sound organization *is* important. It can ensure that problems reach their proper level of decision quickly and efficiently and can balance the conflicting imperatives inherent in any national security decision-system—between senior involvement and expert input, between speed and the need to consider a variety of views, between tactical flexibility and strategic consistency. President Eisenhower summarized it best: "Organization cannot make a genius out of a dunce. But it can provide its head with the facts he needs, and help him avoid misinformed mistakes."

Most important, good organization helps assure accountability. At every level of organization, elected officials—and particularly the President as Commander-in-Chief—must be

[4] All of this Commission's reports may be found on its web page at www.nssg.gov.

able to ascertain quickly and surely who is in charge. But in a government that has expanded through serial incremental adjustment rather than according to an overall plan, finding those responsible to make things go right, or those responsible when things go wrong, can be a very formidable task. This, we may be sure, is not what the Founders had in mind.

This Commission has done its best to step up to the mandate of its Charter. It is now up to others to do their best to bring the benefits of this Commission's effort into the institutions of American government.

Charles G. Boyd, General, USAF (Ret.)
Executive Director

Executive Summary

After our examination of the new strategic environment of the next quarter century (Phase I) and of a strategy to address it (Phase II), this Commission concludes that ***significant changes must be made in the structures and processes of the U.S. national security apparatus***. Our institutional base is in decline and must be rebuilt. Otherwise, the United States risks losing its global influence and critical leadership role.

We offer recommendations for organizational change in five key areas:

- *ensuring* the security of the American homeland;
- *recapitalizing* America's strengths in science and education;
- *redesigning* key institutions of the Executive Branch;
- *overhauling* the U.S. government personnel system; and
- *reorganizing* Congress's role in national security affairs.

We have taken a broad view of national security. In the new era, sharp distinctions between "foreign" and "domestic" no longer apply. We do not equate national security with "defense." We do believe in the centrality of strategy, and of seizing opportunities as well as confronting dangers. If the structures and processes of the U.S. government stand still amid a world of change, the United States will lose its capacity to shape history, and will instead be shaped by it.

Securing the National Homeland

The combination of unconventional weapons proliferation with the persistence of international terrorism will end the relative invulnerability of the U.S. homeland to catastrophic attack. A direct attack against American citizens *on American soil* is likely over the next quarter century. The risk is not only death and destruction but also a demoralization that could undermine U.S. global leadership. In the face of this threat, our nation has no coherent or integrated governmental structures.

We therefore recommend the creation of a new independent National Homeland Security Agency (NHSA) with responsibility for planning, coordinating, and integrating various U.S. government activities involved in homeland security. NHSA would be built upon the Federal Emergency Management Agency, with the three organizations currently on the front line of border security—the Coast Guard, the Customs Service, and the Border Patrol—transferred to it. NHSA would not only protect American lives, but also assume responsibility for overseeing the protection of the nation's critical infrastructure, including information technology.

The NHSA Director would have Cabinet status and would be a statutory advisor to the National Security Council. The legal foundation for the National Homeland Security Agency would rest firmly within the array of Constitutional guarantees for civil liberties. The observance of these guarantees in the event of a national security emergency would be safeguarded by NHSA's interagency coordinating activities—which would include the Department of Justice—as well as by its conduct of advance exercises.

The potentially catastrophic nature of homeland attacks necessitates our being prepared to use the tremendous resources of the Department of Defense (DoD). Therefore, the department

needs to pay far more attention to this mission in the future. ***We recommend that a new office of Assistant Secretary for Homeland Security be created to oversee the various DoD activities and ensure that the necessary resources are made available.***

New priorities also need to be set for the U.S. armed forces in light of the threat to the homeland. ***We urge, in particular, that the National Guard be given homeland security as a primary mission, as the U.S. Constitution itself ordains.*** The National Guard should be reorganized, trained, and equipped to undertake that mission.

Finally, ***we recommend that Congress reorganize itself to accommodate this Executive Branch realignment, and that it also form a special select committee for homeland security to provide Congressional support and oversight in this critical area.***

Recapitalizing America's Strengths in Science and Education

Americans are living off the economic and security benefits of the last three generations' investment in science and education, but we are now consuming capital. Our systems of basic scientific research and education are in serious crisis, while other countries are redoubling their efforts. In the next quarter century, we will likely see ourselves surpassed, and in relative decline, unless we make a conscious national commitment to maintain our edge.

We also face unprecedented opportunity. The world is entering an era of dramatic progress in bioscience and materials science as well as information technology and scientific instrumentation. Brought together and accelerated by nanoscience, these rapidly developing research fields will transform our understanding of the world and our capacity to manipulate it. The United States can remain the world's technological leader *if it makes the commitment to do so*. But the U.S. government has seriously underfunded basic scientific research in recent years. The quality of the U.S. education system, too, has fallen well behind those of scores of other nations. This has occurred at a time when vastly more Americans will have to understand and work competently with science and math on a daily basis.

In this Commission's view, the inadequacies of our systems of research and education pose a greater threat to U.S. national security over the next quarter century than any potential conventional war that we might imagine. American national leadership must understand these deficiencies as threats to national security. If we do not invest heavily and wisely in rebuilding these two core strengths, America will be incapable of maintaining its global position long into the 21st century.

We therefore recommend doubling the federal research and development budget by 2010, and instituting a more competitive environment for the allotment of those funds.

We recommend further that the role of the President's Science Advisor be elevated to oversee these and other critical tasks, such as the resuscitation of the national laboratory system and the institution of better inventory stewardship over the nation's science and technology assets.

We also recommend a new National Security Science and Technology Education Act to fund a comprehensive program to produce the needed numbers of science and engineering professionals as well as qualified teachers in science and math. This Act should provide loan

forgiveness incentives to attract those who have graduated and scholarships for those still in school and should provide these incentives in exchange for a period of K-12 teaching in science and math, or of military or government service. Additional measures should provide resources to modernize laboratories in science education, and expand existing programs aimed at economically-depressed school districts.

Institutional Redesign

The dramatic changes in the world since the end of the Cold War of the last half-century have not been accompanied by any major institutional changes in the Executive Branch of the U.S. government. Serious deficiencies exist that only a significant organizational redesign can remedy. Most troublesome is the lack of an overarching strategic framework guiding U.S. national security policymaking and resource allocation. Clear goals and priorities are rarely set. Budgets are prepared and appropriated as they were during the Cold War.

The Department of State, in particular, is a crippled institution, starved for resources by Congress because of its inadequacies, and thereby weakened further. Only if the State Department's internal weaknesses are cured will it become an effective leader in the making and implementation of the nation's foreign policy. Only then can it credibly seek significant funding increases from Congress. The department suffers in particular from an ineffective organizational structure in which regional and functional policies do not serve integrated goals, and in which sound management, accountability, and leadership are lacking.

For this and other reasons, the power to determine national security policy has steadily migrated toward the National Security Council (NSC) staff. The staff now assumes policymaking roles that many observers have warned against. Yet the NSC staff's role as policy coordinator is more urgently needed than ever, given the imperative of integrating the many diverse strands of policymaking.

Meanwhile, the U.S. intelligence community is adjusting only slowly to the changed circumstances of the post-Cold War era. While the economic and political components of statecraft have assumed greater prominence, military imperatives still largely drive the analysis and collection of intelligence. Neither has America's overseas presence been properly adapted to the new economic, social, political, and security realities of the 21st century.

Finally, the Department of Defense needs to be overhauled. The growth in staff and staff activities has created mounting confusion and delay. The failure to outsource or privatize many defense support activities wastes huge sums of money. The programming and budgeting process is not guided by effective strategic planning. The weapons acquisition process is so hobbled by excessive laws, regulations, and oversight strictures that it can neither recognize nor seize opportunities for major innovation, and its procurement bureaucracy weakens a defense industry that is already in a state of financial crisis.

In light of such serious and interwoven deficiencies, the Commission's initial recommendation is that ***strategy should once again drive the design and implementation of U.S. national security policies***. That means that ***the President should personally guide a top-down strategic planning process and that process should be linked to the allocation of resources throughout the government.*** When submitting his budgets for the various

national security departments, the President should also present an overall national security budget, focused on the nation's most critical strategic goals. Homeland security, counter-terrorism, and science and technology should be included.

We recommend further that the President's National Security Advisor and NSC staff return to their traditional role of coordinating national security activities and resist the temptation to become policymakers or operators. The NSC Advisor should also keep a low public profile. *Legislative, press communications, and speech-writing functions* ***should reside in the White House staff, not separately in the NSC staff as they do today.*** The higher the profile of the National Security Advisor the greater will be the pressures from Congress to compel testimony and force Senate confirmation of the position.

To reflect how central economics has become in U.S. national security policy, ***we recommend that the Secretary of Treasury be named a statutory member of the National Security Council.*** Responsibility for international economic policy should return to the National Security Council. ***The President should abolish the National Economic Council, distributing its domestic economic policy responsibilities to the Domestic Policy Council.***

Critical to the future success of U.S. national security policies is a fundamental restructuring of the State Department. Reform must ensure that responsibility and accountability are clearly established, regional and functional activities are closely integrated, foreign assistance programs are centrally planned and implemented, and strategic planning is emphasized and linked to the allocation of resources.

We recommend that this be accomplished through the creation of five Under Secretaries with responsibility for overseeing the regions of Africa, Asia, Europe, Inter-America, and Near East/South Asia, and a redefinition of the responsibilities of the Under Secretary for Global Affairs. The restructuring we propose would position the State Department to play a leadership role in the making and implementation of U.S. foreign policy, as well as to harness the department's organizational culture to the benefit of the U.S. government as a whole. Perhaps most important, the Secretary of State would be free to focus on the most important policies and negotiations, having delegated responsibility for integrating regional and functional issues to the Under Secretaries.

Accountability would be matched with responsibility in senior policymakers, who in serving the Secretary would be able to speak for the State Department both within the interagency process and before Congress. No longer would competing regional and functional perspectives immobilize the department. At the same time, functional perspectives, whether they be human rights, arms control, or the environment, will not disappear. The Under Secretaries would be clearly accountable to the Secretary of State, the President, and the Congress for ensuring that the appropriate priority was given to these concerns. Someone would actually be in charge.

We further recommend that the activities of the U.S. Agency for International Development be fully integrated into this new State Department organization. Development aid is not an end in itself, nor can it be successful if pursued independently of other U.S. programs and diplomatic activities. Only a coordinated diplomatic and assistance effort will advance the nation's goals abroad, whether they be economic growth, democracy, or human rights.

The Secretary of State should give greater emphasis to strategic planning in the State Department and link it directly to the allocation of resources through the establishment of a

Strategic Planning, Assistance, and Budget Office. Rather than multiple Congressional appropriations, the State Department should also be funded in a single integrated Foreign Operations budget, which would include all foreign assistance programs and activities as well as the expenses for all related personnel and operations. Also, all U.S. Ambassadors, including the Permanent Representative to the United Nations, should report directly to the Secretary of State, and a major effort needs to be undertaken to "right-size" the U.S. overseas presence.

The Commission believes that the resulting improvements in the effectiveness and competency of the State Department and its overseas activities would provide the basis for the significant increase in resources necessary to carry out the nation's foreign policy in the 21st century.

As for the Department of Defense, resource issues are also very much at stake in reform efforts. The key to success will be direct, sustained involvement and commitment to defense reform on the part of the President, Secretary of Defense, and Congressional leadership. ***We urge first and foremost that the new Secretary of Defense reduce by ten to fifteen percent the staffs of the Office of the Secretary of Defense, the Joint Staff, the military services, and the regional commands.*** This would not only save money but also achieve the decision speed and encourage the decentralization necessary to succeed in the 21st century.

Just as critical, ***the Secretary of Defense should establish a ten-year goal of reducing infrastructure costs by 20-25 percent through steps to consolidate, restructure, outsource, and privatize as many DoD support agencies and activities as possible.*** Only through savings in infrastructure costs, which now take up nearly half of DoD's budget, will the department find the funds necessary for modernization and for combat personnel in the long-term.

The processes by which the Defense Department develops its programs and budgets as well as acquires its weapons also need fundamental reform. ***The most critical first step is for the Secretary of Defense to produce defense policy and planning guidance that defines specific goals and establishes relative priorities.***

Together with the Congress, the Secretary of Defense should ***move the Quadrennial Defense Review (QDR) to the second year of a Presidential term.*** The current requirement, that it be done in an administration's first year, spites the purpose of the activity. Such a deadline does not allow the time or the means for an incoming administration to influence the QDR outcome, and therefore for it to gain a stake in its conclusions.

We recommend a second change in the QDR, as well; namely that the Secretary of Defense introduce a new process that requires the Services and defense agencies to compete for the allocation of some resources within the overall Defense budget. This, we believe, would give the Secretary a vehicle to identify low priority programs and begin the process of reallocating funds to more promising areas during subsequent budget cycles.

As for acquisition reform, the Commission is deeply concerned with the downward spiral that has emerged in recent decades in relations between the Pentagon as customer and the defense industrial base as supplier of the nation's major weapons systems. Many innovative high-tech firms are simply unable or unwilling to work with the Defense Department under the weight of its auditing, contracting, profitability, investment, and inspection regulations. These regulations also impair the Defense Department's ability to function with the speed it needs to keep abreast of today's rapid pace of technological innovation. Weapons development cycles average nine *years*

in an environment where technology now changes every twelve to eighteen *months* in Silicon Valley—and the gap between private sector and defense industry innovation continues to widen.

In place of a specialized "defense industrial base," we believe that the nation needs a national industrial base for defense composed of a broad cross-section of commercial firms as well as the more traditional defense firms. "New economy" sectors must be attracted to work with the government on sound business and professional grounds; the more traditional defense suppliers, which fill important needs unavailable in the commercial sector, must be given incentives to innovate and operate efficiently. We therefore recommend these major steps:

- ***Establish and employ a two-track acquisition system, one for major acquisitions and a "fast track" for a modest number of potential breakthrough systems, especially those in the area of command and control.***

- ***Return to the pattern of increased prototyping and testing of selected weapons and support systems to foster innovation. We should use testing procedures to gain knowledge and not to demonstrate a program's ability to survive budgetary scrutiny.***

- ***Implement two-year defense budgeting solely for the modernization element (R&D/procurement)of the Defense budget and expand the use of multi-year procurement.***

- ***Modernize auditing and oversight requirements (by rewriting relevant sections of U.S. Code, Title 10, and the Federal Acquisition Regulations) with a goal of reducing the number of auditors and inspectors in the acquisition system to a level commensurate with the budget they oversee.***

Amidst the other process reforms for the Defense Department, the Commission recognizes the need to modernize current force planning methods. We conclude that the concept of two major, coincident wars is a remote possibility supported neither by the main thrust of national intelligence nor by this Commission's view of the likely future. It should be replaced by a planning process that accelerates the transformation of capabilities and forces better suited to, and thus likely to succeed in, the current security environment. ***The Secretary of Defense should direct the DoD to shift from the threat-based, force sizing process to one which measures requirements against recent operational activity trends, actual intelligence estimates of potential adversaries' capabilities, and national security objectives as defined in the new administration's national security strategy—once formulated.***

The Commission furthermore recommends that the Secretary of Defense revise the current categories of Major Force Programs (MFPs) used in the Defense Program Review to correspond to the five military capabilities the Commission prescribed in its Phase II report—strategic nuclear forces, homeland security forces, conventional forces, expeditionary forces, and humanitarian and constabulary forces.

Ultimately, the transformation process will blur the distinction between expeditionary and conventional forces, as both types of capabilities will eventually possess the technological superiority, deployability, survivability, and lethality now called for in the expeditionary forces. For the near term, however, those we call expeditionary capabilities require the most emphasis. Consequently, ***we recommend that the Defense Department devote its highest priority to improving and further developing its expeditionary capabilities.***

There is no more critical dimension of defense policy than to guarantee U.S. commercial and military access to outer space. The U.S. economy and military are vitally dependent on communications that rely on space. The clear imperative for the new era is a comprehensive national policy toward space and a coherent governmental machinery to carry it out. ***We therefore recommend the establishment of an Interagency Working Group on Space (IWGS).***

The members of this interagency working group would include not only the relevant parts of the intelligence community and the State and Defense Departments, but also the National Aeronautics and Space Administration (NASA), the National Oceanic and Atmospheric Administration (NOAA), the Department of Commerce, and other Executive Branch agencies as necessary.

Meanwhile, the global presence and responsibilities of the United States have brought new requirements for protecting U.S. space and communications infrastructures, but no comprehensive national space architecture has been developed. ***We recommend that such responsibility be given to the new interagency space working group and that the existing National Security Space Architect be transferred from the Defense Department to the NSC staff to take the lead in this effort.***

The Commission has concluded that the basic structure of the intelligence community does not require change. Our focus is on those steps that will enable the full implementation of recommendations found elsewhere within this report.

First in this regard, ***we recommend that the President order the setting of national intelligence priorities through National Security Council guidance to the Director of Central Intelligence.***

Second, ***the intelligence community should emphasize the recruitment of human intelligence sources on terrorism as one of the intelligence community's highest priorities, and ensure that existing operational guidelines support this policy.***

Third, ***the community should place new emphasis on collection and analysis of economic and science/technology security concerns, and incorporate more open source intelligence into its analytical products.*** To facilitate this effort, Congress should increase significantly the National Foreign Intelligence Program (NFIP) budget for collection and analysis.

The Human Requirements for National Security

As it enters the 21st century, the United States finds itself on the brink of an unprecedented crisis of competence in government. The declining orientation toward government service as a prestigious career is deeply troubling. Both civilian and military institutions face growing challenges, albeit of different forms and degrees, in recruiting and retaining America's most promising talent. This problem derives from multiple sources—ample private sector opportunities with good pay and fewer bureaucratic frustrations, rigid governmental personnel procedures, the absence of a single overarching threat like the Cold War to entice service, cynicism about the worthiness of government service, and perceptions of government as a plodding bureaucracy falling behind in a technological age of speed and accuracy.

These factors are adversely affecting recruitment and retention in the Civil and Foreign Services and particularly throughout the military, where deficiencies are both widening the gap between those who serve and the rest of American society and putting in jeopardy the leadership and professionalism necessary for an effective military. *If we allow the human resources of government to continue to decay, none of the reforms proposed by this or any other national security commission will produce their intended results.*

We recommend, first of all, a national campaign to reinvigorate and enhance the prestige of service to the nation. The key step in such a campaign must be to revive a positive attitude toward public service. This will require strong and consistent Presidential commitment, Congressional legislation, and innovative departmental actions throughout the federal government. It is the duty of all political leaders to repair the damage that has been done, in a high-profile and fully bipartisan manner.

From these changes in rhetoric, the campaign must undertake several actions. First, ***this Commission recommends the most urgent possible streamlining of the process by which we attract senior government officials.*** The ordeal that Presidential nominees are subjected to is now so great as to make it prohibitive for many individuals of talent and experience to accept public service. The confirmation process is characterized by vast amounts of paperwork and many delays. Conflict of interest and financial disclosure requirements have become a prohibitive obstacle to the recruitment of honest men and women to public service. Post-employment restrictions confront potential new recruits with the prospect of having to forsake not only income but work itself in the very fields in which they have demonstrated talent and found success. Meanwhile, a pervasive atmosphere of distrust and cynicism about government service is reinforced by the encrustation of complex rules based on the assumption that all officials, and especially those with experience in or contact with the private sector, are criminals waiting to be unmasked.

We therefore recommend the following:

- ***That the President act to shorten and make more efficient the Presidential appointee process*** by confirming the national security team first, standardizing paperwork requirements, and reducing the number of nominees subject to full FBI background checks.

- ***That the President reduce the number of Senate-confirmed and non-career SES positions by 25 percent to reduce the layering of senior positions in departments that has developed over time.***

- ***That the President and Congressional leaders instruct their top aides to report within 90 days of January 20, 2001 on specific steps to revise government ethics laws and regulations.*** This should entail a comprehensive review of regulations that might exceed statutory requirements and making blind trusts, discretionary waivers, and recusals more easily available as alternatives to complete divestiture of financial and business holdings of concern.

Beyond the appointments process, there are problems with government personnel systems specific to the Foreign Service, the Civil Service, and to the military services. But for all three, there is one step we urge: ***Expand the National Security Education Act of 1991 (NSEA) to***

include broad support for social sciences, humanities, and foreign languages in exchange for civilian government and military service.

This expanded Act is the complement to the National Security Science and Technology Education Act (NSSTEA) and would provide college scholarship and loan forgiveness benefits for government service. Recipients could fulfill this service in a variety of ways: in the active duty military; in National Guard or Reserve units; in national security departments of the Civil Service; or in the Foreign Service. The expanded NSEA thus would provide an important means of recruiting high-quality people into military and civilian government service.

An effective and motivated Foreign Service is critical to the success of the Commission's restructuring proposal for the State Department, yet 25 percent fewer people are now taking the entrance exam compared to the mid-1980s. Those who do enter complain of poor management and inadequate professional education. ***We therefore recommend that the Foreign Service system be improved by making leadership a core value of the State Department, revamping the examination process, and dramatically improving the level of on-going professional education.***

The Civil Service faces a range of problems from the aging of the federal workforce to institutional challenges in bringing new workers into government service to critical gaps in recruiting and retaining information technology professionals. To address these problems, ***the Commission recommends eliminating recruitment hurdles, making the hiring process faster and easier, and designing professional education and retention programs worthy of full funding by Congress. Retaining talented information technology workers, too, will require greater incentives and the outsourcing of some IT support functions.***

The national security component of the Civil Service calls for professionals with breadth of experience in the inter-agency process and with depth of knowledge about policy issues. To develop these, ***we recommend the establishment of a National Security Service Corps (NSSC)*** to broaden the experience base of senior departmental managers and develop leaders who seek integrative solutions to national security policy problems. Participating departments would include Defense, State, Treasury, Commerce, Justice, Energy, and the new National Homeland Security Agency—the departments essential to interagency policymaking on key national security issues. While participating departments would retain control over their personnel, an interagency advisory group would design and monitor the rotational assignments and professional education that will be key to the Corps' success.

With respect to military personnel, reform is needed in the recruitment, promotion, compensation and retirement systems. Otherwise, the military will continue to lose its most talented personnel, and the armed services will be left with a cadre unable to handle the technological and managerial tasks necessary for a world-class 21st century force.

Beyond the significant expansion of scholarships and debt relief programs recommended in both the modified National Security Education Act and the newly created National Security Science and Technology Education Act, we recommend ***substantial enhancements to the Montgomery GI Bill and strengthening recently passed and pending legislation that supports benefits—including transition, medical, and homeownership—for qualified veterans.*** The GI Bill should be restored as a pure entitlement, be transferable to dependents if desired by career service members, and should equal, at the very least, the median tuition cost of four-year U.S. colleges. The payments should be accelerated to coincide with school term periods and be indexed to keep pace with college cost increases. In addition, Title 38 authority for veterans benefits should be modified to restore and substantially improve medical, dental, and VA home

ownership benefits for all who qualify, but especially for career and retired service members. Taken as a package, such changes will help bring the best people into the armed service and persuade quality personnel to serve longer in order to secure greater rewards for their service.

While these enhancements are critical they will not, by themselves, resolve the quality recruitment and retention problems of the Services. ***We therefore recommend significant modifications to military personnel legislation governing officer and enlisted career management, retirement, and compensation***—giving Service Secretaries more authority and flexibility to adapt their personnel systems and career management to meet 21st century requirements. This should include flexible compensation and retirement plans, exemption from "up-or-out" mandates, and reform of personnel systems to facilitate fluid movement of personnel. If we do not decentralize and modernize the governing personnel legislation, no military reform or transformation is possible. We call for an Executive-Legislative working group to monitor, evaluate and share information about the testing and implementation of these recommendations. With bipartisan cooperation, our military will remain one of this nation's most treasured institutions and our safeguard in the changing world ahead.

The Role of Congress

While Congress has mandated many changes to a host of Executive departments and agencies over the years, it has not fundamentally reviewed its own role in national security policy. Moreover, it has not reformed its own structure since 1949. At present, for example, every major defense program must be voted upon no fewer than eighteen times each year by an array of committees and subcommittees. This represents a very poor use of time for busy members of the Executive and Legislative Branches.

To address these deficiencies, ***the Commission first recommends that the Congressional leadership conduct a thorough bicameral, bipartisan review of the Legislative Branch's relationship to national security and foreign policy***. The House Speaker, Majority, and Minority leaders and the Senate Majority and Minority leaders must work with the President and his top aides to bring proposed reforms to this Congress by the beginning of its second session.

From that basis, ***Congressional and Executive Branch leaders must build programs to encourage members to acquire knowledge and experience in national security***. These programs should include ongoing education, greater opportunities for serious overseas travel, more legislature-to-legislature exchanges, and greater participation in wargames.

Greater fluency in national security matters must be matched by structural reforms. ***A comprehensive review of the Congressional committee structure is needed*** to ensure that it reflects the complexity of 21st century security challenges and of U.S. national security priorities. Specifically ***we recommend merging appropriations subcommittees with their respective authorizing committees so that the new merged committees will authorize and appropriate within the same bill.*** This should decrease the bureaucracy of the budget process and allow more time to be devoted to the oversight of national security policy.

An effective Congressional role in national security also requires ongoing Executive-Legislative consultation and coordination. The Executive Branch must ensure a sustained effort in consultation and devote resources to it. For its part, Congress must make consultation a higher priority, in part by ***forming a permanent consultative group composed of the Congressional***

leadership and the Chairpersons and Ranking Members of the main committees involved in national security. This will form the basis for sustained dialogue and greater support in times of crisis.

The Commission notes, in conclusion, that some of its recommendations will save money, while others call for more expenditure. We have not tried to "balance the books" among our recommendations, nor have we held financial implications foremost in mind during our work. We consider any money that may be saved a second-order benefit. We consider the provision of additional resources to national security, where necessary, to be investments, not costs, in *first-order* national priorities.

Finally, ***we strongly urge the new President and the Congressional leadership to establish some mechanism to oversee the implementation of the recommendations proffered here.*** Once some mechanism is chosen, the President must ensure that responsibility for implementing the recommendations of this Commission be given explicitly to senior personnel in both the Executive and Legislative Branches of government. The press of daily obligations is such that unless such delegation is made, and those given responsibility for implementation are held accountable for their tasks, the necessary reforms will not occur. The stakes are high. We of this Commission believe that many thousands of American lives, U.S. leadership among the community of nations, and the fate of U.S. national security itself are at risk unless the President and the Congress join together to implement the recommendations set forth in this report.